

**CITY OF WHITEHOUSE, TEXAS**

**BASIC FINANCIAL STATEMENTS and  
REQUIRED SUPPLEMENTARY and OTHER  
INFORMATION**

**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Gollob Morgan Peddy PC**  
CERTIFIED PUBLIC ACCOUNTANTS

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**INDEPENDENT AUDITORS' REPORT**

To the Honorable Mayor and City Council  
City of Whitehouse, Texas

**Report on the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Whitehouse, Texas, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise City of Whitehouse, Texas' basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Whitehouse, Texas, as of September 30, 2023 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of City of Whitehouse, Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Management's Responsibility for the Financial Statements***

City of Whitehouse, Texas' 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Whitehouse, Texas's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City of Whitehouse, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Whitehouse, Texas's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-9, the schedule of changes in net pension liability and related ratios, and the schedule of contributions, and the schedule of changes in total OPEB liability and related ratios, and the schedule of contributions 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Whitehouse, Texas' basic financial statements. The additional supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The additional supplementary information is the responsibility of management and was derived from and relates 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 additional supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2024, on our consideration of City of Whitehouse, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Whitehouse, Texas' internal control over financial reporting and compliance.

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
February 6, 2024

## Management's Discussion and Analysis

As management of the City of Whitehouse, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2023.

### Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceed its liabilities by \$27,552,851 (net position). Of this amount \$7,549,199 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending unrestricted (unassigned) fund balance of \$4,364,953.
- The total net position of \$27,552,851 is made up of \$19,194,170 in capital assets net of related debt and \$9,358,681 in other net position.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The financial statements are prepared using Governmental Accounting Statement No. 34 *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments*.

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 includes other supplementary information in addition to the basic financial statements.

The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Whitehouse'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. However, other nonfinancial factors must also be considered.

The *statement of activities* presents information showing how the City's net position changed during the 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 all of the current year's revenue and expenses are taken into account regardless of when cash is received or paid.

Both of the government-wide financial statements distinguish functions of the City of Whitehouse that are principally supported by taxes and other governmental revenue (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 and streets and drainage. The business-type activities include water and sewer services.

The fund financial statements are presented using fund designations. A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other local governments, used fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into these categories: governmental funds, proprietary funds, and capital project funds.

*Governmental funds.* These 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 funds 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 the City'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 City's near term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

*Proprietary funds.* The City of Whitehouse maintains only one type of proprietary fund – an enterprise fund. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City used enterprise funds to account for its water and sewer operations.

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 sewer.

*Capital Projects funds.* Capital projects funds are used for major undertakings that are beyond the scope of the regular annual operating budget, such as improvements and expansion of the City's water and wastewater systems, and streets and drainage.

*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.

### **Government-wide Financial Analysis**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. As the end of the fiscal year, September 30, 2023 the City's assets exceeded liabilities by \$27,552,851.

By far the largest portion of the City's net position, \$18,194,170, reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure), less any related debt used to acquire these assets that are still outstanding. This amount increased \$1,784,944 during the current year primarily due to continued construction and improvements on the East Main properties. 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 the capital assets themselves cannot be used to liquidate these liabilities. The amount of net position that is unrestricted, \$7,549,199, increased by \$1,745,575 during the year.

## City of Whitehouse's Net position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 20,278,588	\$ 19,163,718	\$ 2,384,550	\$ 2,704,211	\$ 22,663,138	\$ 21,867,929
Capital assets	15,764,955	15,585,290	15,442,734	15,314,495	31,207,689	30,899,785
Total Assets	36,043,543	34,749,008	17,827,284	18,018,706	53,870,827	52,767,714
Deferred outflows of resources	596,779	61,696	352,287	259,814	949,066	321,510
Total Deferred Outflows of Resources	596,779	61,696	352,287	259,814	949,066	321,510
Current liabilities	1,525,553	1,515,107	1,797,060	1,758,920	3,322,613	3,274,027
Non current liabilities	14,987,066	15,778,168	6,481,608	7,653,749	21,468,674	23,431,917
Total Liabilities	16,512,619	17,293,275	8,278,668	9,412,669	24,791,287	26,705,944
Deferred outflows of resources	2,356,250	2,477,320	119,505	109,652	2,475,755	2,586,972
Total Deferred Outflows of Resources	2,356,250	2,477,320	119,505	109,652	2,475,755	2,586,972
Net invested in capital assets	10,308,755	9,831,923	7,885,415	6,577,303	18,194,170	16,409,226
Restricted	1,809,482	1,583,458	-	-	1,809,482	1,583,458
Unrestricted	5,653,216	3,624,728	1,895,983	2,178,896	7,549,199	5,803,624
Total Net Position	\$ 17,771,453	\$ 15,040,109	\$ 9,781,398	\$ 8,756,199	\$ 27,552,851	\$ 23,796,308

*Governmental activities.* During the current year the governmental activities had an increase in net position of \$2,731,344 which represented a \$862,448 increase from the previous year. The increase comes mostly from an increase in tax revenue and an increase in charges for services for the City's citizens.

*Business-type activities.* The City had a \$1,025,199 increase in net position for its business-type activities during the year. This represents a \$327,306 increase from the previous year. This increase from the prior year comes from an decrease in operating costs for the City's water and wastewater distribution system and an increase in property taxes..

### City of Whitehouse's Changes in Net position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Charges for services	\$ 2,257,370	\$ 2,058,055	\$ 3,582,747	\$ 3,638,215	\$ 5,840,117	\$ 5,696,270
Grant revenues	136,421	183,198	-	-	136,421	183,198
General revenue:						
Property taxes	3,783,834	3,508,223	930,101	639,550	4,713,935	4,147,773
Franchise taxes	299,553	303,841	-	-	299,553	303,841
Sales taxes	1,721,516	1,516,345	-	-	1,721,516	1,516,345
Gain (loss) on sale of assets	25,515	13,533	-	-	25,515	13,533
Interest income	809,469	148,322	114,514	55,651	923,983	203,973
Total revenues	9,033,678	7,731,517	4,627,362	4,333,416	13,661,040	12,064,933
Expenses:						
General government	1,143,895	1,236,981	-	-	1,143,895	1,236,981
Public safety	3,229,303	2,561,054	-	-	3,229,303	2,561,054
Community development	1,563,340	1,392,328	-	-	1,563,340	1,392,328
Parks and recreation	294,528	302,332	-	-	294,528	302,332
Interest	469,453	381,855	215,048	276,920	684,501	658,775
Debt issuance cost	-	100,176	-	74,860	-	175,036
Water and sewer operations	-	-	2,988,930	3,171,638	2,988,930	3,171,638
Total expenses	6,700,519	5,974,726	3,203,978	3,523,418	9,904,497	9,498,144
Transfers	398,185	112,105	(398,185)	(112,105)	-	-
Change in net position	2,731,344	1,868,896	1,025,199	697,893	3,756,543	2,566,789
Net position beginning of year as originally stated	15,040,109	13,327,898	8,756,199	8,058,306	23,796,308	21,386,204
Prior period adjustment	-	(156,685)	-	-	-	(156,685)
Net position beginning of year - as restated	15,040,109	13,171,213	8,756,199	8,058,306	23,796,308	21,229,519
Net position end of year	\$ 17,771,453	\$ 15,040,109	\$ 9,781,398	\$ 8,756,199	\$ 27,552,851	\$ 23,796,308

### Financial Analysis of the Government's Funds

As noted earlier, the City of Whitehouse 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, unreserved fund balances may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the City's governmental funds reported an ending unrestricted fund balance of \$4,364,953. The total unrestricted fund balance for the governmental funds increased by \$1,024,663 during the year, which was primarily due to controlling expenditures in the current year and an increase in tax revenues and solid waste collections.

*Proprietary funds.* The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Unrestricted net position of the proprietary fund amounted to \$1,895,983 at year end as compared to \$2,178,896 at the end of the prior year.

## General Fund Budgetary Highlights

Over the year, the City of Whitehouse made one budget amendment to its original budget for its General Fund. Revenues were \$1,345,115 over budget while expenditures were over budget by just \$20,463. After considering operating transfers, the City had a favorable variance of \$1,340,325 when comparing excess revenues over expenditures for the year which reflected effective management and a conscientious effort to maximize resources.

## Capital Assets and Debt Administration

*Capital Assets.* The City of Whitehouse's investment in capital assets for the governmental and business-type activities as of September 30, 2023, amounts to \$18,194,170 net of accumulated depreciation and related debt. This investment in capital assets includes land, buildings, parks, machinery and equipment, water and sewer systems and infrastructure. The biggest change during the current year was the City's continued improvements and construction along East Main. The total net increase in the City's investment in fixed assets for the current year (see Note 4C) amounted to \$307,904.

### City of Whitehouse's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 190,184	\$ 190,184	\$ 25,000	\$ 25,000	\$ 215,184	\$ 215,184
Easements	-	-	7,800	7,800	7,800	7,800
Construction in progress	448,440	42,582	-	-	448,440	42,582
Buildings and improvements	2,829,204	2,515,904	80,362	75,759	2,909,566	2,591,663
Parks	1,958,780	2,031,267	-	-	1,958,780	2,031,267
Water and sewer system	-	-	15,258,732	15,121,823	15,258,732	15,121,823
Infrastructure	8,188,582	7,924,360	-	-	8,188,582	7,924,360
Right-of-use assets	1,318,465	1,328,006	-	-	1,318,465	1,328,006
Machinery and equipment	831,300	1,552,987	70,840	84,113	902,140	1,637,100
Total	\$ 15,764,955	\$ 15,585,290	\$ 15,442,734	\$ 15,314,495	\$ 31,207,689	\$ 30,899,785

Additional information on the City's capital assets can be found in the footnotes to this financial report.

*Long-term debt.* After principal payments were made against debt and leases during the year, and the issuance of new leases for the City's vehicle fleet, the City had total debt and other long-term liabilities outstanding of \$23,874,048 at the end of the fiscal year. The biggest change that occurred in the City's long term liabilities for the current year resulted from the increase in the City's net pension liability which resulted from an unfavorable market and valuation of the City's net plan assets in its TMRS program as of the measurement date of December 31, 2022. This resulted in a net pension liability of \$348,492 as of September 30, 2023.

**City of Whitehouse’s Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 14,038,269	\$ 14,795,403	\$ -	\$ -	\$ 14,038,269	\$ 14,795,403
Notes Payable	490,449	581,387	26,348	38,656	516,797	620,043
Compensated absences	148,140	113,253	20,782	20,782	168,922	134,035
Lease liability	1,182,036	1,359,548	-	-	1,182,036	1,359,548
Net Pension Liability	259,188	-	89,304	-	348,492	-
OPEB Liability	62,966	107,452	25,595	38,168	88,561	145,620
Revenue bonds and Certificates of obligation	-	-	7,530,971	8,698,536	7,530,971	8,698,536
<b>Total</b>	<b>\$ 16,181,048</b>	<b>\$ 16,957,043</b>	<b>\$ 7,693,000</b>	<b>\$ 8,796,142</b>	<b>\$ 23,874,048</b>	<b>\$ 25,753,185</b>

Additional information on the City’s long-term debt can be found in the footnotes to this financial report.

