



**Annual Comprehensive
Financial Report For Fiscal
Year Ended**

September 30, 2021

**CITY OF
WHITE SETTLEMENT
TEXAS**



CITY OF WHITE SETTLEMENT, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FOR THE FISCAL YEAR ENDED
SEPTEMBER 30, 2021**

Prepared by:

Finance Department

Krystal Crump, Finance Director

CITY OF WHITE SETTLEMENT, TEXAS
 ANNUAL COMPREHENSIVE FINANCIAL REPORT
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

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INTRODUCTORY SECTION



February 24, 2022

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

This is the “Annual Comprehensive Financial Report” of the City of White Settlement, Texas (the City) for the fiscal year ending on September 30, 2021. This report is submitted to you by the City Manager’s Office and the Finance Department. The Charter of the City of White Settlement requires an annual audit of all the City’s accounts, (Article IV, Section 14.C (5)) by an independent certified public accountant, selected and approved by the City Council. This reports purpose is to provide transparency to the financial practices, methods, state and the operation of the City. Additionally, this report provides assurance to the City Council, residents, current and future investors and any other parties who are interested in the City that the financial position of the City has been presented fairly and verified by the City’s independent auditors.

The City is responsible for all the data in this report. The accuracy, reliability, completeness and fairness of the presentations, including all disclosures, rests with the City. The City has established and maintains a system of internal accounting controls designed in part to provide a reasonable assurance that assets are safeguarded against loss, theft, or unauthorized use and that financial records can be relied upon to produce financial statements in accordance with generally accepted accounting principles (GAAP). The concept of reasonable assurance recognizes that the cost of maintaining the system of internal accounting controls should not exceed the benefits likely to be derived.

We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set for the financial position and results of operations of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the City’s financial affairs have been included. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The independent auditor’s report is located at the front of the financial section of this report. Pattillo, Brown & Hill, L.L.P., Certified Public Accountants, have issued an unmodified (“clean”) opinion on the City’s financial statements for the year ended September 30, 2021.

The annual comprehensive financial report is organized into three sections: Introductory, Financial, and Statistical. Included in the Financial section is the Management’s Discussion and Analysis (MD&A), which provides a narrative introduction, overview and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the 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 17,830. 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, water and wastewater services. Sanitation services are provided by the City but are privately contracted with Waste Connections, 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.

Accounting System and Budgetary Control

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. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, Council ordinances and policies. The budget is prepared and presented by fund (e.g., general fund), department (e.g., police) or function (e.g., public safety), and major cost category (e.g., personnel). All departments of the City are required to submit budget requests for appropriation to the Director of Finance in or before June each year. Estimates and requests are reviewed by the City Manager and evaluated within the total financial framework of the City. The City Manager makes final decisions regarding the budget recommendations that are submitted to the City Council and City Secretary by August 7th. The City Manager's proposed budget is reviewed by the City Council and followed by a final public review process, including a required public hearing prior to budget adoption. Local Government Code requires adoption of the City budget no later than the 30th of the last month of the fiscal year.

Budgetary reporting is provided at the department level within the individual fund. The legal level of budgetary control is at the fund level. Transfers of budget appropriations within funds may occur with the approval of the City Manager provided there is no increase in overall expenditures. Transfers of budget appropriations between funds, as well as any increase in total appropriations, require a formal budget amendment adopted by the City Council. Unless otherwise noted, all appropriations lapse at year-end and excess fund become available for re-appropriation in the subsequent year. By policy, all encumbrances related to operating funds end at the end of the fiscal year, unless re-appropriated in the budget adoption.

Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as required supplementary information. For governmental funds other than the general fund, with appropriated annual budgets, this comparison is presented in the major and non-major governmental fund sections of this report. Additional information regarding the annual budget is provided in the MD&A.

Economic Outlook and Financial Planning

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of White Settlement operates.

Local economy

The City of White Settlement is located in Tarrant County on the west of the Dallas/Fort Worth (DFW) Metroplex along the southern border of Interstate 30 and the western border of Interstate Loop 820 which makes the City easily accessible from all areas of the state adjacent to Lockheed-Martin and NAS Joint Reserve Base. The community is adjacent to major business and cultural centers in Fort Worth and Dallas, yet it remains uncongested with property available for development.

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 17,830 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 has 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.

The City continues to experience in an increase in population. Official Census reported population figures of 14,831 for 2000 and 16,116 for 2010. The 2021 population estimate was 17,830, representing an increase of 1,714 (10.6%) since the 2010 Census. The following table presents White Settlement’s official Census population since 1970, as well as the current year estimated population.

	Population	Increase (Decrease)	Percentage Change
1970 Census	13,449	1,936	16.8%
1980 Census	13,508	59	0.4%
1990 Census	15,472	1,964	14.5%
2000 Census	14,831	(641)	-4.1%
2010 Census	16,116	1,285	8.7%
2021 Estimate	17,830	1,714	10.6%

Since 1970, the total population increase has exceeded 4,381. This increasing population trend is anticipated to persist for several years, although at a much slower pace. Tarrant County has experienced similar growth during the last 40 years, increasing from 715,587 in 1970 to 1,809,034 in 2010, and an increase of more than 167%. According to North Central Texas Council of Governments’ population projections, the population of Tarrant County in 2021 is anticipated to be 2,091,320, an increase of 282,286 or 15.6% since the 2010 Census.

Another factor in measuring the local economy is its overall appraised value. Since 2000, the appraised value of property within White Settlement has more than tripled. Most of the increase has been split between residential and commercial. Overall appraised values provide a better indication of new development than do taxable values, since taxable values are derived after deducting the various allowable exemptions. The following table provides the total appraised values of the City of White Settlement since 2010.

Fiscal Year Ended 9/30	Total Appraised Values	Percentage Change
2010	750,675,859	-3.1%
2011	662,685,357	-11.7%
2012	715,514,932	8.0%
2013	876,294,442	22.5%
2014	716,303,672	-18.3%
2015	720,034,718	0.5%
2016	797,121,899	10.7%
2017	801,355,304	0.5%
2018	939,271,071	17.2%
2019	1,006,715,170	7.2%
2020	1,278,631,244	27.0%
2021	1,303,863,510	1.9%

As shown, the rates of change in the City's total appraised value have had some years of decline but have increase yearly since 2015, including a 1.9 percent increase in 2021 over prior year. The rates of increase in taxable values can impact the City's general fund operations significantly, since property tax revenues comprise 54% of the total revenues for the General Fund. City management continuously monitors local economic trends in order to maintain adequate fund balance reserve levels and to meet policy targets.

The value of new construction is included in both market and net taxable values. The net taxable value of new construction for 2020 (FY 2020-2021) was \$13,933,420, compared to \$41,409,735 for calendar year 2019 (FY 2019-2020).

The net assessed taxable value for calendar year 2020 (FY 2020-2021) decreased by .8% compared to an increase of 31.80% in calendar year 2019 (FY 2019-2020), and the related levies grew by 4.1% and 17.6% respectfully. The City has had steady growth in the property values over the past three years.

The biggest challenge for the City as a whole is the water park. In 2013-2014, a water park was constructed as a promising "Public Private Partnership" 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 decided to continue to operate the water park independently under the name "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 2021-2022 Budget, operational requirements are subsidized by the General Fund in the form of an expected transfer of \$582,061, while the debt service is budgeted in the Economic Development Corporation (EDC). Operationally, the City is evaluating whether the Water Park can be financially self-supporting or will it operate as a community service subsidized by the General Fund. Debt service payments will continue to be made by the EDC.

The world economy as well as our local economy has experienced new challenges with the introduction of the coronavirus and the subsequent economic supply chain issues. The City experienced a reduction in some revenues. Collections for fees were impacted due to the number of city facilities that were unable to open because of budgetary constraints and social distancing measures including senior center, recreation center, library (curbside service only open), and the water park. The senior center, recreation center, and library positions were re-instated in the 2021-2022 budget using American Rescue Plan Act funds.

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, 2021-2021 sales tax revenues are conservatively projected in the General Fund at \$2,220,000. As the oil industry stabilizes and recovers, sales tax revenues could add additional revenues.

2021 taxable property values increased \$92,963,973 (9.1%) to \$1,114,092,147 from prior year values at \$1,021,128,174. The average taxable value of a residential home in 2021 has increased to \$112,142 compared to the average home in 2020 at \$98,337. The City continues to take steps in developing areas to attract commercial customers and residents. For the 2021-2021 Budget, the City Council adopted the tax rate of \$0.741795 (which was above the no new revenue rate but equal to the voter approval rate), and a decrease of .59% compared to the prior year at \$0.746200 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$6.3M 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 2021-2022 Fiscal Year Budget are discussed below:

Public safety – The budget includes maintaining public safety service levels. The Crime Control District allocated a \$751,257 to the General Fund for police department personnel costs.

Infrastructure – In 2021-2022, the budget includes street, stormwater, water and wastewater improvements of \$13.1M.

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 2021-2022 (0.741795) is .59% lower 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.

Projects planned for 2021-2022 include street resurfacing and reconstruction, replacement of water and sewer lines, and stormwater projects.

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, 2021, 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

Bond Rating

The City updated its financial information with Standard & Poor's. In a letter dated 10/31/2016, Standard & Poor's Ratings Services ("Rating Services") notified the City: Based on our review, we have affirmed the underlying rating (SPUR) of AA- while affirming the stable outlook. (See standardandpoors.com for more information.)

Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Settlement for its annual comprehensive financial report for the fiscal year ended September 30, 2020. This was the thirty-fourth 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 Annual Comprehensive Financial Report 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 Annual Comprehensive Financial Report 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 thirty-second consecutive year for its annual budget for the fiscal year beginning October 1, 2019 and ending September 30, 2020. 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 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. Their hard work, productivity, dedicated and diligent service are a vital resource and asset to the City. 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
Finance Director

City of White Settlement, Texas

City Council And Principal Officials

September 30, 2021

Mayor
Ronald White

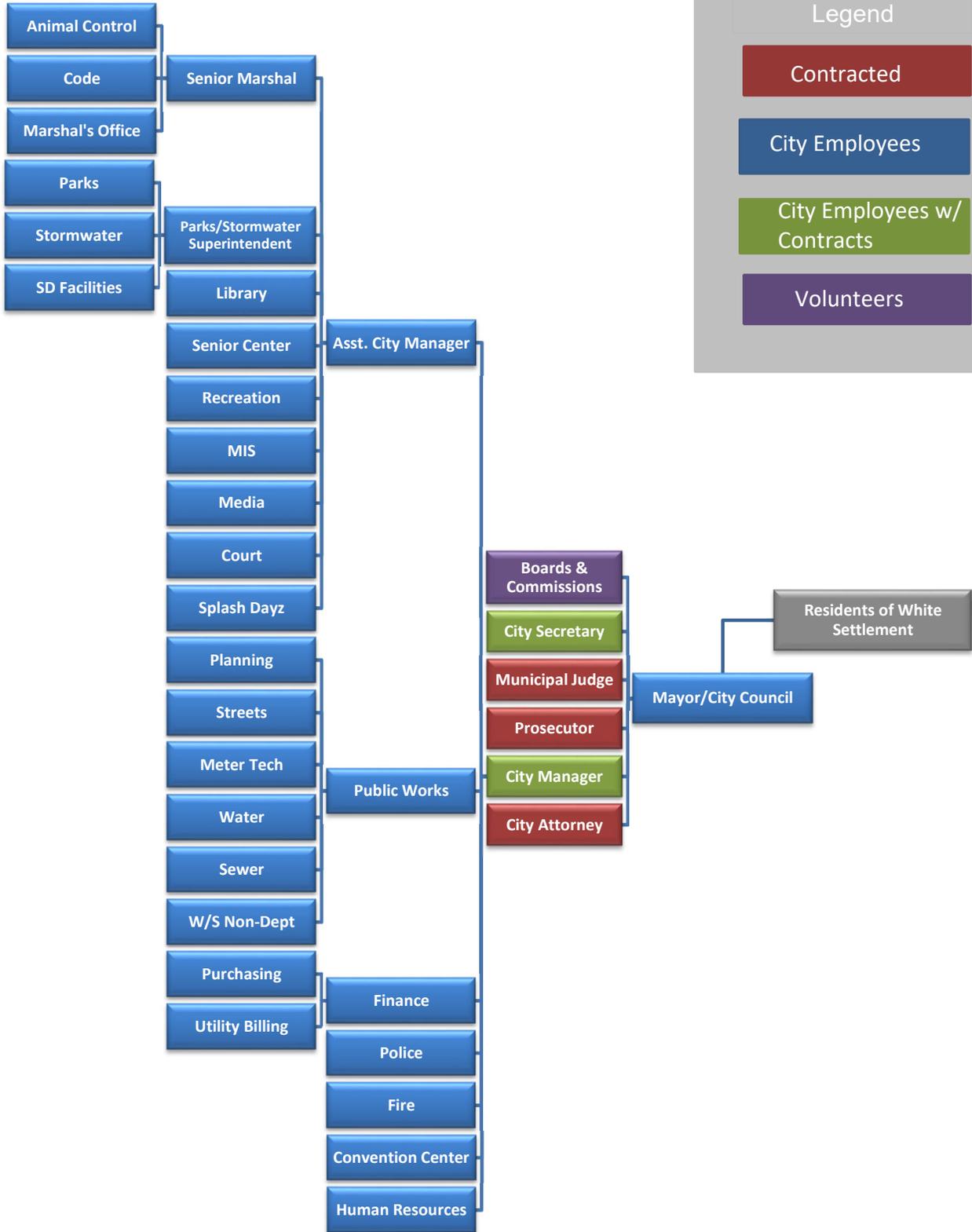
CITY COUNCIL

Paul Moore	Councilmember	Place	1
Evelyn Spurlock	Mayor Pro-Tem	Place	2
Amber Munoz	Councilmember	Place	3
Christina Grudzinski	Councilmember	Place	4
Gregg Geesa	Councilmember	Place	5

CITY STAFF

Jeffrey J. James	City Manager
Rich Tharp	Community Services Director
Krystal Crump	Finance Director
John Bevering	Police Chief
Brandon Logan	Fire Chief
Amy Arnold	City Secretary
Drew Larkin	City Attorney

CITY OF WHITE SETTLEMENT ORGANIZATIONAL CHART



Legend

- Contracted
- City Employees
- City Employees w/ Contracts
- Volunteers



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, 2020

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayor
and Members of City Council
City of White Settlement, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of White Settlement, Texas ("City"), as of and for the year ended September 30, 2021, 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 materials respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year ended in accordance with accounting principles generally accepted in the United States of America.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, and pension and OPEB information 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2022, on our consideration of the City's, 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'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.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 24, 2022,

**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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, 2021. 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 \$72,645,850 (*net position*) compared to \$67,749,391 for the prior year. Of this amount, \$29,028,491 (*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 \$4,896,459. The City's operations increased the governmental activities by \$2,840,942 and increased the business-type activities by \$2,055,517.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$24,993,468 compared to \$25,633,050 for the prior year. \$13,268,070 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 \$13,268,070, or 123% 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 immediately following this management's discussion and analysis.

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, Other Special Revenue Fund, and Capital Projects Fund, and Debt Service 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 page 17-22 of this report.

Proprietary funds. The City maintains two types of proprietary funds. 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. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for fleet management services provided to other departments on a cost-reimbursement basis.

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 pages 23-27 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 28-49 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 pages 50-56 of this report.

The combining and individual nonmajor governmental funds are presented immediately following the required supplementary information. These statements can be found on pages 57-60 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 \$72,645,850 as of September 30, 2021.

The largest portion of the City's net position (52%) 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 (9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$29,028,491 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.