**Change in Accounting Policy**

The City adopted GASB 96, *Subscription Based Information Technology Agreements*, which was effective for the current year. The standard requires that subscriptions for software agreements that are long-term now be shown on the financial statements as assets with an offsetting liability. The adoption of this new standard did not result in a change to the City’s financial statements for the year ended September 30, 2023.

**Economic Factors and Next Year’s Budgets and Rates**

Economic trends in the City continue to reflect a more favorable outlook than the national average. New residential construction continues to recover and this year’s outlook is expected to continue on a steady climb, the same as last year.

Proposed construction and development factors were not considered in the preparation of the City’s budget and tax rate of \$ 0.717855 per \$100.00 property valuation for the 2023-2024 fiscal year which was a \$0.05 decrease from the prior year.

**Request for Information**

This financial report is designed to provide a general overview of the City of Whitehouse’s finances for all of those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

City of Whitehouse  
 Attn: Jennifer Lusk, Finance Director  
 PO Box 776  
 Whitehouse, TX 75791

Or call 903-510-7504

## **BASIC FINANCIAL STATEMENTS**

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF NET POSITION**  
**SEPTEMBER 30, 2023**

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>ASSETS</b>			
Cash and cash equivalents	\$ 4,683,245	\$ 2,971,660	\$ 7,654,905
Receivables (net of allowance for doubtful accounts)	664,776	586,344	1,251,120
Internal balances	1,805,794	(1,805,794)	-
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	13,124,773	402,340	13,527,113
Water rights - Lake Columbia	-	230,000	230,000
Capital Assets (net of accumulated depreciation):			
Land	190,184	25,000	215,184
Construction in progress	448,440	-	448,440
Easements	-	7,800	7,800
Buildings and improvements	2,829,204	80,362	2,909,566
Parks	1,958,780	-	1,958,780
Infrastructure	8,188,582	-	8,188,582
Machinery and equipment	831,300	70,840	902,140
Right-of-Use Asset	1,318,465	-	1,318,465
Water and sewer system	-	15,258,732	15,258,732
Total Assets	<u>36,043,543</u>	<u>17,827,284</u>	<u>53,870,827</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding (net of amortization)	-	184,247	184,247
Deferred charge on TMRS pension	580,411	163,837	744,248
Deferred charge on other postemployment benefits	16,368	4,203	20,571
Total Deferred Outflows of Resources	<u>596,779</u>	<u>352,287</u>	<u>949,066</u>
<b>LIABILITIES</b>			
Accounts payable	190,179	112,875	303,054
Deposits and other refundable balances	-	402,340	402,340
Accrued interest	141,392	70,453	211,845
Non-current liabilities:			
Due within one year	1,193,982	1,211,392	2,405,374
Due in more than one year	14,987,066	6,481,608	21,468,674
Total Liabilities	<u>16,512,619</u>	<u>8,278,668</u>	<u>24,791,287</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred revenue - grants	1,917,760	-	1,917,760
Deferred revenue - Lease	87,000	-	87,000
Deferred charge on TMRS pension	298,247	79,518	377,765
Deferred charge on other postemployment benefits	53,243	39,987	93,230
Total Deferred Inflows of Resources	<u>2,356,250</u>	<u>119,505</u>	<u>2,475,755</u>
<b>NET POSITION</b>			
Net investment in capital assets	10,308,755	7,885,415	18,194,170
Restricted for:			
Police forfeitures	23,341	-	23,341
Grants	95,488	-	95,488
Debt service	1,690,653	-	1,690,653
Unrestricted	5,653,216	1,895,983	7,549,199
Total Net Position	<u>\$ 17,771,453</u>	<u>\$ 9,781,398</u>	<u>\$ 27,552,851</u>

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

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<b>PRIMARY GOVERNMENT:</b>						
Governmental activities:						
General government	\$ 1,143,895	\$ 406,073	\$ 136,421	\$ (601,401)	\$ -	\$ (601,401)
Public safety	3,229,303	542,132	-	(2,687,171)	-	(2,687,171)
Community development	1,563,340	1,309,165	-	(254,175)	-	(254,175)
Parks and recreation	294,528	-	-	(294,528)	-	(294,528)
Interest	469,453	-	-	(469,453)	-	(469,453)
Total governmental activities	6,700,519	2,257,370	136,421	(4,306,728)	-	(4,306,728)
Business-type activities:						
Water and sewer	2,988,930	3,582,747	-	-	593,817	593,817
Interest	215,048	-	-	-	(215,048)	(215,048)
Total business-type activities	3,203,978	3,582,747	-	-	378,769	378,769
Total primary government	\$ 9,904,497	\$ 5,840,117	\$ 136,421	(4,306,728)	378,769	(3,927,959)
General revenues:						
Property taxes				3,783,834	930,101	4,713,935
Franchise taxes				299,553	-	299,553
Sales and use taxes				1,721,516	-	1,721,516
Gain on sale of assets				25,515	-	25,515
Interest and rent				809,469	114,514	923,983
Transfers				398,185	(398,185)	-
Total general revenues and transfers				7,038,072	646,430	7,684,502
Change in net position				2,731,344	1,025,199	3,756,543
Net Position, Beginning of year				15,040,109	8,756,199	23,796,308
Net position - end of year				\$ 17,771,453	\$ 9,781,398	\$ 27,552,851

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

CITY OF WHITEHOUSE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

	MAJOR FUNDS						TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	AMERICAN RESCUE PLAN FUND	2022 CITY IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	
<b>ASSETS</b>							
Cash and investments	\$ 3,980,695	\$ -	\$ -	\$ -	\$ 665,088	\$ -	\$ 4,645,783
Receivables:							
Property taxes	55,957	50,574	-	-	-	-	106,531
Fines	51,387	-	-	-	-	-	51,387
Sales taxes	283,086	-	-	-	-	-	283,086
Lease receivable	88,500	-	-	-	-	-	88,500
Charges for services (net)	174,712	-	-	-	-	-	174,712
Restricted Assets:							
Temporarily restricted							
Cash and cash equivalents	-	-	2,013,248	10,103,606	1,007,919	-	13,124,773
Due from other funds	115,139	1,866,083	-	-	-	(94,894)	1,886,328
Total Assets	<u>4,749,476</u>	<u>1,916,657</u>	<u>2,013,248</u>	<u>10,103,606</u>	<u>1,673,007</u>	<u>(94,894)</u>	<u>20,361,100</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>							
<b>LIABILITIES:</b>							
Accounts payable and accrued expenses	190,179	-	-	-	-	-	190,179
Due to other funds	-	175,430	-	-	-	(94,894)	80,536
Total Liabilities	<u>190,179</u>	<u>175,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(94,894)</u>	<u>270,715</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	55,957	50,574	-	-	-	-	106,531
Unavailable revenue - grants	-	-	1,917,760	-	-	-	1,917,760
Unavailable revenue - leases	87,000	-	-	-	-	-	87,000
Unavailable revenue - fines	51,387	-	-	-	-	-	51,387
Total Deferred Inflows of Resources	<u>194,344</u>	<u>50,574</u>	<u>1,917,760</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,162,678</u>
<b>Fund Balances:</b>							
Restricted:							
Police forfeitures/ expenditures	-	-	-	-	23,341	-	23,341
Grant expenditures	-	-	95,488	-	-	-	95,488
Debt Service	-	1,690,653	-	-	-	-	1,690,653
Total Restricted	-	1,690,653	95,488	-	23,341	-	1,809,482
Assigned:							
Capital Projects	-	-	-	10,103,606	1,649,666	-	11,753,272
Unassigned	4,364,953	-	-	-	-	-	4,364,953
Total Fund Balances	<u>4,364,953</u>	<u>1,690,653</u>	<u>95,488</u>	<u>10,103,606</u>	<u>1,673,007</u>	<u>-</u>	<u>17,927,707</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,749,476</u>	<u>\$ 1,916,657</u>	<u>\$ 2,013,248</u>	<u>\$ 10,103,606</u>	<u>\$ 1,673,007</u>	<u>\$ -</u>	<u>\$ 20,361,100</u>

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

CITY OF WHITEHOUSE, TEXAS  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position (Exhibit 1)

	Total Governmental Funds
Total fund balances governmental funds (Exhibit 3 page 1)	\$ 17,927,707
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	15,337,705
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	118,480
Deferred outflows represent the consumption of net position that are applicable to a future reporting period.	596,780
Deferred inflows represent the consumption of net position that are applicable to a future reporting period.	(351,490)
Interest payable on long-term debt does not require current financial resources. Therefore, interest payable is not reported as a liability in governmental funds balance sheet	(141,392)
Internal service funds are used by management to charge the costs of goods or services provided to other departments of the City. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	28,129
Long term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.	<u>(15,744,466)</u>
Net position of governmental activities	<u>\$ 17,771,453</u>

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	MAJOR FUNDS				OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	AMERICAN RESCUE PLAN FUND	2022 CITY IMPROVEMENTS FUND			
REVENUES							
Current and delinquent taxes	\$ 2,481,658	\$ 1,289,290	\$ -	\$ -	\$ -	\$ -	\$ 3,770,948
Fines and forfeitures	334,665	-	-	-	17,563	-	352,228
Licenses and permits	68,394	-	-	-	-	-	68,394
Franchise taxes	299,553	-	-	-	-	-	299,553
Sales taxes - regular	1,084,239	-	-	-	134,632	-	1,218,871
Sales taxes - additional 1/2 cent	403,895	-	-	-	-	-	403,895
Sales tax fees	98,750	-	-	-	-	-	98,750
Solid waste collections	1,253,404	-	-	-	-	-	1,253,404
Intergovernmental revenue	173,609	-	-	-	-	-	173,609
Grant revenue	-	-	136,421	-	-	-	136,421
Street and maintenance fee	-	-	-	-	55,761	-	55,761
Interest and rent	130,514	97,268	87,626	429,456	64,605	-	809,469
Vehicle registration fees	207,907	-	-	-	-	-	207,907
Miscellaneous income	128,505	-	-	-	-	-	128,505
<b>Total Revenues</b>	<b>6,665,093</b>	<b>1,386,558</b>	<b>224,047</b>	<b>429,456</b>	<b>272,561</b>	<b>-</b>	<b>8,977,715</b>
EXPENDITURES							
Legislative	3,248	-	-	-	-	-	3,248
General administration	591,064	-	92,842	-	92,035	-	775,941
Treasury and financial	130,225	-	-	-	-	-	130,225
Tax appraisal and collections	61,391	-	-	-	-	-	61,391
Municipal court	428,463	-	-	-	-	-	428,463
Parks/recreation	189,577	-	-	-	-	-	189,577
Community development	119,081	-	-	-	-	-	119,081
Street and ground maintenance	223,311	-	-	-	14,691	-	238,002
Police	1,510,012	-	-	-	-	-	1,510,012
Fire	984,371	-	-	-	-	-	984,371
Sanitation	854,036	-	-	-	-	-	854,036
Debt service:							
Bond principal	-	720,000	-	-	-	-	720,000
Note principal	-	90,938	-	-	-	-	90,938
Lease payments	190,497	-	-	-	-	-	190,497
Interest and fees	-	460,968	-	-	-	-	460,968
Capital outlay	381,688	-	43,579	405,858	-	-	831,125
<b>Total Expenditures</b>	<b>5,666,964</b>	<b>1,271,906</b>	<b>136,421</b>	<b>405,858</b>	<b>106,726</b>	<b>-</b>	<b>7,587,875</b>
Revenues Over (Under) Expenditures	998,129	114,652	87,626	23,598	165,835	-	1,389,840

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

**CITY OF WHITEHOUSE, TEXAS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	MAJOR FUNDS					ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	AMERICAN RESCUE PLAN FUND	2022 CITY IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS		
OTHER FINANCING SOURCES (USES)							
Transfers in	300,000	14,069	-	-	-	-	314,069
Transfers out	(273,466)	(6,131)	-	-	-	-	(279,597)
Total Other Financing Sources (Uses)	26,534	7,938	-	-	-	-	34,472
Net Change in Fund Balances	1,024,663	122,590	87,626	23,598	165,835	-	1,424,312
Fund Balance, October 1, 2022	3,340,290	1,568,063	7,862	10,080,008	1,507,172	-	16,503,395
Fund Balance, September 30, 2023	<u>\$ 4,364,953</u>	<u>\$ 1,690,653</u>	<u>\$ 95,488</u>	<u>\$ 10,103,606</u>	<u>\$ 1,673,007</u>	<u>\$ -</u>	<u>\$ 17,927,707</u>

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

**CITY OF WHITEHOUSE, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

Net change in fund balances - total governmental funds	\$ 1,424,312
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period.	170,471
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government wide statements.	29,181
Internal service funds are used by management to charge the costs of certain activities, such as fleet management, to individual funds. The net revenue of the internal service fund is reported with governmental activities.	(3,792)
The issuance of long-term debt (e.g. bonds) 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 effect of premiums, discounts, and similar items when debt is first issued; whereas the 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.	1,007,578
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in governmental funds	<u>103,594</u>
Change in net position of governmental activities	<u><u>\$ 2,731,344</u></u>

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

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**GENERAL FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/(NEGATIVE)
<b>REVENUES</b>				
Current and delinquent taxes	\$ 2,099,371	\$ 2,099,371	\$ 2,481,658	\$ 382,287
Fines and forfeitures	182,865	310,515	334,665	24,150
Licenses and permits	41,000	41,000	68,394	27,394
Franchise taxes	280,000	280,000	299,553	19,553
Sales taxes - regular	725,000	725,000	1,077,054	352,054
Sales taxes - additional 1/2 cent	271,875	271,875	403,895	132,020
Sales tax fees	72,000	72,000	91,163	19,163
Mixed beverage taxes	-	-	7,587	7,587
Solid waste collections	1,100,000	1,100,000	1,253,405	153,405
Zoning and platting fees	350	350	920	570
Intergovernmental revenue	135,500	135,500	173,609	38,109
Sale of assets	2,500	2,500	-	(2,500)
Contributions and donations	500	35,970	23,360	(12,610)
Grant revenue	22,698	22,698	0	(22,698)
Interest and rent	19,200	19,200	130,514	111,314
Vehicle registration fees	170,000	194,000	207,907	13,907
Miscellaneous income	2,815	2,815	104,225	101,410
<b>Total Revenues</b>	<b>5,125,674</b>	<b>5,312,794</b>	<b>6,657,909</b>	<b>1,345,115</b>
<b>EXPENDITURES</b>				
Legislative	32,500	32,500	3,248	29,252
General administration	648,607	893,762	993,141	(99,379)
Treasury and financial	117,004	124,758	129,773	(5,015)
Tax appraisal and collections	61,552	61,552	61,391	161
Municipal court	306,661	422,807	429,609	(6,802)
Parks/recreation	204,220	228,171	211,252	16,919
Community development	80,100	121,284	119,081	2,203
Street and ground maintenance	232,928	267,425	261,652	5,773
Police	1,817,013	1,907,986	1,849,398	58,588
Fire	980,144	1,012,515	1,027,882	(15,367)
Sanitation	818,000	842,975	849,771	(6,796)
<b>Total Expenditures</b>	<b>5,298,729</b>	<b>5,915,735</b>	<b>5,936,198</b>	<b>(20,463)</b>
Revenues Over (Under) Expenditures	(173,055)	(602,941)	721,711	1,324,652
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	300,000	300,000	300,000	-
Transfers out	(15,673)	(15,673)	-	15,673
<b>Total Other Financing Sources (Uses)</b>	<b>284,327</b>	<b>284,327</b>	<b>300,000</b>	<b>15,673</b>
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budget Basis	111,272	(318,614)	1,021,711	1,340,325
Budget Basis to GAAP Basis Adjustments (Note A)	-	-	2,952	2,952
Revenues and Other Sources Over (Under) Expenditures and Other Uses - GAAP Basis	111,272	(318,614)	1,024,663	1,343,277
Fund Balance, October 1, 2022	3,340,290	3,340,290	3,340,290	-
Fund Balance, September 30, 2023	<u>\$ 3,451,562</u>	<u>\$ 3,021,676</u>	<u>\$ 4,364,953</u>	<u>\$ 1,343,277</u>

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

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**GENERAL FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

Note A - Explanation of Differences Between Budget Basis Presentation and GAAP

Basis Presentation:

Sources/Inflows of Resources:

Differences - Budget to GAAP

Increase in rent income for change in receivable under GASB 87

1,500

Increase in revenues recognized for non-exchange transactions occurring during current year  
but received in following year

7,184

Uses/Outflows of Resources:

Differences - Budget to GAAP

Decrease in accrued expenses

(4,232)

Net Change in Budget Basis Presentation and GAAP Basis Presentation

\$ 2,952

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

CITY OF WHITEHOUSE, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023

	UTILITY FUND	INTERNAL SERVICE FUND
Current Assets:		
Cash and certificates of deposit	\$ 2,971,660	\$ 37,462
Accounts receivable (Net)	586,344	-
	<hr/>	<hr/>
Total Current Assets	3,558,004	37,462
Restricted Current Assets:		
Temporarily Restricted		
Customer deposits	402,340	-
Total Restricted Current Assets	<hr/> 402,340	<hr/> -
Noncurrent Assets:		
Water rights - Lake Columbia	230,000	-
Total Noncurrent Assets	<hr/> 230,000	<hr/> -
Capital Assets:		
Land	25,000	-
Easements	7,800	-
Buildings	379,264	-
Water and sewer system	26,967,083	-
Machinery & equipment	839,856	-
Right-of-use asset	-	724,451
Less: Accumulated depreciation/ amortization	(12,776,269)	(297,201)
Total Capital Assets Net of Accumulated Depreciation	<hr/> 15,442,734	<hr/> 427,250
Total Noncurrent Assets:	<hr/> 15,672,734	<hr/> 427,250
Total Assets	<hr/> 19,633,078	<hr/> 464,712
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding (net of amortization)	184,247	-
Deferred charge on other post employment benefits	4,203	-
Deferred charge on TMRS pension	163,837	-
Total Deferred Outflows of Resources	<hr/> 352,287	<hr/> -

(continued)

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

CITY OF WHITEHOUSE, TEXAS  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2023

	UTILITY FUND	INTERNAL SERVICE FUND
	<u>          </u>	<u>          </u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 112,875	\$ -
Compensated absences	2,077	-
Due to other funds	1,805,794	-
Total Current Liabilities	<u>1,920,746</u>	<u>-</u>
Current liabilities payable from restricted assets:		
Customer deposits	402,340	-
Accrued interest	70,453	-
Notes payable	12,865	-
Lease liability - current portion	-	154,318
Revenue bonds payable	1,196,450	-
Total current liabilities payable from restricted assets	<u>1,682,108</u>	<u>154,318</u>
Noncurrent Liabilities:		
Revenue bonds payable	6,334,521	-
Notes payable	13,483	-
Lease liability	-	282,265
Compensated absences	18,705	-
Net pension liability	89,304	-
Other post employment benefits	25,595	-
Total Noncurrent Liabilities	<u>6,481,608</u>	<u>282,265</u>
Total Liabilities	<u>10,084,462</u>	<u>436,583</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on other postemployment benefits	39,987	-
Deferred charge on TMRS pension	79,518	-
Total Deferred Inflows of Resources	<u>119,505</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	7,885,415	-
Unrestricted	1,895,983	28,129
Total Net Position	<u>\$ 9,781,398</u>	<u>\$ 28,129</u>

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

## EXHIBIT 8

**CITY OF WHITEHOUSE, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>UTILITY FUND</u>	<u>INTERNAL SERVICE FUND</u>
OPERATING REVENUES		
Water sales	\$ 2,414,154	\$ -
Sewer charges	954,820	-
Property taxes	930,101	-
Charges for other services	213,773	-
	<u>4,512,848</u>	<u>-</u>
Total Operating Revenues		
OPERATING EXPENSES		
Utility administration	589,793	-
Customer service	151,832	-
Water operations	690,424	-
Sewer operations	572,431	-
Water supply	386,185	-
Fuel	-	87,267
Maintenance	-	139,507
Amortization of leases	-	155,071
Depreciation	598,265	-
	<u>2,988,930</u>	<u>381,845</u>
Total Operating Expenses		
Operating Income	<u>1,523,918</u>	<u>(381,845)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and fiscal charge expense	(215,048)	(12,442)
Sale of assets	-	25,515
Revenue reimbursement for claims	-	1,267
Bond issue costs	-	-
Interest income	114,514	-
	<u>(100,534)</u>	<u>14,340</u>
Total non-operating revenue (expenses)		
Income before transfers	1,423,384	(367,505)
Transfers in	1,165,677	363,713
Transfers out	<u>(1,563,862)</u>	<u>-</u>
Total Transfers	<u>(398,185)</u>	<u>363,713</u>
Change in Net Position	1,025,199	(3,792)
Net Position, October 1, 2022	<u>8,756,199</u>	<u>31,921</u>
Net Position, September 30, 2023	<u>\$ 9,781,398</u>	<u>\$ 28,129</u>

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

CITY OF WHITEHOUSE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	UTILITY FUND	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 4,476,005	\$ -
Cash paid to suppliers for goods and services	(1,621,624)	(226,144)
Cash paid to employees for services	(833,037)	-
Net cash provided by (used in) operating activities	<u>2,021,344</u>	<u>(226,144)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	1,165,677	363,713
Transfers out	(1,563,862)	-
Net cash provided by non-capital financing activities	<u>(398,185)</u>	<u>363,713</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases or construction of capital assets	(726,504)	(190,386)
Grant proceeds	-	-
Proceeds on sale of assets	-	25,515
Proceeds from claims	-	1,267
Proceeds on capital leases	-	213,358
Principal paid on notes	(12,308)	-
Interest paid	(228,804)	(12,442)
Bond issuance costs	-	-
Principal paid on leases	(122,591)	(174,881)
Principal paid on bonds	(1,108,762)	-
Net cash used in capital and related financing activities	<u>(2,198,969)</u>	<u>(137,569)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	<u>114,514</u>	<u>-</u>
Net cash provided by investing activities	<u>114,514</u>	<u>-</u>
Net increase in cash	(216,114)	-
Cash, beginning of period	<u>3,590,114</u>	<u>37,462</u>
Cash, end of period	<u>\$ 3,374,000</u>	<u>\$ 37,462</u>
Reconciliation of cash to Exhibit 7:		
Cash - current asset	\$ 2,971,660	\$ 37,462
Cash - restricted current asset	402,340	-
Total cash, end of period	<u>\$ 3,374,000</u>	<u>\$ 37,462</u>
Summary on non-cash investing and financing activities:		
Vehicle fleet acquired through lease agreements	\$ -	\$ 187,866