	City of White Settlement's Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 28,152,115	\$ 28,850,739	\$ 26,589,748	\$ 19,604,748	\$ 54,741,863	\$ 48,455,487
Capital assets	<u>30,366,074</u>	<u>28,358,536</u>	<u>36,714,934</u>	<u>36,335,182</u>	<u>67,081,008</u>	<u>64,693,718</u>
Total assets	<u>58,518,189</u>	<u>57,209,275</u>	<u>63,304,682</u>	<u>55,939,930</u>	<u>121,822,871</u>	<u>113,149,205</u>
Deferred outflows of resources	<u>1,049,903</u>	<u>992,764</u>	<u>485,351</u>	<u>466,047</u>	<u>1,535,254</u>	<u>1,458,811</u>
Long-term liabilities	34,156,636	36,038,979	11,224,339	5,600,136	45,380,975	41,639,115
Other liabilities	<u>3,188,270</u>	<u>2,617,781</u>	<u>1,233,863</u>	<u>1,514,792</u>	<u>4,422,133</u>	<u>4,132,573</u>
Total liabilities	<u>37,344,906</u>	<u>38,656,760</u>	<u>12,458,202</u>	<u>7,114,928</u>	<u>49,803,108</u>	<u>45,771,688</u>
Deferred inflows of resources	<u>730,605</u>	<u>893,640</u>	<u>178,562</u>	<u>193,297</u>	<u>909,167</u>	<u>1,086,937</u>
Net position:						
Net investment in capital assets	4,507,546	4,539,917	32,920,642	32,102,128	37,428,188	36,642,045
Restricted	6,189,171	5,503,815	-	-	6,189,171	5,503,815
Unrestricted	<u>10,795,864</u>	<u>8,607,907</u>	<u>18,232,627</u>	<u>16,995,624</u>	<u>29,028,491</u>	<u>25,603,531</u>
Total net position	<u>\$ 21,492,581</u>	<u>\$ 18,651,639</u>	<u>\$ 51,153,269</u>	<u>\$ 49,097,752</u>	<u>\$ 72,645,850</u>	<u>\$ 67,749,391</u>

City of White Settlement's Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 843,059	\$ 780,553	\$ 11,069,488	\$ 10,417,089	\$ 11,912,547	\$ 11,197,642
Operating grants and contributions	63,177	101,837	-	-	63,177	101,837
Capital grants and contributions	693,271	274,729	258,561	781,990	951,832	1,056,719
General revenues:						
Property taxes	7,960,951	7,317,421	-	-	7,960,951	7,317,421
Sales taxes	5,258,716	4,438,911	-	-	5,258,716	4,438,911
Franchise taxes	1,122,178	1,311,146	-	-	1,122,178	1,311,146
Hotel occupancy taxes	339,259	278,943	-	-	339,259	278,943
Oil and gas revenues	36,571	13,006	-	-	36,571	13,006
Investment earnings	207,515	480,682	157,734	278,716	365,249	759,398
Gain (loss) on sale of capital assets	27,145	149,073	89,368	160,836	116,513	309,909
Other revenue	144,966	89,627	-	-	144,966	89,627
Total revenues	<u>16,696,808</u>	<u>15,235,928</u>	<u>11,575,151</u>	<u>11,638,631</u>	<u>28,271,959</u>	<u>26,874,559</u>
Expenses:						
General government	2,618,585	2,196,208	-	-	2,618,585	2,196,208
Public safety	6,949,654	7,266,214	-	-	6,949,654	7,266,214
Public works	1,455,448	1,764,120	-	-	1,455,448	1,764,120
Economic development	13,714	30,329	-	-	13,714	30,329
Culture and recreational	1,538,126	1,490,664	-	-	1,538,126	1,490,664
Interest and fiscal charges	1,144,536	1,187,542	-	-	1,144,536	1,187,542
Water and wastewater	-	-	6,372,869	6,335,598	6,372,869	6,335,598
Stormwater utility	-	-	556,595	679,338	556,595	679,338
Sanitation	-	-	756,424	756,998	756,424	756,998
Splash Dayz	-	-	1,969,549	1,239,820	1,969,549	1,239,820
Total expenses	<u>13,720,063</u>	<u>13,935,077</u>	<u>9,655,437</u>	<u>9,011,754</u>	<u>23,375,500</u>	<u>22,946,831</u>
Increase (decrease) in net position before transfers	2,976,745	1,300,851	1,919,714	2,626,877	4,896,459	3,927,728
Transfers	(135,803)	(14,447,709)	135,803	14,447,709	-	-
Increase (decrease) in net position	2,840,942	(13,146,858)	2,055,517	17,074,586	4,896,459	3,927,728
Extraordinary items	-	1,175,000	-	-	-	1,175,000
Net position, beginning	18,651,639	30,623,497	49,097,752	32,023,166	67,749,391	62,646,663
Net position, ending	<u>\$ 21,492,581</u>	<u>\$ 18,651,639</u>	<u>\$ 51,153,269</u>	<u>\$ 49,097,752</u>	<u>\$ 72,645,850</u>	<u>\$ 67,749,391</u>

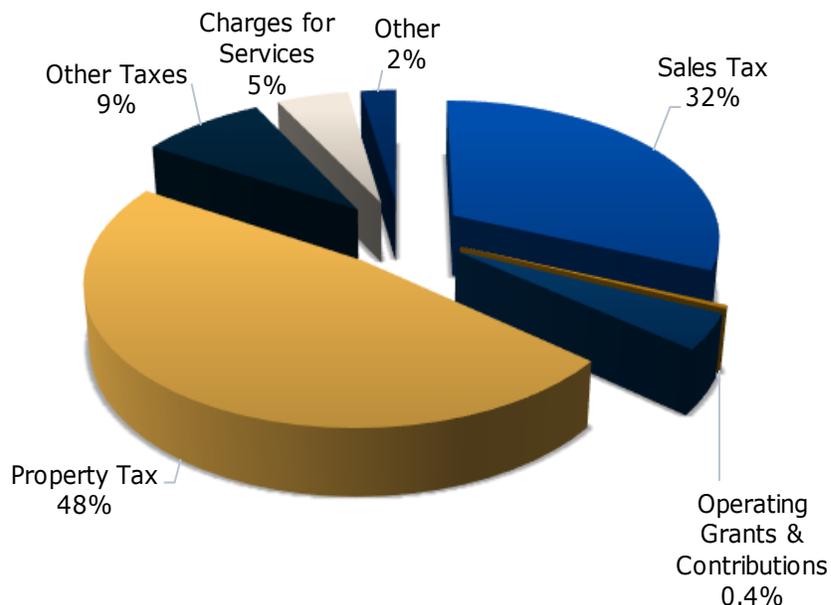
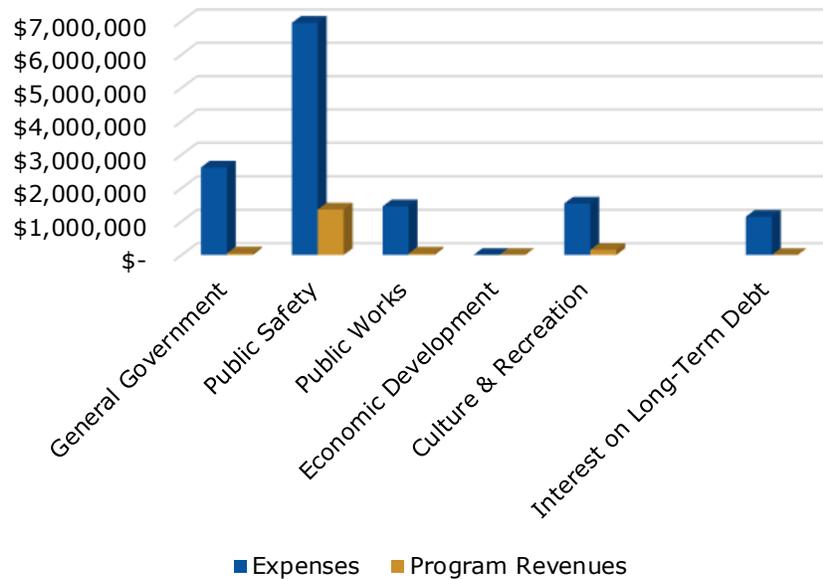
Governmental Activities. Governmental activities increased the City's net position by \$2,840,942 in the current year compared with a decrease of \$13,146,858 in the prior year.

Total governmental activities revenues increased \$1,460,880 (10%) to \$16,696,808. Key elements of this change are as follows:

- Charges for services increased \$62,506 primarily due to increases in park fees and court fines and fees.
- Capital grants and contributions increased \$418,542 due to more capital grants in the current year, mostly related to CARES Act funding.
- Property taxes increased \$643,530 due to an increase in new construction and an increase in appraised property values.
- Sales taxes increased \$819,805 as a result of a significant increase in retail sales as the economy rebounded in the later stages of the pandemic.

Total governmental activities expenses decreased \$215,014 (2%) to \$13,720,063. Key changes are as follows.

- General government expenses increased \$422,377 (19%) primarily due to fewer legal fees and a decrease in employee costs.
- Public safety expenses decreased \$316,560 (4%) primarily due to decreases in police personnel costs.
- Public works expenses decreased \$308,672 (17%) primarily due to a decrease in street projects as projects were being finalized.
- Economic development expenses decreased \$16,615 primarily due to less consulting services for Tax Increment Reinvestment Zone (TIRZ) implementation.
- Culture and recreation expenses increased \$47,462 (3%) primarily due to community service facilities being open more during the later stages of the pandemic which offset employee layoffs that continued from 2020.



Business-type activities. Business-type activities decreased the City’s net position by \$2,055,517 in the current year compared to a decrease in net position of \$17,074,586 in the prior year.

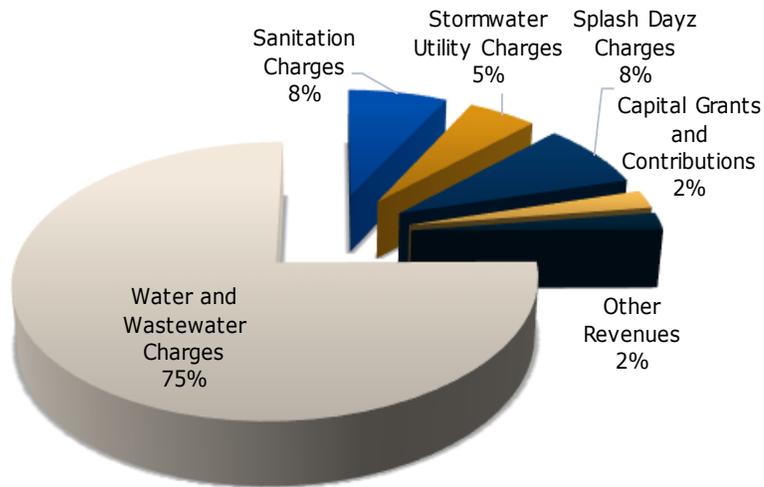
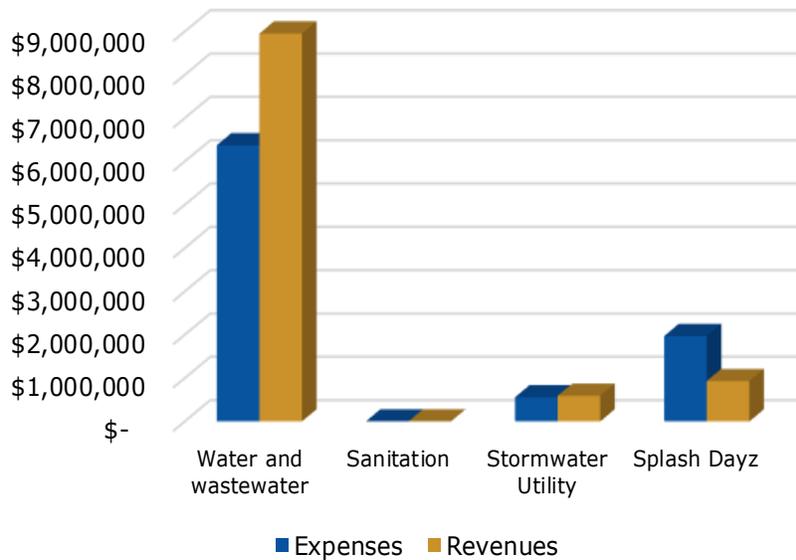
Total revenues increased \$63,480 (1%) to \$11,575,151. Key elements of these changes are as follows.

- Charges for services increased \$652,399 (6%) primarily due to increases in consumption and reinstatement of cutoffs and penalties.
- Capital grants and contributions decreased \$523,429 due to it being an off CDBG grant year and no community facility agreements.

Total expenses increased \$643,683 (7%) to \$9,655,437. Key elements of these changes are as follows.

- Water and wastewater expenses decreased \$165,796 primarily due to a reduction in wastewater being treated by the City of Fort Worth.
- Stormwater utility expense decreased \$122,743 primarily due to less capital projects than the prior year.
- Splash Dayz expenses increased \$729,729 primarily due to the water park opening in 2021 and being closed in 2020 due to the COVID-19 pandemic.

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 \$24,993,468. \$13,268,070 (53%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is non-spendable, 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 \$13,268,070. 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 123% of the total General Fund expenditures. Fund balance of the General Fund increased \$2,041,270. Key factors in this increase are as follows:

- Revenues increased \$839,737. Property taxes increased \$502,541 due to an increase in appraisal values. Sales tax increased \$415,658 due to increases in sales as the economy rebounded after the 2020 pandemic year.
- Total expenditures decreased \$56,110. General government expenditures increased \$128,022 due to a land purchase. Public safety expenditures decreased \$485,942 primarily due to a decrease in police department personnel costs. Culture and recreation expenditures decreased \$318,784 due to staff reductions and part-time hours of opening after the 2020 pandemic.

The Other Special Revenue fund balance increased in by \$27,446 due to grant funding from the CARES Act.

The Capital Projects fund balance decreased by \$3,577,761 due to projects completing construction during FY 21.

The Debt Service fund balance increased by \$37,169 due to property tax payments slightly exceeding debt service payments.

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 \$16,080,249, \$2,206,171 and (\$53,793) respectively. The total change in net position for the three funds was \$2,770,823, \$45 and \$715,261, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

General Fund Budgetary Highlights

The budget was amended twice during the year. Expenditures were increased \$512,338.

During the year, actual revenues were \$724,677 greater than budgeted due to conservative revenues used during budget due to pandemic. Actual expenditures were \$719,190 lower than budget due to staffing shortages, and less funds transferred to Splash Dayz than expected.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2021, amounts to \$67,081,008 (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:

- \$3,054,763 for street improvements
- \$452,101 for building improvements
- \$411,944 for machinery, equipment and vehicles

Business-type activities:

- \$1,736,996 for water and wastewater improvements
- \$583,478 for stormwater improvements

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 2,697,368	\$ 2,388,429	\$ 3,990,145	\$ 3,990,145	\$ 6,687,513	\$ 6,378,574
Construction in progress	1,276,367	1,248,903	1,218,499	4,084,496	2,494,866	5,333,399
Land improvements	3,317,366	3,641,443	2,097,778	2,235,413	5,415,144	5,876,856
Buildings and improvements	3,096,348	2,889,597	2,126,060	2,119,710	5,222,408	5,009,307
Machinery and equipment	2,840,279	3,113,945	3,043,198	3,561,696	5,883,477	6,675,641
Infrastructure	17,138,346	15,076,219	-	-	17,138,346	15,076,219
Water and sewer systems	-	-	21,547,922	18,108,110	21,547,922	18,108,110
Stormwater systems	-	-	2,691,332	2,235,612	2,691,332	2,235,612
Total	\$ 30,366,074	\$ 28,358,536	\$ 36,714,934	\$ 36,335,182	\$ 67,081,008	\$ 64,693,718

Additional information on the City's capital assets can be found in the notes to the financial statements, pages 31, 37-38.

Long-Term Debt

At year-end the City had \$37,449,215 in debt outstanding, an increase of \$3,892,504 from the prior year. \$7,865,000 are General Obligation Bonds that are backed by the full faith and credit of the City, \$17,935,000 are Certificates of Obligation secured by surplus revenues of the Water and Wastewater Fund and ad valorem taxes, and \$9,825,000 are Sales Tax Revenue Bonds. Certificates of obligations were added in during the year.

City of White Settlement's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Sales Tax Revenue Bonds	\$ 9,825,000	\$ 10,350,000	\$ -	\$ -	\$ 9,825,000	\$ 10,350,000
General Obligation Bonds	4,400,000	5,050,000	3,465,000	4,040,000	7,865,000	9,090,000
Certificates of Obligation	11,950,000	12,225,000	5,985,000	-	17,935,000	12,225,000
Capital Leases	730,763	752,952	-	-	730,763	752,952
Premiums	749,765	834,330	343,687	304,429	1,093,452	1,138,759
Total	\$ 27,655,528	\$ 29,212,282	\$ 9,793,687	\$ 4,344,429	\$ 37,449,215	\$ 33,556,711

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

	Moody's Investor Service	Standard & Poor's
General Obligation Refunding Bonds, Series 2011	A1	AA-
Combination Tax and Revenue Certificates of Obligation, Series 2015		AA-
General Obligation Refunding Bonds, Series 2015		AA-
General Obligation Refunding Bonds, Series 2016		AA-
Combination Tax and Revenue Certificates of Obligation, Series 2018		AA-

More detailed information about the City's debt can be found in the notes to the financial statements, pages 40-43.

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

2020 taxable property values increased \$78,399,245 (7.67%) to \$1,099,527,419 from prior year values at \$1,021,128,174. The average taxable value of a residential home in 2021 has increased to \$112,142 compared to the average home in 2020 at \$98,337. The City continues to take steps in developing areas to attract commercial customers and residents. For the 2021-2022 Budget, the City Council adopted the tax rate of \$0.741795 (which was above the effective rate but equal to the rollback rate), and a decrease of .59% compared to the prior year at \$0.746200 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$6M budget.

Sales Tax

Historically, sales tax revenues have risen or decreased in response to oil and gas drilling. Therefore, 2021-2022 sales tax revenues are conservatively projected in the General Fund at \$2,220,000. As the oil industry stabilizes and recovers, sales tax could add additional sales tax revenues.

Budget

The 2021-2022 adopted budget has a 2 step raise for all sworn officers as well as a \$1,600 raise for staff. The City Secretary, Directors, and Assistant also received their 2% or 5% pay cut back. 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 2020-2021, the City issued an additional \$5.985M in debt to fund street projects associated with water and sewer line replacements. The City plans to issue additional debt after current projects are completed for more complete street projects.

Capital

Projects planned for 2021-2022 include street resurfacing and reconstruction, and replacement of water and sewer lines, stormwater projects and some fire equipment.

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 2021-2022 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 2021-2022 Budget, operational requirements continue to be subsidized by the General Fund in the form of a \$582k 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.