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

CITY OF WHITEHOUSE, TEXAS  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023

	<u>UTILITY FUND</u>	<u>INTERNAL SERVICE FUND</u>
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:</b>		
Operating income	\$ 1,523,918	\$ (381,845)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortixation expense	598,265	155,701
Insurance proceeds	-	-
Decrease in deferred outflows of resources	(151,276)	-
Decrease in accounts payable	(34,708)	-
Increase in accounts receivable	(54,468)	-
Increase in net pension liability	124,728	-
Increase in other post employee benefit liability	(12,593)	-
Decrease in compensated absences	-	-
Increase in customer deposits	17,625	-
	<u>497,426</u>	<u>155,701</u>
Total adjustments		
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,021,344</u>	<u>\$ (226,144)</u>

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

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1: — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**A. General Statement**

The City of Whitehouse, Texas (City) operates under a Council-Manager form of government and provides the following services: general administration, police, fire, planning and zoning, street, solid waste, and water and sewer services.

The financial statements of the City have been prepared in accordance with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the standard setting body for governmental and financial reporting. On June 15, 1987, the GASB issued a codification of the existing Governmental Accounting and Financial Reporting Standards which, along with the subsequent GASB pronouncements (Statements and Interpretations), constitutes GAAP for governmental units.

**B. The Reporting Entity**

These financial statements present all of the funds of the City.

The financial statements of the City of Whitehouse, Texas include all funds and account groups and other organizations for which the City is financially accountable. Financial accountability is determined on the basis of appointment of a voting majority of the respective governing board, imposition of will, financial benefit or burden and financial accountability as a result of fiscal dependency. In determining the financial reporting entity, the City complies with the provisions of Government Accounting Standards Board Statement No. 14, “The Financial Reporting Entity” and Government Accounting Standards Board Statement No. 39 “Determining Whether Certain Organizations are Component Units – an amendment of GASB No. 14”, and includes all component units of which the City appointed a voting majority of the units’ board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

**C. Blended Component Unit**

In April of 2018, the City authorized the creation of an Economic Development Corporation pursuant to Chapters 501 and 505 of the Texas Local Government Code. Whitehouse Economic Development Corporation (WEDCO) is a nonprofit corporation organized to promote and develop new or expanding employment roles within the City of Whitehouse. The City plans to fund this new entity by dedicating one-eighth of a percent of sales tax revenue to economic development activities such as attracting new businesses and encouraging the expansion of existing ones, acquiring properties to be redeveloped, and completing infrastructure improvements that would assist in new development. In determining the financial reporting entity, the City complies with the provisions of Government Accounting Standards Board Statement No. 14, “The Financial Reporting Entity” and Government Accounting Standards Board Statement No. 39, “Determining Whether a Certain Organization are Component Units – an amendment of GASB No. 14,” and includes all component units of which the City appointed a voting majority of the units’ board and the City is either able to impose its will on the unit or a financial benefit or burden relationship exists.

**D. 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 non-fiduciary activities of the primary government. Governmental activities, which normally are supported by the 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. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues. Major individual governmental funds are reported as separate columns in the fund financial statements.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Measurement Focus, Basis of Accounting, and Financial Statement 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. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property 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 cash is received by the government.

The City reports the following major governmental funds:

The General Fund is the government'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 Debt Service Fund accounts for the repayment of the City's general obligation debt.

American Rescue Program Fund is used to account for the expenditures of the funds received in response to the American Rescue Program Act in March of 2021.

2022 City Improvements Capital Project Fund is used to account for the expenditures of funds from the 2022 series certificates of Obligations for city improvements.

The City reports the following major proprietary funds:

The Utility Fund is used to account for sale of water and wastewater treatment by the City to businesses and residential customers, as well as the construction of related construction projects and the payment of the debt on these projects.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided and (2) 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 non-operating items. Operating revenues and expenses generally result from providing services and producing and delivery goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Measurement Focus, Basis of Accounting, and Financial Statement Presentation – Continued**

Operating expenses for enterprise funds include the cost of sales and services, administrative expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**F. Assets, Liabilities, and Net Position or Equity**

1. Cash and cash equivalents – the City considers all cash in demand deposit accounts and petty cash accounts to be cash and cash equivalents, as well as certificates of deposit and funds maintained in external investment pools that can be readily converted to cash on a daily basis.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds:” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.” Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balance between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All receivables are shown net of an allowance for uncollectible.

The City provides an allowance for doubtful accounts based upon the anticipated collectability of each specific account, as determined by experience.

Property taxes are levied October 1 on the assessed value of property at January 1 and are due by January 31 of the following year. Unpaid taxes attach as an enforceable lien on property as of January 31. Revenue from taxes assessed is recorded as deferred revenue on October 1. The deferred revenue from taxes is then recognized as revenue during the year as the taxes are actually received.

3. Due from Other Funds

Current portions of long-term interfund loans receivable (reported in “Due from” asset accounts) are considered “available spendable resources”.

4. Capital Assets – includes property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed.

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**F. Assets, Liabilities, and Net Position or Equity - Continued**

Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

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

<u>Assets</u>	<u>Years</u>
Buildings and improvements	25-40
Machinery and equipment	5-10
Infrastructure	40

5. Construction in progress – Expenditures on incomplete capital projects have been capitalized as construction in progress. The assets resulting from these projects will be transferred from the construction in progress accounts to the appropriate asset account as the projects are completed.
6. Bond issue costs – The City has implemented GASB Statement No. 65. Under GASB Statement No. 65, bond issue costs are expensed when incurred.
7. Compensated Absences - A liability for unused vacation and sick time for all full time employees is calculated and reported in the proprietary fund and government-wide statements. For financial reporting, the following criteria must be met to be considered as compensated absences:
  - Leave or compensation is attributable to services already rendered
  - Leave or compensation is not contingent on a specific event (such as illness)

Per GASB Interpretation No. 6, liabilities for compensated absences are recognized in the fund statements to the extent the liabilities have matured (i.e., are due for payment). Compensated absences are accrued in the proprietary fund and government-wide statements.

Vacation time is earned based on years of service. Regular full-time employees up to four years of service earn ten days of vacation, regular full-time employees with five to nine years of service earn fifteen days of vacation, and regular full-time employees with ten or more years of service earn twenty days of vacation. The maximum amount an employee may accumulate is thirty days.

The regular workweek is based on 40 hours actually worked. Overtime, unless required to be paid by Federal statutes, is accumulated as compensatory (comp) time and earned at time and a half for non-exempt employees and at straight time for exempt employees. Comp time is accumulated and may be taken off with approval.

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 statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.
9. 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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has two items that qualify for reporting in this category. First is the deferred charge on refunding reported in the government-wide statement of net position.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

10. **F. Assets, Liabilities, and Net Position or Equity - Continued**

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The second is a deferred charge on the TMRS pension and other postemployment benefit.

The TMRS pension and OPEB expense and net pension and OPEB liability are reported as of the date of the last actuarial study, which was December 31, 2022. The deferred outflow shows the difference in contributions to the TMRS retirement plan that occurred between December 31, 2022 and September 30, 2023.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources (revenue) until that time. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has one item that qualify for reporting under this category, deferred inflow of resources related to pensions.

11. **Fund Balance Classification – In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned, or unassigned.**

**Nonspendable –** Amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact.

**Restricted –** Amounts that can be spent only for specific purposes because of the City Charter, City Code, state or federal laws, or externally imposed conditions by grantors or creditors.

**Committed –** Amounts that can be used only for specific purposes determined by a formal action by City Council ordinance or resolution. This includes any budgeted reserve account.

**Assigned –** Amounts that are designated by City Council for a specific purpose but are not spendable until a budget ordinance is passed.

**Unassigned –** All amounts not included in other spendable classifications.

When more than one classification of fund balance is available for use, it is the City's policy to use the most restricted resources first.

12. **Net Position – The City has adopted GASB Statement No. 63, which redefines how net assets are presented in the financial statements. The Statement of Net Assets is now the Statement of Net Position. Net position represents the difference between assets and liabilities, and is divided into three components.**

**Net investment in capital assets -** This component consists of the City's capital assets, net of accumulated depreciation, reduced by any outstanding debt used for the acquisition or construction of those assets and adjusted for any deferred outflows or inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt.

**Restricted –** This component consist of those amounts which have limitations imposed on their use either through legislation adopted by the City or through external restrictions imposed by creditors, grantors or other laws and regulations, reduced by liabilities and deferred inflows of resources related to those assets.

**Unrestricted –** This component consist of the net amount of the assets, deferred outflows and inflows of resources, and liabilities not included in net investment in capital assets or restricted components of net position.

13. **Capitalized interest – The City has capitalized interest on construction projects when material.**

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**F. Assets, Liabilities, and Net Position or Equity – Continued**

14. Tax Abatements – The City adopted GASB Statement No. 77, Tax Abatement Disclosures. The City has evaluated the total tax abatements issued for the year and has determined that the amount is not material to the financial statements.
15. 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 at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
16. 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 for 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.
17. Other Postemployment Benefits – For purposes of measuring the other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by TMRS. Benefit payments are treated as being equal to the City’s yearly contributions for retirees.
18. Implementation of New Standards

In May 2019 GASB issued Statement No. 91 Conduit debt Obligations which has the objectives of providing a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2021. The City implemented this statement as applicable for the fiscal year ending September 30, 2023. The change did not have a material effect on the City’s financial statements.

In May 2020, GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements* which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). SBITAs are defined as a non-cancellable right to use technology for a period of time. Under the new standard a government will recognize a right of use asset and a corresponding liability. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The City implemented this statement as applicable for the fiscal year ending September 30, 2023. The change did not have a material effect on the City’s financial statements.

In June 2020, GASB issued Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* which addresses multiple issues relating to pension and OPEB plans. The requirements are effective primarily for reporting periods beginning after June 15, 2021. The City does not expect this pronouncement to have a material impact of this statement on its financial statements. The City implemented this statement as applicable for the fiscal year ending September 30, 2023. The change did not have a material effect on the City’s financial statements.

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**F. Assets, Liabilities, and Net Position or Equity – Continued**

19. Future Implementation of New Standards

In June 2022, GASB issued Statement No. 100 *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62* which defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements. The requirements of this statement are effective for reporting periods beginning after June 15, 2023. The City is evaluating the impact of this statement on its financial statements.

In June 2022, GASB issued Statement No. 101 *Compensated Absences* requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. The requirements of this statement are effective for reporting periods beginning after December 15, 2023. The City is evaluating the impact of this statement on its financial statements.

**NOTE 2 — RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position**

An element of that reconciliation states that “Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.” The details of this \$15,337,705 difference are as follows:

Capital assets, October 1, 2022, net of accumulated depreciation	\$	15,167,234
Capital asset additions, net of retirements		831,125
Depreciation of capital assets, net of retirements		(660,654)
		15,337,705
	\$	15,337,705

Another element states that “Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.” The details of this \$118,480 difference are as follows:

Allowance account for uncollectible property taxes	\$	(39,438)
Unavailable revenue - property taxes		106,531
Unavailable revenue - fines		51,387
		118,480
	\$	118,480

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position - Continued**

Also, another element states that “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet.” The details of this \$(15,744,466) difference are as follows:

Long-term liabilities, October 1, 2022	\$ (16,533,446)
Principal paid on debt in current year	1,001,374
Debt incurred during current year	-
Amortization of bond premium	37,134
Decrease in other postemployment benefit liability	44,546
Increase in net pension liability	(259,188)
Change in compensated absences	(34,886)
	<u>\$ (15,744,466)</u>

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenue, Expenditures, and Changes in Fund Balance and the Government-Wide Statement of Activities**

An element of that reconciliation explains that “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated to their estimated useful lives and reported as depreciation expense.” The difference of \$170,471 was related to fixed asset additions exceeding current year depreciation expense as follows:

Capital outlay, asset additions	\$ 831,125
Depreciation expense	(660,654)
	<u>\$ 170,471</u>

Another element states “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government-wide statements.” The details of this \$29,181 are as follows:

Change in allowance for uncollectible taxes	\$ 715
Change in deferred revenue	28,466
	<u>\$ 29,181</u>

Also, another element states “The issuance of long-term debt (e.g., bonds) 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 effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, the 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.” The details of this \$1,007,578 difference are as follows:

Principal payments on debt	\$ 1,001,374
Change in accrued interest	3,956
Amortization on bond premium	37,134
Change in compensated absences	(34,886)
	<u>\$ 1,007,578</u>

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

NOTE 3 — STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

**A. Budgetary Information**

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

1. The budget for the General Fund and Water and Sewer Fund are adopted essentially on the cash basis. The budgetary comparisons for these funds are on this non-GAAP budgetary basis.
2. Appropriations lapse at year end.
3. Encumbrance accounting is not used.

NOTE 4 — DETAILED NOTES ON ALL FUNDS

**B. Deposits and Investments**

Cash and investments as of September 30, 2023 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 7,654,905
Restricted cash and cash equivalents	13,527,113
	13,527,113
Total Cash and cash equivalents	\$ 21,182,018
	21,182,018
Cash on hand	
Savings and checking accounts	\$ 1,300
External investment pools	12,946,256
	8,234,462
Total Cash and Investments	\$ 21,182,018
	21,182,018

At September 30, 2023, the carrying value of the City’s bank deposits was \$12,946,256 while the bank balance was \$13,105,193. All bank balances not covered by federal depository insurance, were covered by collateral held in the pledging financial institutions’ trust department in the City’s name.

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act ("Act") requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports, and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the City were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, (1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, (2) certificates of deposit, (3) certain municipal securities, (4) securities lending program, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, and (10) commercial paper.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**B. Deposits and Investments – (continued)**

During the year ended September 30, 2023, the City invested a public funds investment pool. The City’s investment in the public funds investment pool as of September 30, 2023, is shown below.

<u>External Investment Pool</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
MBIA	<u>\$ 8,234,462</u>	0.19	AAAm
	<u><u>\$ 8,234,462</u></u>		

GASB Statement No. 77, Fair Value Measurement and Application, establishes a fair value hierarchy for inputs used in the measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available, of how the market would price the asset or liability. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2 – Inputs other than quoted prices in active markets for identical assets and liabilities that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3 – Unobservable inputs for the asset or liability (supported by little or no market activity). Level 3 inputs include management’s own assumption about the assumptions that market participants would use in pricing the asset or liability (including assumptions about risk.)

The asset’s or liability’s fair value measurement within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

A summary of the City’s investments under the requirements of the fair value hierarchy as of September 30, 2023 are as follows:

	<u>Assets at Fair Value as of September 30, 2023</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Primary Government				
Texas Government Investment Pool	\$ -	\$ 8,234,462	\$ -	\$ 8,234,462
Total Primary Government	<u>\$ -</u>	<u>\$ 8,234,462</u>	<u>\$ -</u>	<u>\$ 8,234,462</u>

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year-end and, if so, the reporting of certain related disclosures:

At September 30, 2023, the City’s investments, other than those which are obligations of or guaranteed by the U.S. Government, are rated as to credit quality as follows:

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**B. Deposits and Investments – (continued)**

Custodial Credit Risk

Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name. The City was not exposed to custodial credit risk.

Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy limits the concentration of its investments by investment type. The City was not exposed to concentration of credit risk.

Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. The City was not exposed to interest rate risk.

Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. The City does not engage in foreign currency transactions. The City was not exposed to foreign currency risk.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code.

In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The City's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is a 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940.

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAM by Standard & Poor's Rating Services.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**C. Receivables**

Receivables at year end for the government's individual major funds and non-major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Other Governmental Funds	Utility Operating Fund	Total
Receivables:					
Taxes	\$ 339,043	\$ 50,574	\$ -	\$ -	\$ 389,617
Assessments	-	-	-	45,223	45,223
Accounts (services)	323,907	-	-	613,301	937,208
Leases	88,500	-	-	-	88,500
Gross receivables	<u>751,450</u>	<u>50,574</u>	<u>-</u>	<u>658,524</u>	<u>1,460,548</u>
Less: Allowance for Uncollectibles	<u>(137,248)</u>	<u>-</u>	<u>-</u>	<u>(72,180)</u>	<u>(209,428)</u>
Net Receivables	<u><u>\$ 614,202</u></u>	<u><u>\$ 50,574</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 586,344</u></u>	<u><u>\$ 1,251,120</u></u>

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2023 was as follows:

PRIMARY GOVERNMENT	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 190,184	\$ -	\$ -	\$ 190,184
Construction in Process	42,582	405,858	-	448,440
Total Capital Assets, Not Being Depreciated	<u>232,766</u>	<u>405,858</u>	<u>-</u>	<u>638,624</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	3,897,493	417,262	-	4,314,755
Parks	2,571,986	-	-	2,571,986
Infrastructure	12,859,392	-	-	12,859,392
Machinery and Equipment	2,933,564	8,005	(23,416)	2,918,153
Right of Use Asset	1,655,560	190,386	(34,000)	1,811,946
Total Capital Assets, Being Depreciated	<u>23,917,995</u>	<u>615,653</u>	<u>(57,416)</u>	<u>24,476,232</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,381,589)	(103,962)	-	(1,485,551)
Parks	(540,719)	(72,487)	-	(613,206)
Infrastructure	(4,349,894)	(320,916)	-	(4,670,810)
Machinery and Equipment	(1,965,715)	(144,554)	23,416	(2,086,853)
Right of Use Asset	(327,554)	(199,927)	34,000	(493,481)
Total Accumulated Depreciation	<u>(8,565,471)</u>	<u>(841,846)</u>	<u>57,416</u>	<u>(9,349,901)</u>
Net Total Assets Being Depreciated	<u>15,352,524</u>	<u>(226,193)</u>	<u>-</u>	<u>15,126,331</u>
Governmental Activities Capital Assets, Net	<u><u>\$15,585,290</u></u>	<u><u>\$ 179,665</u></u>	<u><u>\$ -</u></u>	<u><u>\$15,764,955</u></u>

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**D. Capital Assets – (continued)**

Business-Type Activities:

Capital Assets, Not Being Depreciated:

Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Easements	7,800	-	-	7,800
Total Capital Assets, Not Being Depreciated	<u>32,800</u>	-	-	<u>32,800</u>

Capital Assets, Being Depreciated

Water and Sewer System	26,257,579	726,504	-	26,984,083
Buildings	379,264	-	-	379,264
Machinery and Equipment	822,856	-	-	822,856
Total Capital Assets, Being Depreciated	<u>27,459,699</u>	<u>726,504</u>	-	<u>28,186,203</u>

Less Accumulated Depreciation For:

Water and Sewer System	(11,128,156)	(580,195)	-	(11,708,351)
Buildings	(294,085)	(4,817)	-	(298,902)
Machinery and Equipment	(755,763)	(13,253)	-	(769,016)
Total Accumulated Depreciation	<u>(12,178,004)</u>	<u>(598,265)</u>	-	<u>(12,776,269)</u>

Net Total Assets Being Depreciated

	<u>15,281,695</u>	<u>128,239</u>	-	<u>15,409,934</u>
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Business-Type Activities Capital Assets, Net

	<u>\$15,314,495</u>	<u>\$ 128,239</u>	<u>\$ -</u>	<u>\$15,442,734</u>
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Right-of-Use assets

A lease is defined as a contract that conveys control of the right of use of another entity's nonfinancial asset as specified in a contract for a period of time in an exchange or exchange-like transaction. The City is party to a variety of lease contracts as lessee for which this right-of-use (ROU) has been recognized as an asset on the balance sheet.

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

Governmental Activities:

General Government	\$ 114,701
Public Safety	135,695
Community Development	319,972
Transportation Fleet (ISF)	181,192
Parks and Recreation	90,286
Total depreciation expense, governmental activities	<u>\$ 841,846</u>

Business-Type Activities:

Water and Sewer Operations	<u>\$ 598,265</u>
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The City has the following construction projects as of September 30, 2023:

Project	Spent To-Date	Estimated Remaining Construction
110 E Main Street Remodel	<u>\$ 448,440</u>	<u>\$ 5,797,960</u>
	<u>\$ 448,440</u>	<u>\$ 5,797,960</u>

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of September 30, 2023 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utility Operating fund	\$ 993
General Fund	Utility Debt Service Fund	19,253
Debt Service Fund	Utility Operating fund	38,692
Debt Service Fund	Utility Debt Service Fund	<u>1,746,856</u>
		<u>\$ 1,805,794</u>

Interfund transfers are made in accordance with the City's adopted budget or through approvals to meet unexpected operating needs.