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**

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 15,213,090	\$ 18,741,486	\$ 33,954,576
Receivables (net of allowance for uncollectibles):			
Property taxes	185,145	-	185,145
Franchise taxes	48,178	-	48,178
Accounts	-	1,384,132	1,384,132
Hotel/motel taxes	46,561	-	46,561
Miscellaneous	161,975	-	161,975
Due from other governments	1,031,968	-	1,031,968
Prepaid items	18,509	-	18,509
Inventories	-	1,239	1,239
Restricted assets:			
Cash and investments	11,446,689	6,462,891	17,909,580
Capital assets:			
Nondepreciable	3,973,735	5,208,644	9,182,379
Depreciable, net of accumulated depreciation	26,392,339	31,506,290	57,898,629
Total capital assets	<u>30,366,074</u>	<u>36,714,934</u>	<u>67,081,008</u>
Total assets	<u>58,518,189</u>	<u>63,304,682</u>	<u>121,822,871</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	138,610	262,617	401,227
Deferred outflow related to pensions	824,209	201,437	1,025,646
Deferred outflow related to OPEB	87,084	21,297	108,381
Total deferred outflows of resources	<u>1,049,903</u>	<u>485,351</u>	<u>1,535,254</u>

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Accounts payable	\$ 625,025	\$ 410,478	\$ 1,035,503
Accrued liabilities	92,186	21,965	114,151
Customer deposits	3,120	-	3,120
Unearned revenue	2,211,613	-	2,211,613
Retainage payable	-	41,309	41,309
Payable from restricted assets:			
Interest payable	256,326	34,178	290,504
Customer deposits	-	725,933	725,933
Noncurrent liabilities:			
Due within one year:			
Long-term debt	1,913,737	481,251	2,394,988
Due in more than one year:			
Long-term debt	26,744,763	9,399,283	36,144,046
Net pension liability	5,102,316	1,247,005	6,349,321
Total OPEB liability	<u>395,820</u>	<u>96,800</u>	<u>492,620</u>
Total liabilities	<u>37,344,906</u>	<u>12,458,202</u>	<u>49,803,108</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflow related to pensions	708,105	173,060	881,165
Deferred inflow related to OPEB	<u>22,500</u>	<u>5,502</u>	<u>28,002</u>
Total deferred inflows of resources	<u>730,605</u>	<u>178,562</u>	<u>909,167</u>
NET POSITION			
Net investment in capital assets	4,507,546	32,920,642	37,428,188
Restricted for:			
Debt service	111,965	-	111,965
Police and court	1,322,230	-	1,322,230
Tourism, library and senior services	1,115,773	-	1,115,773
Economic development	3,639,203	-	3,639,203
Unrestricted	<u>10,795,864</u>	<u>18,232,627</u>	<u>29,028,491</u>
Total net position	<u>\$ 21,492,581</u>	<u>\$ 51,153,269</u>	<u>\$ 72,645,850</u>

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 2,618,585	\$ 46,965	\$ -	\$ -
Public safety	6,949,654	645,741	21,597	693,271
Public works	1,455,448	-	41,580	-
Planning and development	13,714	-	-	-
Cultural and recreation	1,538,126	150,353	-	-
Interest and fiscal charges	1,144,536	-	-	-
Total governmental activities	<u>13,720,063</u>	<u>843,059</u>	<u>63,177</u>	<u>693,271</u>
Business-type activities:				
Water and wastewater	6,372,869	8,692,760	-	258,561
Sanitation	756,424	855,761	-	-
Stormwater utility	556,595	590,466	-	-
Splash Dayz	1,969,549	930,501	-	-
Total business-type activities	<u>9,655,437</u>	<u>11,069,488</u>	<u>-</u>	<u>258,561</u>
Total primary government	<u>\$ 23,375,500</u>	<u>\$ 11,912,547</u>	<u>\$ 63,177</u>	<u>\$ 951,832</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 royalties
- Investment earnings
- Gain on sale of capital assets
- Other revenue

Transfers

Total general revenues and transfers

Change in net position

Net position, beginning

Net position, ending

Primary Government

Governmental Activities	Business-type Activities	Total
\$(2,571,620)	\$ -	\$(2,571,620)
(5,589,045)	-	(5,589,045)
(1,413,868)	-	(1,413,868)
(13,714)	-	(13,714)
(1,387,773)	-	(1,387,773)
(1,144,536)	-	(1,144,536)
(12,120,556)	-	(12,120,556)
-	2,578,452	2,578,452
-	99,337	99,337
-	33,871	33,871
-	(1,039,048)	(1,039,048)
-	1,672,612	1,672,612
(12,120,556)	1,672,612	(10,447,944)
6,518,290	-	6,518,290
1,442,661	-	1,442,661
5,258,716	-	5,258,716
1,122,178	-	1,122,178
339,259	-	339,259
36,571	-	36,571
207,515	157,734	365,249
27,145	89,368	116,513
144,966	-	144,966
(135,803)	135,803	-
14,961,498	382,905	15,344,403
2,840,942	2,055,517	4,896,459
18,651,639	49,097,752	67,749,391
\$ 21,492,581	\$ 51,153,269	\$ 72,645,850

CITY OF WHITE SETTLEMENT, TEXAS

BALANCE SHEET
GOVERNMENTAL FUNDS

SEPTEMBER 30, 2021

	<u>General</u>	<u>Other Special Revenue</u>	<u>Capital Projects Fund</u>
ASSETS			
Cash and investments	\$ 15,211,949	\$ 2,475,123	\$ 1,764,296
Receivables (net of allowance for uncollectibles):			
Property taxes	151,179	-	-
Franchise taxes	48,178	-	-
Hotel/motel taxes	-	-	-
Miscellaneous	144,575	-	-
Due from other governments	513,494	3,243	-
Prepaid items	18,509	-	-
Total assets	<u>16,087,884</u>	<u>2,478,366</u>	<u>1,764,296</u>
LIABILITIES			
Accounts payable	358,869	2,876	105,905
Accrued liabilities	91,955	-	-
Unearned revenue	-	2,211,613	-
Customer deposits	3,120	-	-
Total liabilities	<u>453,944</u>	<u>2,214,489</u>	<u>105,905</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable property tax revenue	145,322	-	-
Other unavailable revenue	46,274	-	-
Total deferred inflows of resources	<u>191,596</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable			
Prepays	18,509	-	-
Restricted			
Debt service	-	-	-
Construction	-	-	1,658,391
Police and court	-	210,670	-
Tourism, library and senior services	-	53,207	-
Economic development	-	-	-
Committed			
Street improvement	-	-	-
Assigned for subsequent year's budget	2,155,765	-	-
Unassigned	13,268,070	-	-
Total fund balances	<u>15,442,344</u>	<u>263,877</u>	<u>1,658,391</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ <u>16,087,884</u>	\$ <u>2,478,366</u>	\$ <u>1,764,296</u>

The accompanying notes are an integral part of these financial statements.

Debt Service Fund	Nonmajor Governmental	Total Governmental Funds
\$ 368,291	\$ 6,838,979	\$ 26,658,638
33,966	-	185,145
-	-	48,178
-	46,561	46,561
-	17,400	161,975
-	515,231	1,031,968
-	-	18,509
<u>402,257</u>	<u>7,418,171</u>	<u>28,150,974</u>
-	157,375	625,025
-	231	92,186
-	-	2,211,613
-	-	3,120
<u>-</u>	<u>157,606</u>	<u>2,931,944</u>
33,966	-	179,288
-	-	46,274
<u>33,966</u>	<u>-</u>	<u>225,562</u>
-	-	18,509
368,291	-	368,291
-	-	1,658,391
-	1,111,560	1,322,230
-	1,062,566	1,115,773
-	3,639,203	3,639,203
-	1,447,236	1,447,236
-	-	2,155,765
-	-	13,268,070
<u>368,291</u>	<u>7,260,565</u>	<u>24,993,468</u>
<u>\$ 402,257</u>	<u>\$ 7,418,171</u>	<u>\$ 28,150,974</u>

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CITY OF WHITE SETTLEMENT, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet \$ 24,993,468

Amounts reported for governmental activities in the Statement of Net Position are different because:

Internal service funds are used by the City's management for equipment maintenance and vehicle replacement. The assets and liabilities of certain internal service funds are included with governmental activities in the Statement of Net Position but are not included at the fund level. 9,654

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds. 29,626,797

Revenues in the statement of activities that do not provided current financial resources are not reported as revenues in the funds.

Property taxes 179,288
Court fines 35,271
Charges for services 11,003

Long-term liabilities, including bonds payable, notes payable, compensated absences, OPEB liabilities and net pension liability are not due and payable in the current period and therefore are not reported in the governmental funds balance sheet

Bonds payable (16,350,000)
Tax notes (9,825,000)
Deferred charge on refunding 138,610
Issuance premium (749,765)
Compensated absences (1,002,971)
Net pension liability (5,102,316)
Deferred inflows of resources - pension related (708,105)
Deferred outflows of resources - pension related 824,209
Total OPEB liability (395,820)
Deferred inflows of resources - OPEB related (22,500)
Deferred outflows of resources - OPEB related 87,084

Interest payable on long-term debt in the City's governmental activities is not payable from current resources and therefore is not reported in the governmental funds balance sheet. (256,326)

Net position of governmental activities - statement of net position \$ 21,492,581

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>General</u>	<u>Other Special Revenue</u>	<u>Capital Projects Fund</u>
REVENUES			
Taxes:			
Property	\$ 6,404,351	\$ -	\$ -
Sales and use	2,661,159	-	-
Franchise	870,621	-	-
Hotel occupancy	-	-	-
Fines and forfeitures	278,600	-	-
Licenses and permits	344,706	-	-
Intergovernmental	41,580	785,293	-
Charges for services	216,909	-	-
Investment earnings	121,663	4,150	26,995
Other	77,604	20,698	-
Total revenues	<u>11,017,193</u>	<u>810,141</u>	<u>26,995</u>
EXPENDITURES			
Current:			
General government	2,156,133	58,163	-
Public safety	6,320,729	274,244	-
Public works	596,284	3,877	-
Planning & development	-	92	-
Cultural and recreation	1,058,417	18,384	-
Capital outlay	658,667	387,771	2,908,991
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>10,790,230</u>	<u>742,531</u>	<u>2,908,991</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>226,963</u>	<u>67,610</u>	<u>(2,881,996)</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from insurance	24,413	-	-
Proceeds from sale of capital assets	15,990	-	-
Transfers in	1,581,159	-	139,852
Transfers out	<u>(107,255)</u>	<u>(40,164)</u>	<u>(835,617)</u>
Total other financing sources and uses	<u>1,514,307</u>	<u>(40,164)</u>	<u>(695,765)</u>
EXTRAORDINARY ITEM			
Litigation settlement	<u>300,000</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	<u>2,041,270</u>	<u>27,446</u>	<u>(3,577,761)</u>
FUND BALANCES, BEGINNING	<u>13,401,074</u>	<u>236,431</u>	<u>5,236,152</u>
FUND BALANCES, ENDING	\$ <u>15,442,344</u>	\$ <u>263,877</u>	\$ <u>1,658,391</u>

The accompanying notes are an integral part of these financial statements.

Debt Service Fund	Nonmajor Governmental	Total Governmental Funds
\$ 1,417,444	\$ -	\$ 7,821,795
-	2,597,557	5,258,716
-	413,557	1,284,178
-	339,259	339,259
-	-	278,600
-	-	344,706
-	-	826,873
-	-	216,909
4,521	50,113	207,442
-	90	98,392
<u>1,421,965</u>	<u>3,400,576</u>	<u>16,676,870</u>
-	-	2,214,296
-	412,293	7,007,266
-	29,518	629,679
-	13,622	13,714
-	112,840	1,189,641
-	189,464	4,144,893
925,000	525,000	1,450,000
<u>676,838</u>	<u>505,880</u>	<u>1,182,718</u>
<u>1,601,838</u>	<u>1,788,617</u>	<u>17,832,207</u>
(179,873)	1,611,959	(1,155,337)
-	-	24,413
-	11,155	27,145
217,042	-	1,938,053
-	(1,090,820)	(2,073,856)
<u>217,042</u>	<u>(1,079,665)</u>	<u>(84,245)</u>
-	300,000	600,000
37,169	832,294	(639,582)
<u>331,122</u>	<u>6,428,271</u>	<u>25,633,050</u>
\$ <u>368,291</u>	\$ <u>7,260,565</u>	\$ <u>24,993,468</u>

CITY OF WHITE SETTLEMENT, TEXAS

RECONCILIATION OF STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE OF THE
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Net change in fund balances - total governmental funds:	\$ (639,582)
Amounts reported for governmental activities in the Statement of Activities are different	
Internal service funds are used by the City's management for equipment maintenance and vehicle replacement. The net revenue (expense) of certain internal service funds is reported with governmental activities.	(45,035)
Governmental funds report capital outlays as expenditures. However, in the governmental activities statement of activities, the cost and accumulated depreciation of those assets is allocated over their estimated useful lives as depreciation expense. Other transactions involving capital assets include disposals.	
Capital outlay	4,189,192
Depreciation expense	(2,055,055)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position.	(59,312)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	
Property taxes	139,156
Court fines	(7,142)
Franchise fees	(162,000)
Charges for services	(1,707)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also governmental funds report the premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	
Payment on bonds	925,000
Payments on tax notes	525,000
Amortization of deferred charge on refunding bonds	(18,901)
Amortization of premium on bond issuance	84,565
Some expenses reported in the governmental activities statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	
Compensated absences	35,022
Accrued interest	2,098
Net pension liability	552,770
Total OPEB liability	(23,127)
Extraordinary items in the governmental fund financial statements provided current financial resources in the current year and were reported as revenues in the statement of activities in the previous year.	(600,000)
Change in net position of governmental activities	\$ <u>2,840,942</u>

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water and Wastewater	Stormwater Utility	Splash Dayz	Total	Internal Service Fund
ASSETS					
Current assets					
Cash and cash equivalents	\$ 16,212,994	\$ 2,385,508	\$ 142,984	\$ 18,741,486	\$ 1,141
Receivables:					
Accounts, net of allowances for uncollectible accounts	1,319,019	60,863	4,250	1,384,132	-
Supplies inventory	-	-	1,239	1,239	-
Restricted assets:					
Cash and cash equivalents	<u>6,460,273</u>	<u>-</u>	<u>2,618</u>	<u>6,462,891</u>	<u>-</u>
Total current assets	<u>23,992,286</u>	<u>2,446,371</u>	<u>151,091</u>	<u>26,589,748</u>	<u>1,141</u>
Noncurrent assets					
Capital assets					
Land	164,144	3,826,001	-	3,990,145	-
Construction in progress	1,144,840	73,659	-	1,218,499	-
Buildings and improvements	278,475	-	2,343,376	2,621,851	-
Land improvements	90,607	-	3,241,029	3,331,636	-
Waterworks and wastewater system	34,718,120	-	-	34,718,120	-
Stormwater systems	-	5,127,940	-	5,127,940	-
Machinery and equipment	2,267,012	140,965	5,920,214	8,328,191	1,150,866
Less: accumulated depreciation	<u>(15,293,801)</u>	<u>(2,568,484)</u>	<u>(4,759,163)</u>	<u>(22,621,448)</u>	<u>(411,589)</u>
Total noncurrent assets	<u>23,369,397</u>	<u>6,600,081</u>	<u>6,745,456</u>	<u>36,714,934</u>	<u>739,277</u>
Total assets	<u>47,361,683</u>	<u>9,046,452</u>	<u>6,896,547</u>	<u>63,304,682</u>	<u>740,418</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	262,617	-	-	262,617	-
Deferred outflow related to pensions	147,078	29,333	25,026	201,437	-
Deferred outflow related to OPEBs	<u>15,553</u>	<u>2,644</u>	<u>3,100</u>	<u>21,297</u>	<u>-</u>
Total deferred outflows of resources	<u>425,248</u>	<u>31,977</u>	<u>28,126</u>	<u>485,351</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS

SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water and Wastewater	Stormwater Utility	Splash Dayz	Total	Internal Service Fund
LIABILITIES					
Current liabilities					
(payable from current assets):					
Accounts payable	\$ 367,356	\$ 16,618	\$ 26,504	\$ 410,478	\$ -
Accrued liabilities	16,243	3,614	2,108	21,965	-
Retainage payable	41,309	-	-	41,309	-
Current portion of long-term liabilities	469,555	8,550	3,146	481,251	179,260
Current liabilities					
(payable from restricted assets):					
Interest payable	34,178	-	-	34,178	-
Customer deposits payable	723,315	-	2,618	725,933	-
Total current liabilities	<u>1,651,956</u>	<u>28,782</u>	<u>34,376</u>	<u>1,715,114</u>	<u>179,260</u>
Noncurrent liabilities					
Bonds payable	9,338,865	-	-	9,338,865	-
Compensated absences	29,196	23,901	7,321	60,418	-
Capital leases	-	-	-	-	551,504
Net pension liability	910,492	181,590	154,923	1,247,005	-
Total OPEB liability	<u>70,691</u>	<u>12,020</u>	<u>14,089</u>	<u>96,800</u>	<u>-</u>
Total noncurrent liabilities	<u>10,349,244</u>	<u>217,511</u>	<u>176,333</u>	<u>10,743,088</u>	<u>551,504</u>
Total liabilities	<u>12,001,200</u>	<u>246,293</u>	<u>210,709</u>	<u>12,458,202</u>	<u>730,764</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflow related to pensions	126,359	25,201	21,500	173,060	-
Deferred inflow related to OPEB	4,018	683	801	5,502	-
Total deferred inflows of resources	<u>130,377</u>	<u>25,884</u>	<u>22,301</u>	<u>178,562</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	19,575,105	6,600,081	6,745,456	32,920,642	8,513
Unrestricted	<u>16,080,249</u>	<u>2,206,171</u>	<u>(53,793)</u>	<u>18,232,627</u>	<u>1,141</u>
Total net position	<u>\$ 35,655,354</u>	<u>\$ 8,806,252</u>	<u>\$ 6,691,663</u>	<u>\$ 51,153,269</u>	<u>\$ 9,654</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds				Governmental Activities
	Water and Wastewater	Stormwater Utility	Splash Dayz	Total	Internal Service Fund
OPERATING REVENUES					
Charges for sales and services	\$ 9,548,521	\$ 590,466	\$ 930,501	\$ 11,069,488	\$ 223,963
Total operating revenues	<u>9,548,521</u>	<u>590,466</u>	<u>930,501</u>	<u>11,069,488</u>	<u>223,963</u>
OPERATING EXPENSES					
Personnel services	1,497,785	271,546	573,292	2,342,623	-
Materials and supplies	598,512	18,118	219,558	836,188	-
Contractual services	3,937,956	181,523	462,258	4,581,737	16,692
Depreciation	892,547	85,408	714,441	1,692,396	222,799
Total operating expenses	<u>6,926,800</u>	<u>556,595</u>	<u>1,969,549</u>	<u>9,452,944</u>	<u>239,491</u>
OPERATING INCOME (LOSS)	<u>2,621,721</u>	<u>33,871</u>	<u>(1,039,048)</u>	<u>1,616,544</u>	<u>(15,528)</u>
NONOPERATING REVENUES (EXPENSES)					
Gain on disposal of capital assets	72,763	16,605	-	89,368	-
Bond issuance cost	(75,966)	-	-	(75,966)	-
Investment earnings	135,334	22,400	-	157,734	73
Interest expense	(126,527)	-	-	(126,527)	(29,580)
Total nonoperating revenues (expenses)	<u>5,604</u>	<u>39,005</u>	<u>-</u>	<u>44,609</u>	<u>(29,507)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>2,627,325</u>	<u>72,876</u>	<u>(1,039,048)</u>	<u>1,661,153</u>	<u>(45,035)</u>
Capital contributions	258,561	-	-	258,561	-
Transfers in	859,249	12,877	323,787	1,195,913	-
Transfers out	(974,312)	(85,798)	-	(1,060,110)	-
CHANGE IN NET POSITION	<u>2,770,823</u>	<u>(45)</u>	<u>(715,261)</u>	<u>2,055,517</u>	<u>(45,035)</u>
NET POSITION, BEGINNING	<u>32,884,531</u>	<u>8,806,297</u>	<u>7,406,924</u>	<u>49,097,752</u>	<u>54,689</u>
NET POSITION, ENDING	<u>\$ 35,655,354</u>	<u>\$ 8,806,252</u>	<u>\$ 6,691,663</u>	<u>\$ 51,153,269</u>	<u>\$ 9,654</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water and Wastewater	Stormwater Utility	Splash Dayz	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash received from customers	\$ 9,599,609	\$ 590,854	\$ 923,013	\$ 11,113,476	\$ 223,966
Cash paid to employees	(1,410,250)	(275,268)	(563,947)	(2,249,465)	-
Cash paid to suppliers and service providers	(4,681,358)	(202,870)	(663,086)	(5,547,314)	(16,692)
Net cash provided (used) by operating activities	<u>3,508,001</u>	<u>112,716</u>	<u>(304,020)</u>	<u>3,316,697</u>	<u>207,274</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds	859,249	12,877	323,787	1,195,913	-
Transfers to other funds	(974,312)	(85,798)	-	(1,060,110)	-
Net cash provided (used) by noncapital financing activities	<u>(115,063)</u>	<u>(72,921)</u>	<u>323,787</u>	<u>135,803</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from issuance of bonds	6,075,966	-	-	6,075,966	-
Capital contributions for debt service	258,561	-	-	258,561	-
Acquisition and construction of capital assets	(1,607,587)	(576,373)	(16,533)	(2,200,493)	(6,000)
Principal payment on long-term debt	(626,529)	-	-	(626,529)	(171,700)
Interest paid on long-term debt	(161,930)	(9,647)	(5,594)	(177,171)	(29,580)
Proceeds from disposal of capital assets	<u>72,763</u>	<u>-</u>	<u>-</u>	<u>72,763</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>4,011,244</u>	<u>(586,020)</u>	<u>(22,127)</u>	<u>3,403,097</u>	<u>(207,280)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest received	<u>135,334</u>	<u>22,400</u>	<u>-</u>	<u>157,734</u>	<u>73</u>
Net cash provided (used) by investing activities	<u>135,334</u>	<u>22,400</u>	<u>-</u>	<u>157,734</u>	<u>73</u>
NET INCREASE (DECREASE) IN CASH	<u>7,539,516</u>	<u>(523,825)</u>	<u>(2,360)</u>	<u>7,013,331</u>	<u>67</u>
CASH AND CASH EQUIVALENTS, BEGINNING	<u>15,133,751</u>	<u>2,909,333</u>	<u>147,962</u>	<u>18,191,046</u>	<u>1,074</u>
CASH AND CASH EQUIVALENTS, ENDING	<u>\$ 22,673,267</u>	<u>\$ 2,385,508</u>	<u>\$ 145,602</u>	<u>\$ 25,204,377</u>	<u>\$ 1,141</u>
RECONCILIATION OF TOTAL CASH AND CASH EQUIVALENTS					
Current assets - cash and equivalents	\$ 16,212,994	\$ 2,385,508	\$ 142,984	\$ 18,741,486	\$ 1,141
Restricted assets - cash and equivalents	<u>6,460,273</u>	<u>-</u>	<u>2,618</u>	<u>6,462,891</u>	<u>-</u>
Total cash and equivalents	<u>\$ 22,673,267</u>	<u>\$ 2,385,508</u>	<u>\$ 145,602</u>	<u>\$ 25,204,377</u>	<u>\$ 1,141</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Business-type Activities - Enterprise Funds				Governmental
	Water and Wastewater	Stormwater Utility	Splash Dayz	Total	Internal Service Fund
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$ 2,621,721	\$ 33,871	\$ (1,039,048)	\$ 1,616,544	\$ (15,528)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	892,547	85,408	714,441	1,692,396	222,799
(Increase) decrease in:					
Accounts receivable	28,709	388	(4,250)	24,847	3
Prepays	86	24	14	124	-
Supplies inventory	-	-	3,360	3,360	-
Increase (decrease) in:					
Accounts payable	(144,976)	(3,253)	15,356	(132,873)	-
Accrued liabilities	(28,020)	(6,047)	(5,845)	(39,912)	-
Customer deposits	22,379	-	(3,238)	19,141	-
Compensated absences	2,400	11,244	6,029	19,673	-
Net pension liability	97,462	(9,019)	5,517	93,960	-
Total OPEB liability	15,693	100	3,644	19,437	-
Net cash provided (used) by operating activities	<u>\$ 3,508,001</u>	<u>\$ 112,716</u>	<u>\$ (304,020)</u>	<u>\$ 3,316,697</u>	<u>\$ 207,274</u>

The accompanying notes are an integral part of these financial statements.

CITY OF WHITE SETTLEMENT, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2021

I. 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.

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.

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 **Other Special Revenue Fund** is used to account for the resources received for various purposes, including federal and state grants, senior center donations, and court technology and safety fees.

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

The **Debt Service Fund** is used to account for the accumulation of resources that are restricted, for the payment of principal and interest on long-term obligations of governmental funds.

The City reports the following major proprietary funds:

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

The **Stormwater Utility Fund** is used to account for the maintenance of the drainage system for the City.

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

Additionally, the City reports the following fund type:

An **Internal Service Fund** is used to account for fleet management services provided to other departments on a cost-reimbursement basis.

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 and internal service funds are charges to customers for sales and services. Operating expenses for the enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

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

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

Investments for the City are reported at fair value, except for the position in investment pools. Investment pools are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method.

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, 2021.

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 is accounted for using the consumption method.

5. Prepaid Items

Payments made for services that will benefit periods beyond September 30, 2021, are recorded as prepaid expenses/expenditures in both the government-wide and fund financial statements. Prepaid expenditures in the governmental funds are accounted for using the purchases method.

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.

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

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

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 convert sick leave to vacation leave in 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.

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.

Other Post-Employment Benefits

The City participates in the Texas Municipal Retirement System Supplemental Death Benefit Fund (TMRS SDBF), which is an optional single-employer defined benefit life insurance plan that is administered by TMRS. It provides death benefits to active and, if elected, retired employees of participating employers. Contribution rates are determined annually for each participating municipality as a percentage of that City’s covered payroll. The death benefit for retirees is considered an other post-employment benefit (OPEB). The OPEB program is an unfunded trust because the SDBF trust covers both actives and retirees and is not segregated. The Total OPEB Liability of the plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Total OPEB Liability, deferred inflows and outflows of resources, and OPEB expense. Benefit payments are recognized when due and payable in accordance with the benefit terms.

9. Fund Balance - Governmental Funds

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.

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.

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 \$13,268,070 was \$9,002,103 above the minimum fund balance requirement of \$4,265,967.

10. Net Position

Net position represents the difference between assets and liabilities. Net position net investment in capital assets consist 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.

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.

II. 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.

The City's investment pools each have a redemption notice period of one day and may redeem daily. The investment pools' authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium or national state of emergency that affects the pool's liquidity.

Custodial Credit Risk - Deposits

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

Insurance Corporation ("FDIC") Insurance. At September 30, 2021, 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, 2021, 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, 2021 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>	<u>Percentage of Total Investments</u>	<u>Carrying Value</u>
Investment in TexPool	AAAm	34 days	100%	\$ <u>1,681</u>
Total investments				\$ <u>1,681</u>

Cash and investments restricted in the enterprise funds are \$723,315 for customer deposits. Restricted cash and investments in the governmental funds amounted to \$11,399,286 for grants, capital projects, debt service, tourism, and economic development.

III. 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 2020 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, 2021, was \$0.7462 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 2020 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 inflows.

IV. 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	Other Special Revenue	Debt Service	Nonmajor Governmental	Water and Wastewater	Stormwater Utility	Splash Dayz
Receivables:							
Property taxes	\$ 319,841	\$ -	\$ 97,597	\$ -	\$ -	\$ -	\$ -
Franchise taxes	48,178	-	-	-	-	-	-
Hotel/motel taxes	-	-	-	46,560	-	-	-
Intergovernmental	513,494	3,243	-	515,232	-	-	-
Water and wastewater	-	-	-	-	999,573	-	-
Stormwater utility	-	-	-	-	-	40,958	-
Unbilled services	-	-	-	17,400	389,688	23,756	-
Miscellaneous	396,964	-	-	-	-	-	4,250
Gross receivables	1,278,477	3,243	97,597	579,192	1,389,261	64,714	4,250
Less: allowance for uncollectibles	(421,051)	-	(63,631)	-	(70,242)	(3,851)	-
Net total receivables	\$ <u>857,426</u>	\$ <u>3,243</u>	\$ <u>33,966</u>	\$ <u>579,192</u>	\$ <u>1,319,019</u>	\$ <u>60,863</u>	\$ <u>4,250</u>

V. 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 unavailable revenue reported in the governmental funds were as follows:

Property taxes receivable (General Fund)	\$	145,322
Mowing liens receivable (General Fund)		11,003
Court fees receivable (General Fund)		35,271
Property taxes receivable (Debt Service Fund)		<u>33,966</u>
Total	\$	<u><u>225,562</u></u>

VI. INTERFUND TRANSFERS

The composition of interfund transfers for the City’s individual major funds and nonmajor funds at September 30, 2021 is as follows:

<u>Transfer To</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
General	Nonmajor Governmental	\$ 890,820	Administrative costs
General	Water & Wastewater	604,541	Administrative costs
General	Stormwater	85,798	Administrative costs
Capital Projects	Water & Wastewater	139,852	Capital projects
Debt Service	Water & Wastewater	217,042	Administrative costs
Water & Wastewater	Other Special Revenue	23,632	Grant funds
Water & Wastewater	Capital Projects	835,617	Bond funds for capital project
Stormwater	Water and Wastewater	12,877	Grant funds
Splash Dayz	Other Special Revenue	16,532	Grant funds
Splash Dayz	General Fund	107,255	Subsidize operations
Splash Dayz	Nonmajor Governmental	<u>200,000</u>	Tourism
Total		\$ <u><u>3,133,966</u></u>	

VII. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2021 was as follows:

	Beginning Balance	Additions	Deletion	Adjustments/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,388,429	\$ 308,939	\$ -	\$ -	\$ 2,697,368
Construction in progress	<u>1,248,903</u>	<u>3,054,764</u>	<u>-</u>	<u>(3,027,300)</u>	<u>1,276,367</u>
Total assets not being depreciated	<u>3,637,332</u>	<u>3,363,703</u>	<u>-</u>	<u>(3,027,300)</u>	<u>3,973,735</u>
Capital assets, being depreciated:					
Land improvements	8,627,782	66,827	-	-	8,694,609
Building and improvements	7,605,435	452,101	(30,759)	(56,628)	7,970,149
Machinery and equipment	7,987,332	411,945	(1,678,651)	(21,772)	6,698,854
Infrastructure	<u>22,577,440</u>	<u>50,128</u>	<u>-</u>	<u>2,975,177</u>	<u>25,602,745</u>
Total capital assets being depreciated	<u>46,797,989</u>	<u>981,001</u>	<u>(1,709,410)</u>	<u>2,896,777</u>	<u>48,966,357</u>
Less accumulated depreciation:					
Land improvements	(4,986,339)	(390,904)	-	-	(5,377,243)
Building and improvements	(4,715,838)	(214,101)	30,759	25,379	(4,873,801)
Machinery and equipment	(4,873,387)	(686,348)	1,678,651	22,509	(3,858,575)
Infrastructure	<u>(7,501,221)</u>	<u>(986,500)</u>	<u>-</u>	<u>23,322</u>	<u>(8,464,399)</u>
Total accumulated depreciation	<u>(22,076,785)</u>	<u>(2,277,853)</u>	<u>1,709,410</u>	<u>71,210</u>	<u>(22,574,018)</u>
Total capital assets being depreciated, net	<u>24,721,204</u>	<u>(1,296,852)</u>	<u>-</u>	<u>2,967,987</u>	<u>26,392,339</u>
Governmental activities capital assets, net	<u>\$ 28,358,536</u>	<u>\$ 2,066,851</u>	<u>\$ -</u>	<u>\$ (59,313)</u>	<u>\$ 30,366,074</u>
	Beginning Balance	Additions	Deletions	Adjustments/ Transfers	Ending Balance
Business-type activities:					
Capital assets, not being depreciated:					
Land	\$ 3,990,145	\$ -	\$ -	\$ -	\$ 3,990,145
Construction in progress	<u>4,084,496</u>	<u>1,736,997</u>	<u>-</u>	<u>(4,602,994)</u>	<u>1,218,499</u>
Total assets not being depreciated	<u>8,074,641</u>	<u>1,736,997</u>	<u>-</u>	<u>(4,602,994)</u>	<u>5,208,644</u>
Capital assets, being depreciated:					
Land improvements	3,279,513	-	-	52,123	3,331,636
Building and improvements	2,490,600	52,852	-	78,399	2,621,851
Machinery and equipment	8,441,407	82,532	(195,748)	-	8,328,191
Water and wastewater system	30,509,112	138,983	-	4,070,025	34,718,120
Stormwater systems	<u>4,594,971</u>	<u>-</u>	<u>-</u>	<u>532,969</u>	<u>5,127,940</u>
Total capital assets being depreciated	<u>49,315,603</u>	<u>274,367</u>	<u>(195,748)</u>	<u>4,733,516</u>	<u>54,127,738</u>
Less accumulated depreciation:					
Land improvements	(1,044,100)	(167,171)	-	(22,587)	(1,233,858)
Building and improvements	(370,890)	(127,058)	-	2,157	(495,791)
Machinery and equipment	(4,879,711)	(655,760)	195,748	54,730	(5,284,993)
Water and wastewater system	(12,401,002)	(665,158)	-	(104,038)	(13,170,198)
Stormwater systems	<u>(2,359,359)</u>	<u>(77,249)</u>	<u>-</u>	<u>-</u>	<u>(2,436,608)</u>
Total accumulated depreciation	<u>(21,055,062)</u>	<u>(1,692,396)</u>	<u>195,748</u>	<u>(69,738)</u>	<u>(22,621,448)</u>
Total capital assets being depreciated, net	<u>28,260,541</u>	<u>(1,418,029)</u>	<u>-</u>	<u>4,663,778</u>	<u>31,506,290</u>
Business-type activities capital assets, net	<u>\$ 36,335,182</u>	<u>\$ 318,968</u>	<u>\$ -</u>	<u>\$ 60,784</u>	<u>\$ 36,714,934</u>

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

Governmental activities:		
General government		\$ 458,869
Public safety		491,035
Public works		888,521
Cultural and recreational		<u>439,428</u>
Total depreciation expense - governmental activities		\$ <u>2,277,853</u>
Business-type activities:		
Water and wastewater		\$ 892,547
Stormwater utility		85,408
Splash Dayz		<u>714,441</u>
Total depreciation expense - business-type activities		\$ <u>1,692,396</u>

VIII. 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. All of the City's General Obligation bonds and Contractual Obligation-Private Placement are direct obligations of the City, payable from a continuing ad valorem tax levied on all taxable property within the City, within the limits prescribed by law. The City's Certificates of Obligation issues are direct obligations of the City, payable from a combination of (i) an annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the City, and (ii) a limited pledge (not to exceed \$1,000) of the surplus net revenues of the City's Water and Wastewater System. General Obligation Bonds, Certificates of Obligation Bonds, and Certificates of Obligation-Private Placement outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
General government	06/01/15	02/15/35	2.0 - 5.0%	\$ 9,540,000	\$ 8,810,000
Governmental refunding	06/01/15	02/15/25	2.0 - 3.0%	2,980,000	1,360,000
General government	09/10/15	02/15/28	3.07%	710,000	415,000
Governmental refunding	12/13/16	02/15/29	2.0 - 4.0%	3,815,000	3,040,000
General government	10/01/18	02/15/38	2.0 - 5.0%	<u>2,995,000</u>	<u>2,725,000</u>
Total				\$ <u>20,040,000</u>	\$ <u>16,350,000</u>

The annual debt service requirements to maturity for General Obligation Bonds and Certificates of Obligation Bonds outstanding as of September 30, 2021, are as follows:

Fiscal Year	Governmental Activities					
	General Obligation			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 665,000	\$ 136,575	\$ 801,575	\$ 225,000	\$ 493,719	\$ 718,719
2023	680,000	118,100	798,100	245,000	484,619	729,619
2024	705,000	97,325	802,325	250,000	474,944	724,944
2025	725,000	75,875	800,875	260,000	464,944	724,944
2026	385,000	57,300	442,300	635,000	448,919	1,083,919
2027-2031	1,240,000	75,600	1,315,600	4,290,000	1,831,340	6,121,340
2032-2036	-	-	-	5,210,000	601,748	5,811,748
2037-2038	-	-	-	420,000	15,406	435,406
Total	\$ <u>4,400,000</u>	\$ <u>560,775</u>	\$ <u>4,960,775</u>	\$ <u>11,535,000</u>	\$ <u>4,815,639</u>	\$ <u>16,350,639</u>

The annual debt service requirements to maturity for Certificates of Obligation-Private Placement outstanding as of September 30, 2021, are as follows:

Fiscal Year	Private Placement Certificates of Obligation		
	Principal	Interest	Total
2022	\$ 55,000	\$ 11,896	\$ 66,896
2023	55,000	10,208	65,208
2024	55,000	8,520	63,520
2025	60,000	6,754	66,754
2026	60,000	4,912	64,912
2027-2029	<u>130,000</u>	<u>3,990</u>	<u>133,990</u>
Total	<u>\$ 415,000</u>	<u>\$ 46,280</u>	<u>\$ 461,280</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%	<u>\$ 12,600,000</u>	<u>\$ 9,825,000</u>

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

Fiscal Year	Economic Development Corporation		
	Principal	Interest	Total
2022	\$ 550,000	\$ 479,410	\$ 1,029,410
2023	580,000	451,047	1,031,047
2024	610,000	421,178	1,031,178
2025	640,000	389,803	1,029,803
2026	670,000	356,922	1,026,922
2027-2031	3,910,000	1,229,900	5,139,900
2032-2034	<u>2,865,000</u>	<u>220,756</u>	<u>3,085,756</u>
Total	<u>\$ 9,825,000</u>	<u>\$ 3,549,016</u>	<u>\$ 13,374,016</u>

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

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Enterprise refunding	12/13/16	02/15/29	2.0 - 4.0%	\$ 4,330,000	\$ 3,465,000
Enterprise bond	05/25/21	02/15/41	1.5 - 2.0%	<u>5,985,000</u>	<u>5,985,000</u>
Total				<u>\$ 10,315,000</u>	<u>\$ 9,450,000</u>

In the current fiscal year, the City issued Combination Tax & Surplus Revenue Certificates of Obligation Series 2021 in the amount of \$5,985,000. The bonds carry interest rates ranging from 1.50% to 2.0% and mature on February 15th, 2031. The proceeds will be used to fund construction of streets, water, and sewer projects.