**D. Interfund Receivables, Payables, and Transfers**

The composition of interfund transfers as of September 30, 2023, is as follows:

	<u>Transfers In</u>						<u>Total</u>
	<u>Utility Operating Fund</u>	<u>Utility Debt Service Fund</u>	<u>Debt Service Fund</u>	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Internal Service Fund</u>	
<u>Transfers Out:</u>							
Utility Operating Fund	\$ -	\$ 432,880	\$ 14,069	\$ 300,000	\$ -	\$ 90,248	\$ 837,197
Utility Debt Service Fund	1,140,308	-	-	-	-	-	1,140,308
General Fund	-	-	-	-	-	273,465	273,465
Debt Service Fund	-	6,131	-	-	-	-	6,131
Total transfers out /in	<u>\$ 1,140,308</u>	<u>\$ 439,011</u>	<u>\$ 14,069</u>	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ 363,713</u>	<u>\$ 2,257,101</u>

**E. Long-term Debt**

The following is a summary of bond and certificates of obligation transactions of the City for the year ended September 30, 2023:

	<u>GENERAL OBLIGATION</u>	<u>REVENUE</u>	<u>TOTAL</u>
Bonds payable - October 1, 2022	\$ 14,795,403	\$ 8,698,536	\$ 23,493,939
Additions	-	-	-
Retirements	(757,134)	(1,167,565)	(1,924,699)
Bonds payable - September 30, 2023	<u>\$ 14,038,269</u>	<u>\$ 7,530,971</u>	<u>\$ 21,569,240</u>

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Long-term Debt –(continued)**

Outstanding bonds at September 30, 2023 are comprised of the following issues:

Governmental Activities:

\$3,140,000 Series 2006 Refunding Bonds; maturing serially in varying amounts through 2-15-26 at 4.80%.	\$ 650,000
\$5,190,000 Series 2018 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-19 through 8-15-38. Interest at 3.0% to 3.12%.	3,320,448
\$9,880,000 Series 2022 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-26 through 2-15-33. Interest at 2.0%.	<u>10,067,821</u>
Total Governmental Bonded Debt	<u><u>\$ 14,038,269</u></u>

Business-Type Activities:

\$2,800,000 Series 2006 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-07 through 2-15-26. Interest at 4.2%.	\$ 590,000
\$4,359,000 Series 2007 Tax Refunding; maturing annually in varying amounts through 2-15-27 at 4.52%.	270,000
\$2,000,000 Series 2007 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-08 through 2-15-26 at 4.32%.	550,000
\$635,000 series 2020 Tax Note; maturing serially in varying amounts through 8-15-2035 at 1.51%.	522,000
\$5,575,000 series 2022 Refunding Bonds; maturing serially in varying amounts through beginning 2-15-23 through 2-15-28 at 2%	<u>5,598,971</u>
Total Business-Type Bonded Debt	<u><u>\$ 7,530,971</u></u>

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Long-term Debt –(continued)**

The funding requirements to amortize all bonds outstanding as of September 30, 2023, including interest, are as follows:

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2024	\$ 745,000	\$ 323,875	\$ 1,158,000	\$ 162,555	\$ 2,389,430
2025	755,000	298,900	1,312,000	129,126	2,495,026
2026	775,000	272,962	1,345,000	93,465	2,486,427
2027	430,000	246,750	1,619,000	56,699	2,352,449
2028	375,000	233,900	1,658,000	21,556	2,288,456
2029-2033	10,015,000	641,750	222,000	17,182	10,895,932
2034-2038	705,000	67,313	93,000	2,116	867,429
	<u>\$ 13,800,000</u>	<u>\$ 2,085,450</u>	<u>\$ 7,407,000</u>	<u>\$ 482,699</u>	<u>\$ 23,775,149</u>

Each bond issue has a respective bond ordinance authorizing (a) creation of an interest and sinking fund for the bond issue and (b) establishment of a required minimum balance to be held by each issue in order to pay the next interest and sinking requirement due.

The bond ordinances also require that the following information concerning insurance coverage as of September 30, 2023 be disclosed.

<u>INSURER</u>	<u>POLICY</u>	<u>Limit of Liability</u>		<u>Deductible</u>	<u>COVERAGE DATE</u>
		<u>Each Occurrence</u>	<u>Annual Aggregate</u>		
Texas Municipal League	General Liability	\$ 1,000,000	\$ 2,000,000	-	10/1/2022 to 10/01/2023
	Law Enforcement	1,000,000	2,000,000	\$ 2,500	10/1/2022 to 10/01/2023
	Errors & Omissions	1,000,000	2,000,000	\$ 5,000	10/1/2022 to 10/01/2023
	Auto Liability	1,000,000	n/a	-	10/1/2022 to 10/01/2023
	Auto Physical Damage	per schedule & endorsements	n/a	\$500/\$10,000	10/1/2022 to 10/01/2023
Texas Municipal League	Information Security & Privacy Liability	10,000	1,000,000	-	10/1/2022 to 10/01/2023
	Regulatory Defense & Penalties	-	25,000	\$2,500/ \$5,000	10/1/2022 to 10/01/2023
Texas Municipal League	Real & Personal Property	26,075,889	n/a	\$ 1,000	10/1/2022 to 10/01/2023
	Mobile Equipment	566,275	n/a	\$ 500	10/1/2022 to 10/01/2023
	Boiler & Machinery	100,000	n/a	\$ 1,000	10/1/2022 to 10/01/2023
Texas Municipal League	Workers Comp	complies with state statutes	n/a		10/1/2022 to 10/01/2023
	TOTAL	<u>\$ 30,752,164</u>			

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Long-term Debt – Continued**

The funding requirements to amortize all notes outstanding as of September 30, 2023, including interest, are as follows:

	GOVERNMENTAL		BUSINESS TYPE		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2024	\$ 93,215	\$ 12,465	\$ 12,865	\$ 1,204	\$ 119,749
2025	95,612	10,069	13,483	614	119,778
2026	98,035	7,645	-	-	105,680
2027	100,520	5,160	-	-	105,680
2028	103,067	2,619	-	-	105,686
	<u>\$ 490,449</u>	<u>\$ 37,958</u>	<u>\$ 26,348</u>	<u>\$ 1,818</u>	<u>\$ 556,573</u>

**Changes in long-term liabilities**

Long term liability activity for the year ended September 30, 2023 was as follows:

	Beginning Balance 10/1/22	Additions	Reductions	Ending Balance 9/30/23	Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 14,520,000	\$ -	\$ 720,000	\$ 13,800,000	\$ 745,000
Bond Premium	275,403	-	37,134	238,269	-
Notes Payable	581,387	-	90,938	490,449	93,215
Lease Liability	1,359,548	187,867	365,379	1,182,036	341,030
Net Pension Liability (Asset)	-	259,188	-	259,188	-
Other Postemployment Benefits	107,512	-	44,546	62,966	-
Compensated Absences	113,253	34,887	-	148,140	14,737
<b>Governmental Activity Long-Term Liabilities</b>	<u>16,957,103</u>	<u>481,942</u>	<u>1,257,997</u>	<u>16,181,048</u>	<u>1,193,982</u>
<b>Business-type Activities:</b>					
Revenue Bonds	8,535,000	-	1,128,000	7,407,000	1,158,000
Bond Premium	163,536	-	39,565	123,971	38,450
Notes Payable	38,656	-	12,308	26,348	12,865
Net Pension Liability (Asset)	-	89,304	-	89,304	-
Other Postemployment Benefits	38,188	-	12,593	25,595	-
Compensated Absences	20,782	-	-	20,782	2,077
<b>Business-type Activity Long-Term Liabilities</b>	<u>\$ 8,796,162</u>	<u>\$ 89,304</u>	<u>\$ 1,192,466</u>	<u>\$ 7,693,000</u>	<u>\$ 1,211,392</u>

The liabilities listed above for compensated absences will be liquidated by the City's General and Proprietary Funds.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**E. Long-term Debt – Continued**

Some of the City’s notes payable are secured with collateral. As of September 30, 2023, the City had the following outstanding notes have the following collateral:

	Borrowing Amount	Collateral Description
Governmental activities:		
2022 Note Payable	\$ 490,449	Fire Truck Compressor
Total Governmental activities	490,449	
Total	\$ 490,449	

**F. Leases**

The City is involved in various leasing arrangements for equipment, vehicles, and buildings which are leased mainly to commercial customers. With the implementation of GASB Statement No. 87 Leases, effective the fiscal year ended September 30, 2022, all leases were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions.

**Lessor Leases Receivables**

The City has entered into a lease agreement to lease a building and land to UT Health EMS. No new leases were entered into during the year. Annual payments are \$18,000, interest free. Future annual lease receivables as of September 30, 2023, are as follows:

Year	Principal	Interest	Total Receipts
2024	\$ 18,000	-	\$ 18,000
2025	18,000	-	18,000
2026	18,000	-	18,000
2027	18,000	-	18,000
2028	18,000	-	18,000
Total Future Receipts	\$ 90,000	-	\$ 90,000

**Lessee Leases Payable**

The City was party to several leases for office equipment and vehicles. Lease payables additions for the year ended September 30, 2023 were \$187,867 and lease payments for the year then ended were \$365,378. Annual payments range from \$485 to \$155,000. Interest rates were varied between 0.00% and 24.90%. Future annual lease receivables as of September 30, 2023 are as follows:

Year	Principal	Interest	Total Payments
2024	\$ 341,030	13,224	\$ 354,254
2025	327,306	7,390	334,696
2026	257,839	2,694	260,533
2027	228,398	1,210	229,608
2028	27,463	275	27,738
Total Future Payments	\$ 1,182,036	24,793	\$ 1,206,829

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**NOTE 5 — DEFEASED BONDS OUTSTANDING**

The City has defeased certain bonds by placing the proceeds of the new bond issues in an irrevocable trust for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City’s financial statements. At September 30, 2023, \$5,500,000 of bonds outstanding are considered defeased. The issue amounts of outstanding defeased bonds are as follows:

Bond Issue	Year Refunded	Outstanding
Series 2012 Refunding Bonds	2022	5,500,000
Total Bonds Defeased (Refunded)		\$5,500,000

**NOTE 6 — GROUP CONCENTRATIONS OF CREDIT RISK**

The City provides water, sewer and sanitation services to its residents. Residents are provided with these services and are billed each month for usage in the prior month. The credit granted by the City for usage of these services is all with residents of the City. As of September 30, 2023, the City had \$586,344 in net receivables from its residents for the usage of these services.

**NOTE 7 – DEFINED BENEFIT PENSION PLAN**

**Plan Description**

The City of Whitehouse participates as one of 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS’s defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

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

**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 payment options. Members may also choose to receive 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.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Benefits Provided – (continued)**

Plan provisions for the City were as follows:

	<u>Plan Year 2022</u>	<u>Plan Year 2021</u>
Employee deposit rate	5.0%	5.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Year required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating	100% Repeating
Annuity Increase (to retirees)	70% of CPI	70% of CPI

**Employees covered by benefit terms**

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2022</u>	<u>12/31/2021</u>
Inactive employees or beneficiaries currently receiving benefits	21	21
Inactive employees entitled to but not yet receiving benefits	56	47
Active employees	<u>48</u>	<u>48</u>
	<u>125</u>	<u>116</u>

**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 of Whitehouse were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City of Whitehouse were 7.98% and 8.31% in calendar years 2021 and 2022, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were \$242,623, and exceeded the required contributions by \$13,035.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Actuarial assumptions**

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.50% to 11.50% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. For smaller cities, more conservative methods and assumptions are used; lower termination rates are used for smaller cities, with maximum multipliers of 115% for employers with less than 100 members. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 13% with a 3-year set forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation 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 weighing 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 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**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 12/31/2021	\$ 6,553,145	\$ 6,770,568	\$ (217,423)
Changes for the year:			
Service cost	337,651	-	337,651
Interest	437,738	-	437,738
Change of benefit terms	(87,016)	-	(87,016)
Difference between expected and actual experience	(272,969)	-	(272,969)
Changes of assumptions	-	-	-
Contributions - employer	-	217,025	(217,025)
Contributions - employee	-	126,178	(126,178)
Net investment income	-	(494,540)	494,540
Benefit payments, including refunds of employee contributions	(299,902)	(299,902)	-
Administrative expense	-	(4,277)	4,277
Other changes	-	5,103	(5,103)
Net changes	115,502	(450,413)	565,915
Balance at 12/31/2022	\$ 6,668,647	\$ 6,320,155	\$ 348,492

**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:

**Sensitivity of the net pension liability to changes in the discount rate (continued)**

	1% Decrease in		1% Increase in	
	Discount Rate (5.75%)	Discount Rate (6.75%)	Discount Rate (6.75%)	Discount Rate (7.75%)
City's net pension liability	\$ 1,453,498	\$ 348,492	\$ 348,492	\$ (540,994)

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the internet at [www.tmr.com](http://www.tmr.com).

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

For the year ended September 30, 2023, the City recognized pension expense of \$217,025.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ 282,983
Changes in actuarial assumptions	316	-
Difference between projected and actual investment earnings	761,242	321,316
Contributions subsequent to the measurement date	184,180	-
Total	<u>\$ 945,738</u>	<u>\$ 604,299</u>

The City had \$184,180 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended December 31</u>	
2023	\$ (82,679)
2024	25,781
2025	50,341
2026	163,816
2027	-
Thereafter	-
	<u>\$ 157,259</u>

**NOTE 8 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description**

The City of Whitehouse participates in a single-employer defined benefit group-term life insurance plan. Texas Municipal Retirement System (TMRS) administers this defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). Like the Defined Benefit Pension Plan, the OPEB Plan is under 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.

This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The 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.

TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmrs.com](http://www.tmrs.com).

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**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 postemployment benefit (“OPEB”) and is a fixed amount of \$7,500.

**Employees covered by benefit terms**

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2022	12/31/2021
Inactive employees or beneficiaries currently receiving benefits	13	16
Inactive employees entitled to but not yet receiving benefits	13	9
Active employees	48	45
	74	70

**Contributions**

The member cities contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree life insurance during employee’s entire careers.

As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

For calendar year 2022, the total SDB contribution rate for the City of Whitehouse was 0.23% while the retiree portion of the SDB contribution was 0.14%. The City’s contributions for the year ended September 30, 2023, were \$3,988 for the retiree portion and \$7,300 for the total SDB rate. Due to the SDBF being considered an unfunded OPEB plan, benefit payments are treated as being equal to the employer’s yearly contributions for retirees.

**Net OPEB Liability**

The City’s Net OPEB Liability was measured as of December 31, 2022 and was determined by an actuarial valuation as of that date.

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Actuarial Assumptions**

The Total Net OPEB Liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Discount rate*	4.05%
Retiree's share of benefit-related costs	\$0
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 basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward 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 by Scale UMP to account for future mortality improvements subject to the floor.

\*The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2022.

The actuarial cost method being used is known as the Entry Age Normal Method. This method develops the annual cost of the Plan in two parts: that attributable to benefits accruing in the current year, known as the normal cost, and that due to service earned prior to the current year, known as the amortization of the unfunded actuarial accrued liability. The normal cost and the actuarial accrued liability are calculated individually for each member. The normal cost rate for an employee is the contribution rate which, if applied to a member's compensation through their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The normal cost is calculated using an entry age based on benefit service with the City. If a member has additional time-only vesting service through service with other TMRS cities or other public agencies, they retain this for determination of benefit eligibility and decrement rates. The salary-weighted average of these rates is the total normal cost rate. The unfunded actuarial accrued liability reflects the difference between the portion of projected benefits attributable to service credited prior to the valuation date and assets already accumulated.

These 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. The post-retirement mortality assumption for health annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2001 and dated December 31, 2013.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Changes in the Net OPEB Liability**

	Increase (Decrease) Total OPEB Liability
Balance at 12/31/2021	\$ 145,700
Changes for the year:	
Service cost	11,356
Interest	2,753
Change of benefit terms	-
Difference between expected and actual experience	(12,532)
Changes of assumptions	(55,183)
Benefit payments, including refunds of employee contributions	(3,533)
Net changes	(57,139)
Balance at 12/31/2022	\$ 88,561

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the net OPEB liability if the City, calculated using the discount rate of 4.05%, would be if it were calculated using a discount rate that is 1-percentage-point lower (3.05%) or 1-percentage-point higher (5.05%) than the current rate:

	1% Decrease in Discount Rate (3.05%)	Discount Rate (4.05%)	1% Increase in Discount Rate (5.05%)
City's total OPEB liability	\$ 109,203	\$ 88,561	\$ 72,969

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2023, the City recognized OPEB expense of \$8,514.

At September 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 501	\$ 24,810
Changes in actuarial assumptions	24,397	50,742
Contributions subsequent to the measurement date	3,037	-
Total	\$ 27,935	\$ 75,552

The City had \$3,037 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability for the year ending September 30, 2024.

**CITY OF WHITEHOUSE, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB  
(continued)**

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31	
2023	\$ (5,768)
2024	(6,705)
2025	(7,336)
2026	(9,787)
2027	(10,253)
Thereafter	(10,805)
	\$ (50,654)

**NOTE 9 – DEFICIT NET POSITION OR FUND BALANCE**

At September 30, 2023, the Enterprise Debt Service Fund had a deficit net position of \$121,140.

**NOTE 10 – COMMITMENTS**

Effective May 1, 2015, the City signed a contract with Republic Services for the collection and disposal of garbage for residents within the city limits. The service will be paid for in accordance with the rates set forth in the contract. The contract is for a five year period ending September 30, 2020. This contract was renewed for an additional five year period ending September 30, 2025.

In January 1996, the City signed a Water Collection and Resource Recovery Agreement with the Angelina and Neches River Authority. The services provided include collection of wood waste, grinding of wood waste, disposal of wood waste, and dewatering of sludge. The rate for fiscal year ending September 30, 2023 was \$7,234 per month.

Effective October 1, 2008, the City entered into a water delivery contract with the City of Tyler (Tyler) to purchase treated water on an “as need” basis. The contract calls for a monthly demand fee to be paid each month regardless of consumption and a volume rate per each 1,000 gallons consumed. The contract is for a 25 year period and calls for an increase in the demand rate and the volume rate equal to any increase in Tyler’s residential rate plus 1%. During the fiscal year ended September 30, 2023, the City paid a demand fee of \$31,346 per month as outlined in the agreement and notarized by the City of Tyler. The contract contains termination clauses including Whitehouse taking delivery of untreated water from either Lake Striker or Lake Columbia.

The City entered into an interlocal agreement for computer support services with the City of Tyler on October 24, 2018. Tyler and the City agree that the services to be provided by Tyler pursuant to the agreement will be provided by employees of Tyler's Information Technology Services Division. The computer support services include: installation, incident-based troubleshooting, regular backups of data and applications, liaison for software and hardware purchasing, system administration and network monitoring services, drafting a master equipment replacement schedule, and administration of system improvements. The initial term ends on September 30, 2019; the agreement automatically renews each year for up to five additional one-year terms unless terminated earlier. Tyler will bill the City on a monthly basis for services provided outside the scope of the agreement; the rate billed for such services will be \$60 per hour per Tyler employee in addition to the annual contract cost.

The City has a contract with Smith County for use of its jail facility. Under this agreement, the City will pay \$35 per prisoner for each day of confinement in the jail. The original agreement, which ended September 30, 2017, has been renewed annually through September 30, 2024.

Effective October 16<sup>th</sup> 2015, the City signed a contract with Smith County for emergency and non-emergency dispatch services. Under this agreement, the City agrees to pay an annual dollar amount. The contract automatically renews annually. For the year ended September 30, 2023, the City paid Smith County \$85,264 under the agreement.

**CITY OF WHITEHOUSE, TEXAS**  
**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

NOTE 10 – COMMITMENTS (continued)

Effective September 1, 2017, the City entered into a contract with The Rec for the operation of the previous YMCA facility. The City does not pay the Rec to operate this facility; the Rec pays for all upkeep, maintenance, and insurance. This agreement ends on September 30, 2022, with an option for an extended term of two years. Effective January 1, 2019, the City entered into a Youth Sports and Entertainment Programs Agreement with the Rec, to end on December 31, 2023. The Rec agrees to operate and management youth baseball and softball programs, full operation of all concession stands, and operate and manage the Splash Pad. The City provides financial assistance to the Rec concerning these programs for the first two years of the agreement as follows: \$30,000 for year one and \$15,000 for year two.

NOTE 11 – RISK MANAGEMENT

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance and insurance with TML Intergovernmental Risk Pool.

There were no settlements in the prior three fiscal years which exceeded insurance coverage carried by the City. Thus, no contingent liability was recorded at the time.

As of September 30, 2023, the City did not have any liability for unpaid claims or adjustments under policies carried with TML. During the year ended September 30, 2023, there was no reduction in insurance coverage from the prior year.

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2023, expenditures exceeded appropriations in the following departments of the General Fund: General Administration, Treasury and financial, Municipal Court, Fire Operations, and Sanitation. These over expenditures were funded by lower expenditures in other categories and higher than expected revenues.

Expenditures exceeded appropriations in the following departments of the Utility Fund: Water Operations and Utility Debt Service. These over expenditures were funded by excess fund balance.

NOTE 13 – SUBSEQUENT EVENTS

On December 27, 2023, the City closed on the purchase of land for a contract price of \$895,096 using a portion of the City's Coronavirus State and Local Fiscal Recovery Fund grant award.