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 \$257,274 and was reported as a capital contribution in the Water and Wastewater Fund.

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

Fiscal Year	Business-type Activities		
	Principal	Interest	Total
2022	\$ 455,000	\$ 246,544	\$ 701,544
2023	485,000	212,840	697,840
2024	500,000	198,965	698,965
2025	510,000	184,715	694,715
2026	535,000	167,815	702,815
2027-2031	2,520,000	557,688	3,077,688
2032-2036	2,120,000	324,723	2,444,723
2037-2041	<u>2,325,000</u>	<u>118,250</u>	<u>2,443,250</u>
Total	<u>\$ 9,450,000</u>	<u>\$ 2,011,540</u>	<u>\$ 11,461,540</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, 2021.

B. Capital Leases Payable

The City has acquired certain capital assets for governmental and business-type activities through the use of lease purchase agreements. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. The City's direct borrowings (capital leases) related to governmental and business-type activities are secured with equipment as collateral.

Capital leases payable is comprised of the following issue at September 30, 2021:

Governmental activities

\$706,626 Capital Lease for the purchase of thirty one vehicles. Eleven of the vehicles are strictly for Crime District purposes. Payments are made monthly at \$144,494 through 2025, interest at 5.21% - 6.21%	\$ 503,712
\$194,049 Capital Lease for the purchase of six vehicles. Payments are made monthly at \$36,986 through 2025, interest at 5.34%	<u>227,051</u>
Total	<u>\$ 730,763</u>

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities	Total
Assets:			
Machinery and Equipment	\$ 503,712	\$ 227,051	\$ 730,763
Less: accumulated depreciation	(153,637)	(35,154)	(188,791)
Total	<u>\$ 350,075</u>	<u>\$ 191,897</u>	<u>\$ 541,972</u>

The future minimum lease obligation and the net present value of these minimum lease payments as of September 30, 2021, were as follows:

Fiscal Year	Governmental Activities
2022	\$ 227,488
2023	227,488
2024	211,743
2025	86,489
2026	<u>102,710</u>
Total minimum lease payable	<u>855,918</u>
Less: amounts representing interest	<u>(125,155)</u>
Present value of minimum lease payments	<u>\$ 730,763</u>

C. Changes in Long-term Liabilities

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds and Certificates of Obligations:					
Certificates of obligation	\$ 11,755,000	\$ -	\$ 220,000	\$ 11,535,000	\$ 225,000
Certificates of obligation-private placement	470,000	-	55,000	415,000	55,000
General obligation bonds	5,050,000	-	650,000	4,400,000	665,000
Sales tax revenue bonds	10,350,000	-	525,000	9,825,000	550,000
Issuance premium	<u>834,330</u>	<u>-</u>	<u>84,565</u>	<u>749,765</u>	<u>-</u>
Total bonds payable	<u>28,459,330</u>	<u>-</u>	<u>1,534,565</u>	<u>26,924,765</u>	<u>1,495,000</u>
Capital leases	752,952	149,512	171,701	730,763	179,260
Compensated absences	<u>1,037,993</u>	<u>397,227</u>	<u>432,248</u>	<u>1,002,972</u>	<u>239,477</u>
Governmental activities long-term liabilities	<u>\$ 30,250,275</u>	<u>\$ 546,739</u>	<u>\$ 2,138,514</u>	<u>\$ 28,658,500</u>	<u>\$ 1,913,737</u>
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 4,040,000	\$ -	\$ 575,000	\$ 3,465,000	\$ 385,000
Certificates of obligation bonds	-	5,985,000	-	5,985,000	70,000
Issuance premium	<u>304,429</u>	<u>90,967</u>	<u>51,529</u>	<u>343,867</u>	<u>-</u>
Total bonds payable	<u>4,344,429</u>	<u>6,075,967</u>	<u>626,529</u>	<u>9,793,867</u>	<u>455,000</u>
Compensated absences	<u>94,354</u>	<u>38,135</u>	<u>45,822</u>	<u>86,667</u>	<u>26,251</u>
Business-type activities long-term liabilities	<u>\$ 4,438,783</u>	<u>\$ 6,114,102</u>	<u>\$ 672,351</u>	<u>\$ 9,880,534</u>	<u>\$ 481,251</u>

Compensated absences 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.

D. Defeased Debt

In prior years, the City has defeased tax notes and general obligation bonds by placing the proceeds of new bonds into irrevocable trust accounts to provide for all future debt service payments on the old bonds. Accordingly, those trust account assets and the liability for the defeased bonds are not included in the City's financial statements. As of year end, \$7,170,000 of defeased bonds remain outstanding.

IX. 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.

X. 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.

XI. EXTRAORDINARY ITEMS

In the current year, the City reported a litigation settlement in the amount of \$600,000 in the governmental funds. The amount was recognized in the prior year in the governmental activities statement of activities. However, due to the timing of the settlement payment, the amount was not available to provide current financial resources and not reported in the governmental funds in 2020. That amount has been recognized in the governmental fund financial statements in the current fiscal year.

XII. DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City participates as one of 895 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmr.com. All eligible employees of the City are required to participate in TMRS.

B. Benefits Provided

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

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

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

Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Retirement eligibility (age/service)	60/5, 0/20
Updated service credit	100% repeating, transfers
Annuity increase to retirees	70% of CPI

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries current receiving benefits	104
Inactive employees entitled to but not yet received benefits	151
Active employees	<u>120</u>
Total	<u><u>375</u></u>

C. Contributions

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

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.23% and 17.27% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$1,241,928, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Within the governmental activities, the General Fund generally liquidates the net pension liability. In the business-type activities, the net pension liability is liquidated by the Water and Wastewater, Stormwater Utility, and Splash Dayz funds.

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% 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 Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative 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 in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	<u>10.0%</u>	7.75%
Total	<u>100.0%</u>	

Discount Rate

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

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2019	\$ 36,105,115	\$ 29,557,374	\$ 6,547,741
Changes for the year:			
Service cost	1,163,727	-	1,163,727
Interest	2,417,372	-	2,417,372
Difference between expected and actual experience	117,691	-	117,691
Contributions - employer	-	1,183,370	(1,183,370)
Contributions - employee	-	486,145	(486,145)
Net investment income	-	2,242,778	(2,242,778)
Benefits payments, including refunds of employee contributions	(1,748,124)	(1,748,124)	-
Administrative expense	-	(14,518)	14,518
Other change	-	(565)	565
Net changes	<u>1,950,666</u>	<u>2,149,086</u>	<u>(198,420)</u>
Balance at 12/31/2020	<u>\$ 38,055,781</u>	<u>\$ 31,706,460</u>	<u>\$ 6,349,321</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 in in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in in Discount Rate (7.75%)
City's net pension liability	\$ 12,049,616	\$ 6,349,321	\$ 1,723,678

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, 2021, the City recognized pension expense of \$770,921, which is attributable to governmental and business-type activities in the amounts of \$619,512 and \$151,409, respectively.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 74,738	\$ 39,572
Changes in actuarial assumptions	28,654	-
Difference between projected and actual investment earnings	-	841,593
Contributions subsequent to the measurement date	<u>922,254</u>	<u>-</u>
Totals	<u>\$ 1,025,646</u>	<u>\$ 881,165</u>

\$922,254 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

For the Year Ended September 30,	
2022	\$(278,277)
2023	44,326
2024	(494,292)
2025	(49,530)

XIII. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

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

B. Benefits Provided

Payments from this fund are similar to group-term life insurance benefits and are paid to the designated beneficiaries upon the receipt of an approved application for payment. 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 post-employment benefit and is a fixed amount of \$7,500.

C. Employees covered by benefit terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to but not yet receiving benefits	28
Active employees	<u>120</u>
Total	<u><u>206</u></u>

D. Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation, which was 0.20% for the current year, of which 0.12% represented the retiree-only portion for each year, as a percentage of annual covered payroll. 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 prefund retiree term life insurance during employees' entire careers. The City's retiree-only portion of contributions to the SDBF for the years ended September 30, 2020 and 2021 were \$2,813 and \$7,149, respectively, representing contributions for both active and retiree coverage, which equaled the required contributions each year.

E. Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Within the governmental activities, the General Fund generally liquidates the total OPEB liability. In the business-type activities, the total OPEB liability is liquidated by the Water and Wastewater, Stormwater Utility, and Splash Dayz funds.

The SDBF program is treated as an unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups.

The Total OPEB Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Salary Increases	3.50% to 11.50% Including Inflation
Discount Rate	2.00% (Based on Fidelity Index's 20-Year Municipal GO AA Index)
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational bases with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis with scale UMP to account for future mortality improvements subject to the floor.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at 12/31/2019	\$ 402,318
Changes for the year:	
Service cost	17,338
Interest	11,264
Difference between expected and actual experience	(3,856)
Changes of assumptions and other inputs	68,329
Benefit payments**	(2,773)
Net changes	<u>90,302</u>
Balance at 12/31/2020	\$ <u><u>492,620</u></u>

*Membership counts for inactive employees currently receiving or entitled to but not yet receiving benefits will differ from GASB 68 as they include only those eligible for a SDBF benefit (i.e. excludes beneficiaries, non-vested terminations due a refund, etc).

**Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

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 2.00%, 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 (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	1% Decrease in Discount Rate (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB Liability	\$ 609,496	\$ 492,620	\$ 404,586

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$51,140, which is attributable to governmental and business-type activities in the amounts of \$41,091 and \$10,049, respectively. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources relate to OPEB for the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 1,996	\$ 17,847
Changes in actuarial assumptions	99,977	10,155
Contributions subsequent to the measurement date	<u>6,408</u>	<u>-</u>
Totals	<u>\$ 108,381</u>	<u>\$ 28,002</u>

\$6,408 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date are due to benefit payments the City paid with own assets and will be recognized as a reduction of the total OPEB liability for the year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Year Ended September 30,	
2022	\$ 22,538
2023	17,721
2024	20,800
2025	12,912

XIV. 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.

XV. 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 2021 for the purchase of treated water were \$1,275,370 and payments made for the treatment of wastewater by the City of Fort Worth were \$966,200.

XVI. TAX ABATEMENTS

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic improvement, stipulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and also include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code.

Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has one category of economic development:

General Economic Development – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2021, the City rebated \$105,108 in taxes.

XVII. SUBSEQUENT EVENTS

In November 2021, the City issued Combination Tax and Revenue Certificates of Obligation, Series 2021A in the amount of \$675,000. The obligations will be payable on February 15th and August 15th of each year and will fully mature February 15th, 2031. The interest rate for the obligations varies from 0.15% to 1.01%.

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**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET TO ACTUAL
GENERAL FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 6,183,062	\$ 6,183,062	\$ 6,404,351	\$ 221,289
Sales and use	2,003,400	2,003,400	2,661,159	657,759
Franchise	925,000	925,000	870,621	(54,379)
Fines and forfeitures	237,050	237,050	278,600	41,550
Licenses and permits	251,295	251,295	344,706	93,411
Intergovernmental	36,000	36,000	41,580	5,580
Charges for services	195,074	195,074	216,909	21,835
Investment earnings	130,150	130,150	121,663	(8,487)
Miscellaneous	31,485	331,485	77,604	(253,881)
Total revenues	<u>9,992,516</u>	<u>10,292,516</u>	<u>11,017,193</u>	<u>724,677</u>
EXPENDITURES				
Current:				
General government	2,244,902	2,251,159	2,156,133	95,026
Public safety	6,791,533	6,590,393	6,320,729	269,664
Public works	806,264	803,593	596,284	207,309
Cultural and recreation	1,144,383	1,184,956	1,058,417	126,539
Capital outlay	10,000	679,319	658,667	20,652
Total expenditures	<u>10,997,082</u>	<u>11,509,420</u>	<u>10,790,230</u>	<u>719,190</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(1,004,566)</u>	<u>(1,216,904)</u>	<u>226,963</u>	<u>1,443,867</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance	-	-	24,413	24,413
Proceeds from sale of capital assets	-	-	15,990	15,990
Transfers in	1,380,216	1,380,216	1,581,159	200,943
Transfers out	(376,371)	(223,861)	(107,255)	116,606
Total other financing sources and uses	<u>1,003,845</u>	<u>1,156,355</u>	<u>1,514,307</u>	<u>357,952</u>
EXTRAORDINARY ITEM				
Litigation settlement	-	-	300,000	300,000
NET CHANGE IN FUND BALANCE	<u>(721)</u>	<u>(60,549)</u>	<u>2,041,270</u>	<u>2,101,819</u>
FUND BALANCE, BEGINNING	<u>13,401,074</u>	<u>13,401,074</u>	<u>13,401,074</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 13,400,353</u>	<u>\$ 13,340,525</u>	<u>\$ 15,442,344</u>	<u>\$ 2,101,819</u>

The accompanying notes are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Measurement Date December 31,	2014	2015
A. Total pension liability		
Service cost	\$ 611,630	\$ 713,205
Interest (on the Total Pension Liability)	1,600,861	1,696,468
Changes of benefit terms	-	-
Difference between expected and actual experience	28,147	(196,008)
Change of assumptions	-	46,941
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)
Net change in total pension liability	<u>1,348,633</u>	<u>1,301,392</u>
Total pension liability - beginning	<u>23,009,625</u>	<u>24,358,258</u>
Total pension liability - ending (a)	<u>\$ 24,358,258</u>	<u>\$ 25,659,650</u>
B. Plan fiduciary net position		
Contributions - employer	\$ 643,713	\$ 661,737
Contributions - employee	315,411	306,360
Net investment income	1,163,983	31,821
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)
Administrative expenses	(12,153)	(19,382)
Other	(999)	(958)
Net change in plan fiduciary net position	<u>1,217,950</u>	<u>20,364</u>
Plan fiduciary net position - beginning	<u>20,347,179</u>	<u>21,565,129</u>
Plan fiduciary net position - ending (b)	<u>\$ 21,565,129</u>	<u>\$ 21,585,493</u>
C. Net pension liability - ending (a) - (b)	\$ 2,793,129	\$ 4,074,157
D. Plan fiduciary net position as a percentage of total pension liability	88.53%	84.12%
E. Covered payroll	\$ 5,973,238	\$ 6,127,191
F. Net position liability as a percentage of covered payroll	46.76%	66.49%

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

	2016	2017	2018	2019	2020
\$	729,404	\$ 1,037,542	\$ 1,073,237	\$ 1,148,791	\$ 1,163,727
	2,003,764	2,097,377	2,175,102	2,297,771	2,417,372
	4,294,719	-	-	-	-
(	182,401)	(666,350)	(45,291)	(127,511)	117,691
	-	-	-	92,329	-
(	1,267,348)	(1,368,649)	(1,301,191)	(1,545,830)	(1,748,124)
	5,578,138	1,099,920	1,901,857	1,865,550	1,950,666
	<u>25,659,650</u>	<u>31,237,788</u>	<u>32,337,708</u>	<u>34,239,565</u>	<u>36,105,115</u>
\$	<u>31,237,788</u>	\$ <u>32,337,708</u>	\$ <u>34,239,565</u>	\$ <u>36,105,115</u>	\$ <u>38,055,781</u>
\$	644,276	\$ 1,101,619	\$ 1,166,680	\$ 1,165,311	\$ 1,183,370
	306,215	431,282	456,697	481,818	486,145
	1,458,796	3,147,187	(778,874)	3,947,208	2,242,778
(	1,267,348)	(1,368,649)	(1,301,191)	(1,545,830)	(1,748,124)
(	16,475)	(16,312)	(15,055)	(22,303)	(14,518)
(	888)	(826)	(785)	(672)	(565)
	1,124,576	3,294,301	(472,528)	4,025,532	2,149,086
	<u>21,585,493</u>	<u>22,710,069</u>	<u>26,004,370</u>	<u>25,531,842</u>	<u>29,557,374</u>
\$	<u>22,710,069</u>	\$ <u>26,004,370</u>	\$ <u>25,531,842</u>	\$ <u>29,557,374</u>	\$ <u>31,706,460</u>
\$	8,527,719	\$ 6,333,338	\$ 8,707,723	\$ 6,547,741	\$ 6,349,321
	72.70%	80.42%	74.57%	81.86%	83.32%
\$	6,124,296	\$ 6,161,176	\$ 6,524,239	\$ 6,883,108	\$ 6,935,204
	139.24%	102.79%	133.47%	95.13%	91.55%

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Fiscal Year Ended September 30,	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarial determined contribution	\$ 591,914	\$ 651,832	\$ 655,291
Contributions in relation to the actuarially determined contribution	(591,914)	(651,832)	(655,291)
Contribution deficiency (excess)	-	-	-
Covered payroll	5,684,882	6,056,693	6,147,865
Contributions as a percentage of covered payroll	10.41%	10.76%	10.66%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date 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	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information: There were no benefit changes during the year.

Note: This schedule is required to have 10 years of information, but the information prior to 2014 is not available.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 992,694	\$ 1,139,912	\$ 1,158,645	\$ 1,212,318	\$ 1,241,928
(992,694)	(1,139,912)	(1,158,645)	(1,212,318)	(1,241,928)
-	-	-	-	-
6,163,126	6,375,860	6,741,294	7,032,495	7,195,544
16.11%	17.88%	17.19%	17.24%	17.26%

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

Measurement Date December 31,	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
A. Total OPEB liability				
Service Cost	\$ 11,090	\$ 13,701	\$ 13,078	\$ 17,338
Interest on the total OPEB liability	11,048	11,279	12,733	11,264
Difference between expected and actual experience	-	4,861	(24,483)	(3,856)
Changes of assumptions and other inputs	26,935	(24,731)	65,700	68,329
Benefit payments	<u>(1,848)</u>	<u>(1,957)</u>	<u>(2,753)</u>	<u>(2,773)</u>
Net change in Total OPEB liability	<u>47,225</u>	<u>3,153</u>	<u>64,275</u>	<u>90,302</u>
Total OPEB liability - beginning	<u>287,665</u>	<u>334,890</u>	<u>338,043</u>	<u>402,318</u>
Total OPEB liability - ending	\$ <u>334,890</u>	\$ <u>338,043</u>	\$ <u>402,318</u>	\$ <u>492,620</u>
B. Covered-employee payroll				
	\$ 6,161,176	\$ 6,524,239	\$ 6,883,108	\$ 6,935,204
C. Total OPEB liability as a percentage of covered-employee payroll				
	5.44%	5.18%	5.85%	7.10%

Notes to Schedule:

- This schedule is required to have 10 years of information, but the information prior to 2017 is not available.

- No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.

CITY OF WHITE SETTLEMENT, TEXAS

NOTES TO BUDGETARY SCHEDULE

SEPTEMBER 30, 2021

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 and Other Special Revenue Funds adopt project-length budgets; therefore, these budgets are not included in the City's Annual Comprehensive Financial Report. 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 2021, 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.

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**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

CITY OF WHITE SETTLEMENT, TEXAS

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
SEPTEMBER 30, 2021

	Special Revenue Funds		
	Occupancy Tax	Crime District	Economic Development Corporation
ASSETS			
Cash and investments	\$ 1,017,701	\$ 864,877	\$ 3,387,229
Receivables (net of allowances for uncollectibles):			
Accounts	-	-	-
Franchise taxes	-	-	-
Hotel/motel taxes	46,561	-	-
Due from other governments	-	253,131	262,100
Total assets	1,064,262	1,118,008	3,649,329
LIABILITIES			
Accounts payable	1,465	6,448	10,126
Accrued liabilities	231	-	-
Total liabilities	1,696	6,448	10,126
FUND BALANCES			
Restricted			
Police and court	-	1,111,560	-
Tourism, library and senior services	1,062,566	-	-
Economic development	-	-	3,639,203
Committed			
Street improvement	-	-	-
Total fund balances	1,062,566	1,111,560	3,639,203
Total liabilities and fund balances	\$ 1,064,262	\$ 1,118,008	\$ 3,649,329

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Street Improvements</u>	
\$ 1,569,172	\$ 6,838,979
17,400	17,400
-	-
-	46,561
-	515,231
<u>1,586,572</u>	<u>7,418,171</u>
139,336	157,375
-	231
<u>139,336</u>	<u>157,606</u>
-	1,111,560
-	1,062,566
-	3,639,203
<u>1,447,236</u>	<u>1,447,236</u>
<u>1,447,236</u>	<u>7,260,565</u>
\$ <u>1,586,572</u>	\$ <u>7,418,171</u>

CITY OF WHITE SETTLEMENT, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Special Revenue Funds		
	Occupancy Tax	Crime District	Economic Development Corporation
REVENUES			
Sales and use tax	\$ -	\$ 1,293,300	\$ 1,304,257
Franchise taxes	-	-	-
Hotel occupancy tax	339,259	-	-
Investment earnings	6,959	6,120	26,107
Other	-	90	-
Total revenues	<u>346,218</u>	<u>1,299,510</u>	<u>1,330,364</u>
EXPENDITURES			
Current:			
Public safety	-	412,293	-
Public works	-	-	-
Planning and development	-	-	13,622
Cultural and recreational	112,840	-	-
Capital outlay:	-	-	-
Debt service:			
Principal	-	-	525,000
Interest and fiscal charges	-	-	505,880
Total expenditures	<u>112,840</u>	<u>412,293</u>	<u>1,044,502</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>233,378</u>	<u>887,217</u>	<u>285,862</u>
OTHER FINANCING SOURCES (USES)			
Proceeds from sale of capital asset	-	11,155	-
Transfers out	(200,000)	(826,882)	(63,938)
Total other financing sources (uses)	<u>(200,000)</u>	<u>(815,727)</u>	<u>(63,938)</u>
EXTRAORDINARY ITEM			
Litigation settlement	-	150,000	150,000
NET CHANGE IN FUND BALANCES	<u>33,378</u>	<u>221,490</u>	<u>371,924</u>
FUND BALANCES, BEGINNING	<u>1,029,188</u>	<u>890,070</u>	<u>3,267,279</u>
FUND BALANCES, ENDING	<u>\$ 1,062,566</u>	<u>\$ 1,111,560</u>	<u>\$ 3,639,203</u>

<u>Capital Projects Fund</u>	<u>Total Nonmajor Governmental Funds</u>
<u>Street Improvements</u>	
\$ -	\$ 2,597,557
413,557	413,557
-	339,259
10,927	50,113
-	90
<u>424,484</u>	<u>3,400,576</u>
-	412,293
29,518	29,518
-	13,622
-	112,840
189,464	189,464
-	525,000
-	505,880
<u>218,982</u>	<u>1,788,617</u>
<u>205,502</u>	<u>1,611,959</u>
-	11,155
-	(1,090,820)
-	(1,079,665)
-	300,000
<u>205,502</u>	<u>832,294</u>
<u>1,241,734</u>	<u>6,428,271</u>
\$ <u>1,447,236</u>	\$ <u>7,260,565</u>

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OCCUPANCY TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Hotel occupancy tax	\$ 325,000	\$ 325,000	\$ 339,259	\$ 14,259
Investment earnings	8,000	8,000	6,959	(1,041)
Total revenues	<u>333,000</u>	<u>333,000</u>	<u>346,218</u>	<u>13,218</u>
EXPENDITURES				
Current:				
Culture and recreation	176,428	176,430	112,840	63,590
Total expenditures	<u>176,428</u>	<u>176,430</u>	<u>112,840</u>	<u>63,590</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>156,572</u>	<u>156,570</u>	<u>233,378</u>	<u>76,808</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>(43,428)</u>	<u>(43,430)</u>	<u>33,378</u>	<u>76,808</u>
FUND BALANCE, BEGINNING	<u>1,029,188</u>	<u>1,029,188</u>	<u>1,029,188</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 985,760</u>	<u>\$ 985,758</u>	<u>\$ 1,062,566</u>	<u>\$ 76,808</u>

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CRIME DISTRICT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 1,025,000	\$ 1,025,000	\$ 1,293,300	\$ 268,300
Investment earnings	5,000	5,000	6,120	1,120
Other	-	-	90	90
Total revenues	<u>1,030,000</u>	<u>1,030,000</u>	<u>1,299,510</u>	<u>269,510</u>
EXPENDITURES				
Current:				
Public safety	<u>448,179</u>	<u>437,918</u>	<u>412,293</u>	<u>25,625</u>
Total expenditures	<u>448,179</u>	<u>437,918</u>	<u>412,293</u>	<u>25,625</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>581,821</u>	<u>592,082</u>	<u>887,217</u>	<u>295,135</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital asset	-	-	11,155	11,155
Transfers out	(816,621)	(826,882)	(826,882)	-
Total other financing sources (uses)	<u>(816,621)</u>	<u>(826,882)</u>	<u>(815,727)</u>	<u>11,155</u>
EXTRAORDINARY ITEM				
Litigation settlement	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>(234,800)</u>	<u>(234,800)</u>	<u>221,490</u>	<u>456,290</u>
FUND BALANCE, BEGINNING	<u>890,070</u>	<u>890,070</u>	<u>890,070</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 655,270</u>	<u>\$ 655,270</u>	<u>\$ 1,111,560</u>	<u>\$ 456,290</u>

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ECONOMIC DEVELOPMENT CORPORATION

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Sales and use tax	\$ 1,025,000	\$ 1,025,000	\$ 1,304,257	\$ 279,257
Investment earnings	15,000	15,000	26,107	11,107
Total revenues	<u>1,040,000</u>	<u>1,040,000</u>	<u>1,330,364</u>	<u>290,364</u>
EXPENDITURES				
Current:				
Planning & development	50,000	37,312	13,622	23,690
Debt service:				
Principal	525,000	525,000	525,000	-
Interest and fiscal charges	<u>506,392</u>	<u>506,392</u>	<u>505,880</u>	<u>512</u>
Total expenditures	<u>1,081,392</u>	<u>1,068,704</u>	<u>1,044,502</u>	<u>24,202</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(41,392)</u>	<u>(28,704)</u>	<u>285,862</u>	<u>314,566</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(51,250)</u>	<u>(63,938)</u>	<u>(63,938)</u>	<u>-</u>
Total other financing sources (uses)	<u>(51,250)</u>	<u>(63,938)</u>	<u>(63,938)</u>	<u>-</u>
EXTRAORDINARY ITEM				
Litigation settlement	<u>-</u>	<u>-</u>	<u>150,000</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	<u>(92,642)</u>	<u>(92,642)</u>	<u>371,924</u>	<u>464,566</u>
FUND BALANCE, BEGINNING	<u>3,267,279</u>	<u>3,267,279</u>	<u>3,267,279</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 3,174,637</u>	<u>\$ 3,174,637</u>	<u>\$ 3,639,203</u>	<u>\$ 464,566</u>

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,379,086	\$ 1,379,086	\$ 1,417,444	\$ 38,358
Investment earnings	7,000	7,000	4,521	(2,479)
Total revenues	<u>1,386,086</u>	<u>1,386,086</u>	<u>1,421,965</u>	<u>35,879</u>
EXPENDITURES				
Debt service:				
Principal	920,000	925,000	925,000	-
Interest and fiscal charges	683,128	678,128	676,838	1,290
Total expenditures	<u>1,603,128</u>	<u>1,603,128</u>	<u>1,601,838</u>	<u>1,290</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(217,042)	(217,042)	(179,873)	37,169
OTHER FINANCING SOURCES (USES)				
Transfers in	217,042	217,042	217,042	-
Total other financing sources and uses	<u>217,042</u>	<u>217,042</u>	<u>217,042</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>-</u>	<u>-</u>	<u>37,169</u>	<u>37,169</u>
FUND BALANCE, BEGINNING	<u>331,122</u>	<u>331,122</u>	<u>331,122</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 331,122</u>	<u>\$ 331,122</u>	<u>\$ 368,291</u>	<u>\$ 37,169</u>

CITY OF WHITE SETTLEMENT, TEXAS

SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
STREET IMPROVEMENT FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$ 390,000	\$ 390,000	\$ 413,557	\$ 23,557
Investment earnings	10,200	10,200	10,927	727
Total revenues	<u>400,200</u>	<u>400,200</u>	<u>424,484</u>	<u>24,284</u>
EXPENDITURES				
Public works	130,000	130,000	29,518	100,482
Capital outlay	<u>330,000</u>	<u>485,000</u>	<u>189,464</u>	<u>295,536</u>
Total expenditures	<u>460,000</u>	<u>615,000</u>	<u>218,982</u>	<u>396,018</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(59,800)	(214,800)	205,502	420,302
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>-</u>	<u>150,000</u>
NET CHANGE IN FUND BALANCE	(209,800)	(364,800)	205,502	570,302
FUND BALANCE, BEGINNING	<u>1,241,734</u>	<u>1,241,734</u>	<u>1,241,734</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 1,031,934</u>	<u>\$ 876,934</u>	<u>\$ 1,447,236</u>	<u>\$ 570,302</u>

STATISTICAL SECTION

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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	Page
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.	66 - 75
Revenue Capacity These schedules contain information to help the reader assess the City's most significant local revenue sources.	76 - 81
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.	82 - 89
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.	89 - 91
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.	92 - 97

CITY OF WHITE SETTLEMENT, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Governmental activities:				
Net investment in capital assets	\$ 12,329,870	\$ 13,128,490	\$ 19,869,406	\$ 18,623,666
Restricted	4,285,434	8,399,605	2,160,407	2,800,134
Unrestricted	<u>9,621,093</u>	<u>11,773,232</u>	<u>10,972,022</u>	<u>8,887,923</u>
Total governmental activities net position	<u>\$ 26,236,397</u>	<u>\$ 33,301,327</u>	<u>\$ 33,001,835</u>	<u>\$ 30,311,723</u>
Business-type activities:				
Net investment in capital assets	\$ 11,949,257	\$ 12,677,910	\$ 13,428,324	\$ 13,463,428
Restricted	771,491	1,666,924	2,345,747	3,134,404
Unrestricted	<u>8,034,022</u>	<u>7,743,655</u>	<u>8,227,222</u>	<u>8,826,266</u>
Total business-type activities net position	<u>\$ 20,754,770</u>	<u>\$ 22,088,489</u>	<u>\$ 24,001,293</u>	<u>\$ 25,424,098</u>
Primary government:				
Net investment in capital assets	\$ 24,279,127	\$ 25,806,400	\$ 33,297,730	\$ 32,087,094
Restricted	5,056,925	10,066,529	4,506,154	5,934,538
Unrestricted	<u>17,655,115</u>	<u>19,516,887</u>	<u>19,199,244</u>	<u>17,714,189</u>
Total primary government net position	<u>\$ 46,991,167</u>	<u>\$ 55,389,816</u>	<u>\$ 57,003,128</u>	<u>\$ 55,735,821</u>

TABLE 1

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 20,969,268	\$ 18,757,574	\$ 17,352,532	\$ 18,397,470	\$ 4,539,917	\$ 4,507,546
5,181,632	4,390,055	4,777,104	5,035,518	5,503,815	6,189,171
<u>9,060,767</u>	<u>5,166,253</u>	<u>6,710,647</u>	<u>7,190,509</u>	<u>8,607,907</u>	<u>10,795,864</u>
<u>\$ 35,211,667</u>	<u>\$ 28,313,882</u>	<u>\$ 28,840,283</u>	<u>\$ 30,623,497</u>	<u>\$ 18,651,639</u>	<u>\$ 21,492,581</u>
\$ 13,614,773	\$ 14,251,059	\$ 15,259,325	\$ 18,230,736	\$ 32,102,128	\$ 32,920,642
3,937,052	-	-	-	-	-
<u>9,462,962</u>	<u>14,323,493</u>	<u>16,131,530</u>	<u>13,792,430</u>	<u>16,995,624</u>	<u>18,232,627</u>
<u>\$ 27,014,787</u>	<u>\$ 28,574,552</u>	<u>\$ 31,390,855</u>	<u>\$ 32,023,166</u>	<u>\$ 49,097,752</u>	<u>\$ 51,153,269</u>
\$ 34,584,041	\$ 33,008,633	\$ 32,611,857	\$ 36,628,206	\$ 36,642,045	\$ 37,428,188
9,118,684	4,390,055	4,777,104	5,035,518	5,503,815	6,189,171
<u>18,523,729</u>	<u>19,489,746</u>	<u>22,842,177</u>	<u>20,982,939</u>	<u>25,603,531</u>	<u>29,028,491</u>
<u>\$ 62,226,454</u>	<u>\$ 56,888,434</u>	<u>\$ 60,231,138</u>	<u>\$ 62,646,663</u>	<u>\$ 67,749,391</u>	<u>\$ 72,645,850</u>

CITY OF WHITE SETTLEMENT, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
EXPENSES				
Governmental activities:				
General government	\$ 1,419,423	\$ 1,467,221	\$ 2,622,855	\$ 3,236,070
Public safety	5,499,077	5,768,084	5,908,877	6,047,017
Public works	1,203,843	1,196,989	1,349,597	1,092,938
Public health	198,373	206,776	227,709	232,981
Cultural and recreation	1,467,194	1,458,161	1,489,447	1,485,946
Non departmental	-	-	-	554,996
Economic development	-	-	-	-
Interest and fiscal charges	292,201	275,917	303,809	631,443
Total governmental activities expenses	<u>10,080,111</u>	<u>10,373,148</u>	<u>11,902,294</u>	<u>13,281,391</u>
Business-type activities:				
Water and wastewater	4,457,221	4,747,179	4,687,161	5,093,589
Stormwater utility	32,503	31,317	40,032	65,735
Sanitation	588,997	603,783	618,654	636,180
Splash Dayz	-	-	-	-
Total business-type activities	<u>5,078,721</u>	<u>5,382,279</u>	<u>5,345,847</u>	<u>5,795,504</u>
Total primary government program expenses	<u>\$ 15,158,832</u>	<u>\$ 15,755,427</u>	<u>\$ 17,248,141</u>	<u>\$ 19,076,895</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 79,808	\$ 62,618	\$ 66,622	\$ 66,705
Public safety	881,978	1,073,862	986,861	846,975
Cultural and recreational	115,632	114,145	80,133	89,450
Economic development and assistance	-	-	-	-
Other	34,416	44,109	25,839	22,789
Operating grants and contributions	13,762	53,723	67,809	70,393
Capital grants and contributions	-	-	6,642,294	130,272
Total governmental activities program revenues	<u>1,125,596</u>	<u>1,348,457</u>	<u>7,869,558</u>	<u>1,226,584</u>
Business-type activities:				
Charges for services:				
Water and wastewater	5,608,481	5,912,656	6,101,311	6,330,324
Stormwater utility	518,382	546,704	551,483	554,576
Sanitation	641,663	686,457	705,652	719,654
Splash Dayz	-	-	-	-
Capital grants and contributions	375,116	430,624	553,865	468,334
Total business-type activities program revenues	<u>7,143,642</u>	<u>7,576,441</u>	<u>7,912,311</u>	<u>8,072,888</u>
Total primary government program revenues	<u>\$ 8,269,238</u>	<u>\$ 8,924,898</u>	<u>\$ 15,781,869</u>	<u>\$ 9,299,472</u>

TABLE 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$ 1,770,465	\$ 3,004,317	\$ 1,830,107	\$ 2,320,094	\$ 2,196,208	\$ 2,618,585
6,165,619	8,351,956	6,416,920	6,962,807	7,266,214	6,949,654
1,310,577	1,510,737	1,302,154	2,300,499	1,764,120	1,455,448
218,176	261,628	197,429	-	-	-
3,073,280	4,816,249	2,504,485	1,750,861	1,490,664	1,538,126
468,674	-	115,936	-	-	-
194,280	351,446	142,472	-	30,329	13,714
<u>1,283,842</u>	<u>1,223,977</u>	<u>1,154,334</u>	<u>1,264,511</u>	<u>1,187,542</u>	<u>1,144,536</u>
<u>14,484,913</u>	<u>19,520,310</u>	<u>13,663,837</u>	<u>14,598,922</u>	<u>13,935,077</u>	<u>13,720,063</u>
5,337,586	6,562,769	5,580,344	6,528,922	6,335,598	6,372,869
43,225	312,558	478,834	696,136	679,338	556,595
638,722	671,221	710,225	728,067	756,998	756,424
<u>742,074</u>	<u>1,445,968</u>	<u>1,678,350</u>	<u>1,344,542</u>	<u>1,239,820</u>	<u>1,969,549</u>
<u>6,761,607</u>	<u>8,992,516</u>	<u>8,447,753</u>	<u>9,297,667</u>	<u>9,011,754</u>	<u>9,655,437</u>
<u>\$ 21,246,520</u>	<u>\$ 28,512,826</u>	<u>\$ 22,111,590</u>	<u>\$ 23,896,439</u>	<u>\$ 22,946,831</u>	<u>\$ 23,375,500</u>
\$ 11,348	\$ 19,237	\$ 19,779	\$ 10,431	\$ 31,479	\$ 46,965
745,345	995,748	776,360	789,509	639,914	645,741
292,278	227,502	191,691	196,946	96,744	150,353
-	-	-	-	12,416	-
43,436	96,472	100,180	-	-	-
92,910	100,866	97,170	89,809	101,837	63,177
<u>-</u>	<u>397,251</u>	<u>14,000</u>	<u>5,924</u>	<u>274,729</u>	<u>693,271</u>
<u>1,185,317</u>	<u>1,837,076</u>	<u>1,199,180</u>	<u>1,092,619</u>	<u>1,157,119</u>	<u>1,599,507</u>
6,724,402	6,826,371	8,255,535	9,258,118	8,962,626	8,692,760
568,176	565,575	571,306	579,294	586,334	590,466
739,835	757,895	797,124	5,678	849,937	855,761
261,433	708,757	775,621	811,941	18,192	930,501
<u>436,337</u>	<u>786,273</u>	<u>452,710</u>	<u>268,235</u>	<u>781,990</u>	<u>258,561</u>
<u>8,730,183</u>	<u>9,644,871</u>	<u>10,852,296</u>	<u>10,923,266</u>	<u>11,199,079</u>	<u>11,328,049</u>
<u>\$ 9,915,500</u>	<u>\$ 11,481,947</u>	<u>\$ 12,051,476</u>	<u>\$ 12,015,885</u>	<u>\$ 12,356,198</u>	<u>\$ 12,927,556</u>

CITY OF WHITE SETTLEMENT, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
NET (EXPENSE) REVENUES				
Governmental activities	\$(8,954,515)	\$(9,024,691)	\$(4,032,736)	\$(12,054,807)
Business-type activities	<u>2,064,921</u>	<u>2,194,162</u>	<u>2,566,464</u>	<u>2,277,384</u>
Total primary government net expense	<u>(6,889,594)</u>	<u>(6,830,529)</u>	<u>(1,466,272)</u>	<u>(9,777,423)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION				
Governmental activities:				
Taxes				
Property	3,797,676	3,954,575	3,919,467	4,324,727
Sales	4,655,270	3,615,774	3,979,692	3,212,591
Franchise	1,189,497	1,168,219	1,247,023	1,329,368
Occupancy	194,549	185,394	206,043	268,954
Oil and gas royalties	498,998	126,346	178,041	32,265
Investment earnings	15,823	25,035	31,932	49,293
Other	97,821	536,713	(34,809)	1,153,705
Transfers	<u>584,700</u>	<u>584,700</u>	<u>670,000</u>	<u>670,000</u>
Total governmental activities	<u>11,034,334</u>	<u>10,196,756</u>	<u>10,197,389</u>	<u>11,040,903</u>
Business-type activities:				
Investment earnings	9,826	16,769	16,066	21,351
Other	-	2,988	274	-
Transfers	<u>(584,700)</u>	<u>(584,700)</u>	<u>(670,000)</u>	<u>(670,000)</u>
Total business-type activities	<u>(574,874)</u>	<u>(564,943)</u>	<u>(653,660)</u>	<u>(648,649)</u>
Total primary government	<u>10,459,460</u>	<u>9,631,813</u>	<u>9,543,729</u>	<u>10,392,254</u>
EXTRAORDINARY ITEMS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION				
Governmental activities	2,079,819	1,172,065	6,164,653	(1,013,904)
Business-type activities	<u>1,490,047</u>	<u>1,629,219</u>	<u>1,912,804</u>	<u>1,628,735</u>
Total primary government	<u>\$ 3,569,866</u>	<u>\$ 2,801,284</u>	<u>\$ 8,077,457</u>	<u>\$ 614,831</u>

TABLE 2

Fiscal Year					
2016	2017	2018	2019	2020	2021
\$(13,299,596)	\$(17,683,234)	\$(12,464,657)	\$(13,506,153)	\$(12,777,958)	\$(12,120,556)
<u>1,968,576</u>	<u>652,355</u>	<u>2,404,543</u>	<u>1,625,599</u>	<u>2,187,325</u>	<u>1,672,612</u>
<u>(11,331,020)</u>	<u>(17,030,879)</u>	<u>(10,060,114)</u>	<u>(11,880,554)</u>	<u>(10,590,633)</u>	<u>(10,447,944)</u>
4,712,833	5,108,248	5,581,370	6,530,351	7,317,421	7,960,951
4,461,628	4,017,558	5,322,594	4,570,870	4,438,911	5,258,716
1,218,433	1,253,174	1,364,626	1,347,717	1,311,146	1,122,178
318,010	357,912	350,720	366,994	278,943	339,259
38,836	35,314	50,009	48,871	13,006	36,571
125,753	207,537	341,024	721,055	480,682	207,515
224,302	594,068	463,730	326,822	238,700	172,111
<u>464,139</u>	<u>(788,362)</u>	<u>(227,799)</u>	<u>1,376,687</u>	<u>(14,447,709)</u>	<u>(135,803)</u>
<u>11,563,934</u>	<u>10,785,449</u>	<u>13,246,274</u>	<u>15,289,367</u>	<u>(368,900)</u>	<u>14,961,498</u>
38,370	115,708	224,344	372,037	278,716	157,734
47,882	3,340	(7,935)	11,362	160,836	89,368
<u>(464,139)</u>	<u>788,362</u>	<u>227,799</u>	<u>(1,376,687)</u>	<u>14,447,709</u>	<u>135,803</u>
<u>(377,887)</u>	<u>907,410</u>	<u>444,208</u>	<u>(993,288)</u>	<u>14,887,261</u>	<u>382,905</u>
<u>11,186,047</u>	<u>11,692,859</u>	<u>13,690,482</u>	<u>14,296,079</u>	<u>14,518,361</u>	<u>15,344,403</u>
-	-	-	-	1,175,000	-
(1,735,662)	(6,897,785)	781,617	1,783,214	(11,971,858)	2,840,942
<u>1,590,689</u>	<u>1,559,765</u>	<u>2,848,751</u>	<u>632,311</u>	<u>17,074,586</u>	<u>2,055,517</u>
<u>\$(144,973)</u>	<u>\$(5,338,020)</u>	<u>\$ 3,630,368</u>	<u>\$ 2,415,525</u>	<u>\$ 5,102,728</u>	<u>\$ 4,896,459</u>

CITY OF WHITE SETTLEMENT, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund:				
Nonspendable	\$ 1,179,416	\$ 906,253	\$ 618,971	\$ 65,900
Committed	42,079	-	-	-
Assigned	2,123	2,175	2,882	813,615
Unassigned	<u>8,777,947</u>	<u>9,991,494</u>	<u>10,308,848</u>	<u>9,803,035</u>
Total general fund	<u>\$ 10,001,565</u>	<u>\$ 10,899,922</u>	<u>\$ 10,930,701</u>	<u>\$ 10,682,550</u>
All other governmental funds				
Nonspendable	\$ 1,523,210	\$ 764,785	\$ 23,210	\$ 23,210
Restricted	2,744,166	5,752,858	5,861,970	15,033,521
Committed	<u>987,098</u>	<u>1,045,473</u>	<u>1,100,267</u>	<u>1,398,473</u>
Total all other governmental funds	<u>\$ 5,254,474</u>	<u>\$ 7,563,116</u>	<u>\$ 6,985,447</u>	<u>\$ 16,455,204</u>

TABLE 3

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 120,231	\$ 113,453	\$ 89,243	\$ 87,935	\$ 78,086	\$ 18,509
-	-	-	-	-	-
1,833,349	758,202	638,680	439,785	-	2,155,765
<u>8,436,493</u>	<u>9,831,907</u>	<u>11,160,474</u>	<u>12,212,856</u>	<u>13,322,988</u>	<u>13,268,070</u>
<u>\$ 10,390,073</u>	<u>\$ 10,703,562</u>	<u>\$ 11,888,397</u>	<u>\$ 12,740,576</u>	<u>\$ 13,401,074</u>	<u>\$ 15,442,344</u>
\$ -	\$ 23,341	\$ -	\$ -	\$ -	\$ -
14,925,905	13,202,906	11,143,840	14,421,156	10,753,811	8,103,888
<u>1,552,088</u>	<u>1,041,949</u>	<u>1,288,987</u>	<u>1,016,189</u>	<u>1,241,734</u>	<u>1,447,236</u>
<u>\$ 16,477,993</u>	<u>\$ 14,268,196</u>	<u>\$ 12,432,827</u>	<u>\$ 15,437,345</u>	<u>\$ 11,995,545</u>	<u>\$ 9,551,124</u>

CITY OF WHITE SETTLEMENT, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS
(UNAUDITED)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
REVENUES				
Taxes	\$ 9,870,555	\$ 8,940,215	\$ 9,326,432	\$ 9,083,636
Fines and fees	400,481	488,501	498,862	499,021
Licenses and permits	436,309	552,803	446,404	344,623
Charges for services	164,229	191,455	160,882	124,355
Intergovernmental	93,205	116,070	133,228	126,934
Oil and gas royalties	498,998	126,346	178,041	32,265
Interest income	15,823	25,035	31,932	49,293
Miscellaneous revenues	56,719	72,239	52,926	83,847
Total revenues	<u>11,536,319</u>	<u>10,512,664</u>	<u>10,828,707</u>	<u>10,343,974</u>
EXPENDITURES				
General government	1,357,354	1,437,870	2,540,547	2,598,097
Public safety	5,199,391	6,360,243	5,517,720	5,959,393
Public works	805,338	840,737	796,387	505,010
Planning and development	-	-	-	-
Public health	183,025	199,625	220,462	233,778
Culture and recreation	1,373,062	1,310,124	1,349,977	1,367,904
Other	-	-	-	554,996
Capital outlay	62,788	912,951	907,948	1,609,706
Debt service				
Principal	1,049,756	711,284	490,000	488,110
Interest and fiscal charges	280,289	296,473	280,789	524,233
Total expenditures	<u>10,311,003</u>	<u>12,069,307</u>	<u>12,103,830</u>	<u>13,841,227</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ <u>1,225,316</u>	\$ (<u>1,556,643</u>)	\$ (<u>1,275,123</u>)	\$ (<u>3,497,253</u>)
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance recoveries	59,449	30,341	3,234	1,069,858
Proceeds from sale of capital asset	16,341	25,265	54,999	33,958
Transfers in	1,448,931	1,682,245	1,500,024	1,513,392
Transfers out	(864,231)	(1,097,545)	(830,024)	(843,392)
Issuance of capital lease	-	798,336	-	-
Issuance of debt	-	3,325,000	-	13,230,000
Premium (discount) on bonds	-	-	-	677,968
Payment to escrow agent	-	-	-	(2,962,925)
Total other financing sources (uses)	<u>660,490</u>	<u>4,763,642</u>	<u>728,233</u>	<u>12,718,859</u>
EXTRAORDINARY ITEMS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	\$ <u>1,885,806</u>	\$ <u>3,206,999</u>	\$ (<u>546,890</u>)	\$ <u>9,221,606</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	<u>13.31%</u>	<u>9.52%</u>	<u>6.94%</u>	<u>6.54%</u>

Notes:

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

TABLE 4

	2016	2017	2018	2019	2020	2021
\$	10,814,382	\$ 10,727,289	\$ 12,616,845	\$ 12,740,899	\$ 13,496,649	\$ 14,703,948
	492,184	527,474	409,556	302,695	291,800	278,600
	296,454	467,211	360,522	412,687	324,089	344,706
	349,577	346,023	312,492	268,969	166,034	216,909
	92,910	100,866	97,170	89,809	370,266	826,873
	38,836	35,314	50,009	-	-	-
	125,753	207,537	341,024	721,055	479,545	207,442
	174,061	167,308	72,645	165,546	118,477	98,392
	<u>12,384,157</u>	<u>12,579,022</u>	<u>14,260,263</u>	<u>14,701,660</u>	<u>15,246,860</u>	<u>16,676,870</u>
	1,688,726	2,182,511	1,827,502	2,156,367	2,112,397	2,214,296
	5,737,297	5,708,614	6,348,847	6,773,458	7,401,988	7,007,266
	558,072	1,160,369	494,650	679,576	651,638	629,679
	-	-	-	-	30,329	13,714
	224,739	181,188	203,009	-	-	-
	1,954,713	1,664,869	1,699,655	1,612,440	1,470,463	1,189,641
	661,037	161,078	252,527	-	-	-
	2,424,366	670,532	1,896,535	1,852,986	1,287,271	4,144,893
	1,810,226	1,250,000	1,225,000	1,370,000	1,395,000	1,450,000
	<u>1,408,156</u>	<u>1,272,696</u>	<u>1,212,554</u>	<u>1,314,423</u>	<u>1,234,444</u>	<u>1,182,718</u>
	<u>16,467,332</u>	<u>14,251,857</u>	<u>15,160,279</u>	<u>15,759,250</u>	<u>15,583,530</u>	<u>17,832,207</u>
\$	(4,083,175)	\$ (1,672,835)	\$ (900,016)	\$ (1,057,590)	\$ (336,670)	\$ (1,155,337)
	24,882	41,333	31,601	-	1,000	24,413
	59,219	456,364	315,218	270,500	149,073	27,145
	2,346,212	2,042,654	2,321,787	7,662,759	1,544,590	1,938,053
(	<u>1,882,073)</u>	<u>(2,831,016)</u>	<u>(2,419,124)</u>	<u>(6,286,072)</u>	<u>(4,477,864)</u>	<u>(2,073,856)</u>
	-	-	-	184,757	-	-
	-	3,815,000	-	2,995,000	-	-
	-	415,046	-	87,343	-	-
	-	<u>(4,162,854)</u>	-	-	-	-
	<u>548,240</u>	<u>(223,473)</u>	<u>249,482</u>	<u>4,914,287</u>	<u>(2,783,201)</u>	<u>(84,245)</u>
	-	-	-	-	575,000	600,000
\$	<u>(3,534,935)</u>	<u>(1,896,308)</u>	<u>(650,534)</u>	<u>3,856,697</u>	<u>(2,544,871)</u>	<u>(639,582)</u>
	<u>23.06%</u>	<u>19.17%</u>	<u>18.67%</u>	<u>15.30%</u>	<u>19.16%</u>	<u>19.30%</u>

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CITY OF WHITE SETTLEMENT, TEXAS

TABLE 5

ASSESSED VALUE AND ESTIMATED
ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN 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
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
2019	712,145,110	139,260,868	851,405,978	100.00%	0.762186
2020	891,324,217	156,746,618	1,048,070,835	100.00%	0.732245
2021	929,188,059	129,042,120	1,058,230,179	100.00%	0.746200

Source: Tarrant Appraisal District Totals for Roll Instance - 220

CITY OF WHITE SETTLEMENT, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year Ended 9/30</u>	<u>Tax Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Adjustments to Levy in Subsequent Years</u>	<u>Adjusted Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
					<u>Amount</u>	<u>Percentage of Levy</u>
2012	2011	\$ 3,752,309	\$(2,386)	\$ 3,749,923	\$ 3,688,395	98.36%
2013	2012	3,810,645	(6,128)	3,804,517	3,759,012	98.65%
2014	2013	3,846,840	(6,611)	3,840,229	3,791,609	98.56%
2015	2014	4,281,718	(11,117)	4,270,601	4,214,837	98.44%
2016	2015	4,397,621	335,720	4,733,341	4,678,657	106.39%
2017	2016	4,922,712	90,939	5,013,651	4,995,473	101.48%
2018	2017	5,355,792	203,977	5,559,769	5,498,546	102.67%
2019	2018	5,865,864	641,026	6,506,890	6,352,521	108.30%
2020	2019	7,360,635	80,460	7,441,095	7,253,031	98.54%
2021	2020	7,300,290	383,399	7,683,689	7,547,135	103.38%

TABLE 6

Collections in Subsequent Years	Total Collections to Date Total Tax Amount	Percentage of Levy	Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Adjusted Levy
\$ 54,401	\$ 3,742,796	99.81%	\$ 7,128	00.19%
29,981	3,788,993	99.59%	15,524	00.41%
36,752	3,828,361	99.69%	11,868	00.31%
47,542	4,262,378	99.81%	8,222	00.19%
37,048	4,715,705	99.63%	17,636	00.37%
3,197	4,998,670	99.70%	14,981	00.30%
42,702	5,541,248	99.67%	18,521	00.33%
109,384	6,461,905	99.31%	44,985	00.69%
111,359	7,364,390	98.97%	76,705	01.03%
-	7,547,135	98.22%	136,554	01.78%

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CITY OF WHITE SETTLEMENT, TEXAS

TABLE 7

DIRECT AND OVERLAPPING
PROPERTY TAXES
(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
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
2019	0.612	0.150	0.762	0.136	1.520	0.224	0.234	2.877
2020	0.577	0.155	0.732	0.130	1.450	0.224	0.234	2.771
2021	0.611	0.135	0.746	0.130	1.416	0.223	0.234	2.750

Notes:

Ad Valorem Tax Limitation. The City of White Settlement, Texas, has the power to levy taxes to the 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 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. 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 NINE YEARS AGO
(UNAUDITED)

		2021		
<u>Taxpayer</u>	<u>Type of Business</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
SPM Flow Control	Industrial-Petroleum	\$ 34,669,366	1	3.28%
AV Brickell Pointe Ltd/AV Beacon LLC	Real estate	22,000,020	4	2.08%
AEP Charter High Point FT W LLC	Non-profit	19,223,069	5	1.82%
WG NLA LLC	Industrial	16,291,378	6	1.54%
Lowe's Home Center, Inc.	Home Improvement	12,450,821	7	1.18%
Deepdale Investments, LTD	Real estate	11,300,000	8	1.07%
Manitoba Management Inc	Real estate	11,000,000	9	1.04%
Lowrance Properties	Industrial	10,131,508	10	0.96%
Oak View Apartments LLC	Real estate	32,997,663	2	3.12%
Graham Realty Investments, Ltd.	Auto dealership	-		- %
DCP Gold Creek LLC	Real estate	31,154,687	3	2.94%
Quicksilver Resources	Industrial	-		- %
Armet Property Company Ltd	Real estate	-		- %
ESS Prisa II TX, Lp	Real estate	-		- %
Chesapeake Operating (WI)	Oil & Gas	-		- %
Oncor Electric Delivery Co., LLC	Electric Utility	-		- %
Fort Worth SNF LTD	Real estate	-		- %
	Totals	\$ <u>201,218,512</u>		<u>19.03%</u>

TABLE 8

2012		
Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
\$ 135,410,104	1	26.58%
-		- %
-		- %
-		- %
12,850,963	2	2.52%
4,700,000	8	0.92%
-		- %
-		- %
-		- %
6,384,879	4	1.25%
-		- %
5,922,480	5	1.16%
4,678,069	9	0.92%
5,857,712	6	1.15%
11,716,810	3	2.30%
5,101,825	7	1.00%
<u>4,476,255</u>	10	<u>0.88%</u>
<u>\$ 197,099,097</u>		<u>38.68%</u>

CITY OF WHITE SETTLEMENT, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			
	General & Certificates of Obligation	Revenue Bonds	Tax Notes	Capital Leases
2012	\$ 5,985,000	\$ -	\$ 125,000	\$ 221,283
2013	5,620,000	-	3,325,000	798,336
2014	5,240,000	-	3,215,000	798,336
2015	18,997,842	12,600,000	155,000	730,226
2016	18,431,916	12,195,000	-	-
2017	17,843,403	11,770,000	-	-
2018	16,989,775	11,320,000	-	-
2019	19,093,371	10,845,000	-	172,387
2020	18,109,330	10,350,000	-	752,952
2021	17,099,765	9,825,000	-	730,763

TABLE 9

Business-type Activities					
General & Certificates of Obligation	Revenue Bonds	Capital Leases	Total Primary Government	Total Debt Per Capita	Debt as % of Personal Income
\$ 8,745,000	\$ 100,000	\$ 35,456	\$ 15,211,739	\$ 928	3.80%
8,275,000	-	-	18,018,336	1,073	5.70%
7,800,000	-	-	17,053,336	1,004	6.30%
7,308,972	-	-	39,792,040	2,330	10.90%
6,796,813	-	-	37,423,729	2,175	10.20%
6,152,264	-	-	35,765,667	2,079	9.80%
5,562,022	-	-	33,871,797	1,900	11.30%
4,950,900	-	59,961	35,121,619	1,963	11.00%
4,344,429	-	-	33,556,711	1,882	10.60%
9,450,000	-	-	36,355,578	2,039	11.20%

CITY OF WHITE SETTLEMENT, TEXAS

RATIO OF GENERAL OBLIGATION BONDED DEBT
TO ASSESSED VALUE AND NET GENERAL
OBLIGATION BONDED DEBT PER CAPITA

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population¹	Assessed Value (In Thousands)²	Gross Bonded Debt³	Less Debt Service Funds with Restriction⁴
2012	16,116	\$ 509,362	\$ 7,535,000	\$ 400,996
2013	16,390	620,483	7,015,000	606,298
2014	16,800	576,825	6,480,000	583,087
2015	16,980	676,992	18,997,842	1,271,472
2016	17,077	649,733	18,431,916	585,896
2017	17,207	663,626	18,431,916	-
2018	17,828	745,844	16,989,775	19,200
2019	17,896	851,406	19,093,371	124,844
2020	17,740	1,048,071	18,109,330	80,847
2021	17,830	1,058,230	16,350,000	368,293

- (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

TABLE 10

Net Bonded Debt	Bonded Debt to Assessed Value	Bonded Debt Per Capita
\$ 7,152,062	1.40%	\$ 444
6,427,288	1.04%	392
5,876,109	1.02%	350
17,598,593	2.60%	1,036
17,576,732	2.71%	1,029
18,158,772	2.74%	1,055
16,728,349	2.24%	938
18,737,797	2.20%	1,047
17,778,208	1.70%	1,002
15,981,707	1.51%	896

CITY OF WHITE SETTLEMENT, TEXAS

TABLE 11

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDS

AS OF SEPTEMBER 30, 2021
(UNAUDITED)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of White Settlement</u>	<u>Amount Applicable to City of White Settlement</u>
Direct:			
City of White Settlement	\$ <u>27,655,528</u>	100.00%	\$ <u>27,655,528</u>
Total direct debt	<u>27,655,528</u>		<u>27,655,528</u>
Overlapping:			
White Settlement Independent School District	145,894,339	40.18%	58,620,345
Fort Worth Independent School District ¹	1,249,965,000	0.05%	624,983
Tarrant County	213,675,000	0.45%	961,538
Tarrant County Hospital District	14,495,000	0.45%	65,228
Tarrant County College District	<u>255,995,000</u>	0.45%	<u>1,151,978</u>
Total overlapping debt	<u>1,880,024,339</u>		<u>61,424,070</u>
Total direct and overlapping debt	\$ <u>1,905,824,339</u>		\$ <u>87,224,070</u>
Ratio of overlapping bonded debt to taxable assessed valuation			8.26%
Per capita overlapping bonded debt			\$ 4,902

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

LEGAL DEBT MARGIN INFORMATION

AS OF SEPTEMBER 30, 2021
(UNAUDITED)

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

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.

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	
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	157,182	697,182	5.80
2019	9,532,031	6,398,856	3,133,175	560,000	155,350	715,350	4.38
2020	10,504,677	6,961,574	3,543,103	555,000	120,181	675,181	5.25
2021	9,807,082	6,926,800	2,880,282	575,000	125,375	690,616	4.17

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 ordinances.

CITY OF WHITE SETTLEMENT, TEXAS

TABLE 14

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Median Income²</u>	<u>Per Capita Income³</u>	<u>Personal Income²</u>	<u>School Enrollment⁴</u>	<u>Unemployment Rate⁵</u>
2012	16,116	\$ 56,532	\$ 20,969	\$ 337,933,869	6,548	7.4%
2013	16,390	45,427	16,850	276,167,852	6,556	5.3%
2014	16,800	43,358	16,082	270,183,383	6,697	5.0%
2015	16,980	57,890	21,473	364,603,932	6,646	5.0%
2016	17,077	57,727	21,412	365,654,295	6,697	3.7%
2017	16,830	45,382	16,833	283,300,838	6,870	3.4%
2018	17,828	45,382	16,833	300,100,258	6,714	3.4%
2019	17,896	48,156	17,862	319,658,671	6,913	3.4%
2020	17,740	48,237	17,892	317,405,185	6,720	8.3%
2021	17,830	48,996	18,174	324,035,119	7,067	4.5%

Sources:

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

CITY OF WHITE SETTLEMENT, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	Type of Business	2021	
		Employees	Percentage of Total City Employment
Weir SPM	Oil field equipment	575	6.36%
White Settlement I.S.D.	Education	860	9.52%
Health Care Formerly PDX Inc.	Software Development	165	1.82%
City of White Settlement	Municipal government	142	1.57%
Education Service Center Region XI	Resource Provider for School Districts	212	2.34%
Trinity Healthcare Courtyards	Rehabilitation/nursing	94	1.04%
Lowe's Home Center #1619	Building materials/hardware retail	95	1.05%
C.I.A.D Formerly Co-Operative Industries	Electrical wiring harnesses mfg.	142	- %
Premier Produce	Retail	90	99.00%
Western Hill Rehabilitation & Nursing Center	Rehabilitation/nursing	94	1.04%
West Side Campus of Care	Rehabilitation/nursing	184	2.03%
W.S Nursing Home	Rehabilitation/nursing	58	64.00%
ABC Roofing	Building materials/hardware retail	34	37.00%
Southside Bank	Financial institution	6	0.06%
Northern Tool & Equipment	Retail	16	0.17%
OmniAmerican Bank	Financial institution	-	- %
Academy Sports & Outdoors #97	Retail	74	0.81%
	Totals	<u>2,841</u>	<u>28.24%</u>

Total City employment

9,029 **A**

Based on NCTCOG Employer Info
Estimate

A
B

TABLE 15

2012	
<u>Employees</u>	<u>Percentage of Total City Employment</u>
1,300	16.90%
613	7.97%
175	2.27%
153	1.98%
153	1.99%
-	- %
95	1.23%
112	1.45%
-	- %
215	2.79%
150	1.95%
-	- %
-	- %
-	- %
-	- %
85	1.10%
<u>84</u>	<u>1.09%</u>
<u>3,051</u>	<u>38.73%</u>

7,691 **A**

CITY OF WHITE SETTLEMENT, TEXAS

FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
General government				
Administration	2.00	1.00	1.00	1.00
City secretary	1.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00
Management information systems	2.00	2.00	2.00	2.00
Finance	4.00	4.00	4.00	5.00
Purchasing	2.00	2.00	2.00	2.00
Media	-	-	-	-
Municipal Facilities	2.00	2.00	2.00	2.00
Public safety				
Police	50.00	50.50	50.50	53.00
Municipal court & Marshall	3.00	3.00	3.00	3.00
Fire	4.00	3.00	3.00	3.00
Code compliance	6.00	6.00	6.00	6.00
Planning and development	-	-	-	-
Animal control	3.00	3.00	3.00	3.00
Public works				
Streets and drainage	5.00	7.00	7.00	7.00
Culture and recreation				
Senior services	5.00	5.00	5.00	5.00
Park maintenance and recreation	8.00	7.00	7.00	7.00
Library	7.00	7.00	7.00	7.00
EDC operations and parks	6.00	6.50	6.50	6.50
Splash Dayz	-	-	-	-
Economic development and assistance	1.00	1.00	1.00	1.00
Stormwater Utility	-	-	-	-
Utility billing	5.00	5.00	5.00	5.00
Meter Technicians	-	-	-	-
Water	7.00	7.00	8.00	8.00
Wastewater	4.00	4.00	4.00	4.00
Environmental	-	-	-	-
W/S Non-departmental	-	-	-	-
Total	<u>129.00</u>	<u>129.00</u>	<u>130.00</u>	<u>133.50</u>

* Note: Due to the COVID-19 pandemic, which began in March 2020, Splash Dayz was closed for the 2020 summer season.

TABLE 16

Fiscal Year						
2016	2017	2018	2019	2020	2021	
4.00	4.00	3.00	2.00	2.00	2.50	
1.00	1.00	1.00	1.00	1.00	1.50	
1.50	1.00	1.00	1.00	1.00	1.50	
3.00	3.00	2.00	2.00	2.00	2.00	
5.00	5.00	4.00	4.00	4.00	5.00	
2.50	1.00	1.00	1.00	1.00	1.00	
-	-	-	1.00	1.00	1.00	
1.00	1.00	1.00	1.00	1.00	1.00	
51.50	48.00	48.00	48.00	48.00	46.66	
4.00	4.00	4.00	3.00	3.00	2.50	
19.50	22.25	22.25	15.50	15.50	19.18	
4.00	4.00	5.00	1.00	1.00	2.00	
-	-	-	3.00	3.00	3.00	
3.00	3.00	3.00	3.00	3.50	3.00	
5.00	4.50	4.00	4.00	4.00	4.00	
4.50	4.50	4.50	2.83	2.83	2.50	
8.50	8.50	8.00	8.67	8.74	7.40	
6.00	6.00	6.00	6.33	6.33	4.00	
4.50	-	-	-	-	-	
22.50	24.00	43.25	38.95	2.20 *	25.51	
1.00	-	-	-	-	-	
-	4.00	5.00	5.34	5.40	5.70	
5.50	6.00	4.00	4.00	4.00	4.00	
-	-	4.00	4.00	4.00	7.00	
11.00	9.00	7.00	6.00	6.00	5.00	
5.00	5.00	5.00	4.00	4.00	4.00	
-	-	-	-	-	2	
-	3.00	3.00	3.00	3.00	5.00	
<u>173.50</u>	<u>171.75</u>	<u>189.00</u>	<u>173.62</u>	<u>137.50</u>	<u>142.44</u>	

CITY OF WHITE SETTLEMENT, TEXAS

OPERATING INDICATORS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

	Fiscal Year			
	2012	2013	2014	2015
Public safety				
Police department				
Calls for service	27,375	32,976	26,328	30,134
Traffic citations	3,722	4,920	4,157	3,928
Criminal offenses	1,943	1,373	1,420	1,279
Number of accidents	204	132	132	115
Persons confined	889	963	986	850
Municipal Court				
Active warrants	2,243	4,442	2,214	1,468
Closed warrants	3,321	3,598	4,434	3,909
Fire department				
Fire runs	460	573	479	627
Emergency runs	1,151	1,241	1,308	1,579
Code compliance				
Permits issued	2,081	2,112	2,218	2,076
Public works				
Streets and drainage				
Streets resurfaced (miles)	0.45	1.29	0.6	0.25
Public health				
Animal control - calls for service	1,710	1,558	1,562	1,751
Culture and recreation				
Senior services				
Meals served	22,366	20,840	16,804	19,509
Library				
Average daily circulation	320	310	358	464
Average patron visits per month	5,440	5,290	4,577	4,837
Parks				
Number of league participants	8,900	7,504	5,640	5,820
Water production and distribution				
Number of water connections	5,370	5,301	5,389	5,541
Average daily consumption (thousands of gallons)	1,552	1,427	1,362	1,949
Wastewater operations				
Number of wastewater connections	5,264	5,252	5,321	5,437

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

TABLE 17

Fiscal Year					
2016	2017	2018	2019	2020	2021
22,901	31,796	29,499	29,006	28,001	26,023
3,620	3,483	3,579	3,682	2,334	1,953
1,430	1,234	1,148	1,377	1,482	1,643
140	161	159	188	128	142
755	754	460	519	379	433
1,962	1,874	202	214	735	505
3,335	3,165	2,795	946	408	755
705	719	135	195	524	685
1,918	1,872	2,190	2,477	1,604	2,998
2,113	2,086	1,915	2,124	1,871	1,395
0.75	3.1	1.2	0.83	0.67	0.30
1,957	2,250	2,350	1,756	1,515	1,515
19,000	22,477	20,057	20,007	8,040	7,208
489	398	386	312	168	123
5,303	5,303	4,499	6,216	3,321	1,329
7,325	3,974	3,315	3,112	1,290	2,232
5,603	5,645	5,783	5,848	5,881	5,931
1,335	1,355	1,909	2,304	1,445	1,428
5,440	5,481	5,598	5,668	5,693	5,728

CITY OF WHITE SETTLEMENT, TEXAS

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM

LAST TEN FISCAL YEARS
(UNAUDITED)

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

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

TABLE 18

Fiscal Year						
2016	2017	2018	2019	2020	2021	
1	1	1	1	1	1	1
15	12	11	11	11	11	11
1	1	1	1	1	1	1
9	5	5	6	6	6	6
Approx. 68	Approx. 68	Approx. 72	Approx. 72	Approx. 72	Approx. 72	Approx. 72
1	1	1	1	1	1	1
63,671	76,896	56,135	61,982	55,740	88,598	
203	203	203	203	203	203	203
7	7	7	7	7	7	7
30	30	30	30	30	30	30
8	8	8	8	8	8	8
1	1	1	1	1	1	1
89	89	86	86	86	86	86
2,445	2,445	2,403	2,403	2,403	2,403	2,403
71	71	71	71	71	71	71

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COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the 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, the financial statements of the governmental activities, the 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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 24, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

OFFICE LOCATIONS

TEXAS | Waco | Temple | Hillsboro | Houston
NEW MEXICO | Albuquerque

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 24, 2022