Subsequent events were evaluated through February 6, 2024, the date on which the financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF WHITEHOUSE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017	Measurement Year 2016	Measurement Year 2015	Measurement Year 2014
<b>Total pension liability</b>									
Service Cost	\$ 337,651	\$ 259,479	\$ 231,025	\$ 214,077	\$ 216,979	\$ 187,993	\$ 164,171	\$ 168,558	\$ 148,502
Interest (on the Total Pension Liability)	437,738	416,090	392,021	370,025	345,272	318,220	304,286	266,073	246,432
Changes in benefit terms	(87,016)	-	-	-	-	-	383,870	-	-
Difference between expected and actual results	(272,969)	(66,195)	(90,578)	(82,184)	(7,801)	52,437	(116,546)	16,262	10,962
Change of assumptions	-	-	-	2,432	-	-	-	20,359	-
Benefit payments, including refunds of employee contributions	(299,902)	(181,581)	(198,633)	(175,284)	(197,299)	(147,436)	(167,369)	(124,673)	(146,013)
Net Change in Total Pension Liability	115,502	427,793	333,835	329,066	357,151	411,214	568,412	346,579	259,883
Total Pension Liability - Beginning	6,553,145	6,125,352	5,791,517	5,462,451	5,105,300	4,694,086	4,125,674	3,779,095	3,519,212
Total Pension Liability - Ending (a)	\$ 6,668,647	\$ 6,553,145	\$ 6,125,352	\$ 5,791,517	\$ 5,462,451	\$ 5,105,300	\$ 4,694,086	\$ 4,125,674	\$ 3,779,095
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 217,025	\$ 186,738	\$ 170,125	\$ 164,914	\$ 155,774	\$ 140,954	\$ 86,486	\$ 91,796	\$ 92,799
Contributions - Employee	126,178	108,569	98,225	91,721	92,174	81,950	84,624	88,435	83,453
Net Investment Income	(494,540)	768,550	411,089	714,693	(141,250)	565,106	258,085	5,552	202,022
Benefit payments, including refunds of employee contributions	(299,902)	(181,581)	(198,633)	(175,285)	(197,299)	(147,436)	(167,369)	(124,673)	(146,013)
Administrative Expense	(4,277)	(3,554)	(2,659)	(4,037)	(2,730)	(2,929)	(2,915)	(3,381)	(2,109)
Other	5,103	25	(104)	(121)	(141)	(149)	(157)	(167)	(173)
Net Change in Plan Fiduciary Net Position	(450,413)	878,747	478,043	791,885	(93,472)	637,496	258,754	57,562	229,979
Plan Fiduciary Net Position - Beginning	6,770,568	5,891,821	5,413,778	4,621,893	4,715,365	4,077,869	3,819,115	3,761,553	3,531,574
Plan Fiduciary Net Position - Ending (b)	\$ 6,320,155	\$ 6,770,568	\$ 5,891,821	\$ 5,413,778	\$ 4,621,893	\$ 4,715,365	\$ 4,077,869	\$ 3,819,115	\$ 3,761,553
Net Pension Liability (Asset) - Ending (a)-(b)	348,492	(217,423)	233,531	377,739	840,558	389,935	616,217	306,559	17,542
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	94.77%	103.32%	96.19%	93.48%	84.61%	92.36%	86.87%	92.57%	99.54%
Covered Payroll	\$ 2,523,553	\$ 2,171,375	\$ 1,964,495	\$ 1,834,422	\$ 1,843,489	\$ 1,638,998	\$ 1,692,482	\$ 1,768,710	\$ 1,669,056
Net Pension Liability as a Percentage of Covered Payroll	13.81%	-10.01%	11.89%	20.59%	45.60%	23.79%	36.41%	17.33%	1.05%

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF WHITEHOUSE, TEXAS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Contribution	\$ 229,588	\$ 200,747	\$ 183,561	\$ 153,256	\$ 165,523	\$ 153,825	\$ 122,276	\$ 84,016	\$ 90,900	\$ 92,260
Contributions in relation to the actuarially determined contributions	<u>242,623</u>	<u>207,844</u>	<u>185,320</u>	<u>153,256</u>	<u>165,523</u>	<u>153,825</u>	<u>122,276</u>	<u>86,637</u>	<u>90,900</u>	<u>92,260</u>
Contribution deficiency (excess)	\$ (13,035)	\$ (7,097)	\$ (1,759)	\$ -	\$ -	\$ -	\$ -	\$ (2,621)	\$ -	\$ -
Covered payroll	\$ 2,848,946	\$ 2,415,730	\$ 2,151,038	\$ 1,901,679	\$ 1,872,492	\$ 1,811,734	\$ 1,607,660	\$ 1,636,970	\$ 1,722,060	\$ 1,651,541
Contributions as a percentage of covered payroll	8.52%	8.60%	8.62%	8.06%	8.84%	8.49%	7.61%	5.29%	5.28%	5.59%

**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	22 Years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study for 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.
<b>Other Information:</b>	Decreased repeating USC from 100% to 50%. Increased Member contribution rate from 5% to 6%. Increased statutory max to 12.50% due to plan changes.

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**CITY OF WHITEHOUSE, TEXAS**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018	Measurement Year 2017
<b>Total OPEB liability</b>						
Service Cost	\$ 11,356	\$ 10,640	\$ 5,108	\$ 4,403	\$ 5,899	\$ 4,589
Interest	2,753	2,903	3,481	3,690	3,259	3,110
Changes in benefit terms	-	-	-	-	-	-
Difference between expected and actual experience	(12,532)	(10,808)	(10,579)	(1,515)	1,205	-
Change of assumptions and other inputs	(55,183)	4,868	20,019	21,064	(7,884)	8,521
Benefit payments	(3,533)	(3,474)	(982)	(734)	(737)	(656)
Net Change in Total OPEB Liability	(57,139)	4,129	17,047	26,908	1,742	15,564
Total OPEB Liability - Beginning	145,700	141,571	124,524	97,616	95,874	80,310
Total OPEB Liability - Ending (a)	<u>\$ 88,561</u>	<u>\$ 145,700</u>	<u>\$ 141,571</u>	<u>\$ 124,524</u>	<u>\$ 97,616</u>	<u>\$ 95,874</u>
Covered Payroll	\$ 2,523,553	\$ 2,171,375	\$ 1,964,495	\$ 1,834,422	\$ 1,843,489	\$ 1,638,998
Net OPEB Liability as a Percentage of Covered Payroll	3.51%	6.71%	7.21%	6.79%	5.30%	5.85%

**NOTES TO SCHEDULE**

**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 Rates:**

Actuarial Cost Method

Entry Age Normal

Supplemental Death Benefit

Contribution rate is equal to the expected benefit payments during the upcoming year divided by the annualized pay of current active members and is calculated separately for actives and retirees.

Retiree's share of benefit-related costs

\$0.00

Inflation

2.50%

Salary Increases

3.50% to 11.50% including inflation

Discount Rate

4.05%

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 basis with scale UMP.

Mortality Rates - Disabled Retirees

2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward 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 by Scale UMP to account for future mortality improvements subject to the floor.

**Other Information:**

The Supplemental Death Benefits Fund is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

Note: Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**ADDITIONAL SUPPLEMENTARY INFORMATION**

**CITY OF WHITEHOUSE, TEXAS  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2023**

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	COURT SECURITY	COURT TECHNOLOGY	FORESTDALE DEVELOPMENT FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>ASSETS</b>									
Cash and investments	\$ 239,974	\$ -	\$ -	\$ 352,496	\$ -	\$ -	\$ 72,618	\$ -	\$ 665,088
Restricted Assets:									
Temporarily restricted									
Cash and cash equivalents	-	110,541	5,778	-	7,299	10,264	-	874,037	1,007,919
Total Assets	<u>\$ 239,974</u>	<u>\$ 110,541</u>	<u>\$ 5,778</u>	<u>\$ 352,496</u>	<u>\$ 7,299</u>	<u>\$ 10,264</u>	<u>\$ 72,618</u>	<u>\$ 874,037</u>	<u>\$ 1,673,007</u>
<b>LIABILITIES AND FUND BALANCES</b>									
Fund Balances:									
Restricted:									
Police forfeitures/expenditures	-	-	5,778	-	7,299	10,264	-	-	23,341
Assigned:									
Capital Projects	239,974	110,541	-	352,496	-	-	72,618	874,037	1,649,666
Total Fund Balances	<u>239,974</u>	<u>110,541</u>	<u>5,778</u>	<u>352,496</u>	<u>7,299</u>	<u>10,264</u>	<u>72,618</u>	<u>874,037</u>	<u>1,673,007</u>
Total Liabilities and Fund Balances	<u>\$ 239,974</u>	<u>\$ 110,541</u>	<u>\$ 5,778</u>	<u>\$ 352,496</u>	<u>\$ 7,299</u>	<u>\$ 10,264</u>	<u>\$ 72,618</u>	<u>\$ 874,037</u>	<u>\$ 1,673,007</u>

**CITY OF WHITEHOUSE, TEXAS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	COURT SECURITY	COURT TECHNOLOGY	FORESTDALE DEVELOPMENT FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUES</b>									
Maintenance fees	\$ 55,761	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 55,761
Sales and use tax	-	-	-	134,632	-	-	-	-	134,632
Miscellaneous	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	7,299	10,264	-	-	17,563
Building/inspection permits	-	-	-	-	-	-	-	-	-
Interest	9,366	4,395	202	12,456	-	-	3,359	34,827	64,605
<b>Total Revenues</b>	<b>65,127</b>	<b>4,395</b>	<b>202</b>	<b>147,088</b>	<b>7,299</b>	<b>10,264</b>	<b>3,359</b>	<b>34,827</b>	<b>272,561</b>
<b>EXPENDITURES</b>									
Administration	21,930	-	1,957	50,268	-	-	17,880	-	92,035
Capital outlay	-	-	-	-	-	-	-	-	-
Streets and grounds	11,180	-	-	-	-	-	-	3,511	14,691
<b>Total Expenditures</b>	<b>33,110</b>	<b>-</b>	<b>1,957</b>	<b>50,268</b>	<b>-</b>	<b>-</b>	<b>17,880</b>	<b>3,511</b>	<b>106,726</b>
Excess (deficiency) of revenues over (under) expenditures	32,017	4,395	(1,755)	96,820	7,299	10,264	(14,521)	31,316	165,835
Net change in fund balances	32,017	4,395	(1,755)	96,820	7,299	10,264	(14,521)	31,316	165,835
Fund Balance - October 1, 2022	207,957	106,146	7,533	255,676	-	-	87,139	842,721	1,507,172
Fund Balance - September 30, 2023	\$ 239,974	\$ 110,541	\$ 5,778	\$ 352,496	\$ 7,299	\$ 10,264	\$ 72,618	\$ 874,037	\$ 1,673,007

**CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>LEGISLATIVE</u>				
PERSONNEL SERVICES:				
Special projects	\$ 25,000	\$ 25,000	\$ 235	\$ 24,765
Total Personnel Services	25,000	25,000	235	24,765
SUPPLIES AND MATERIALS:				
Educational and training	7,500	7,500	3,013	4,487
Total Supplies and Materials	7,500	7,500	3,013	4,487
TOTAL LEGISLATIVE	<u>32,500</u>	<u>32,500</u>	<u>3,248</u>	<u>29,252</u>
<u>GENERAL/ADMINISTRATION</u>				
PERSONNEL SERVICES:				
Administration	56,650	56,650	64,578	(7,928)
Clerical	83,939	83,939	86,675	(2,736)
Operations and Maintenance	54,075	54,075	54,825	(750)
Uniforms and Clothing	420	420	237	183
Workers compensation	639	639	402	237
Unemployment compensation	630	630	67	563
Employee retirement	17,189	17,189	18,472	(1,283)
Employee insurance	25,752	25,752	25,490	262
Retiree insurance	600	600	600	-
Payroll taxes	14,892	14,892	15,947	(1,055)
Total Personnel Services	254,786	254,786	267,293	(12,507)
SUPPLIES AND MATERIALS:				
Office supplies	5,800	5,800	3,721	2,079
Website and IT	408	408	446	(38)
Postage and delivery	1,000	1,000	1,163	(163)
Minor tools	150	150	-	150
Educational and training	6,750	6,750	6,940	(190)
Other supplies	7,500	7,500	4,329	3,171
Total Supplies and Materials	21,608	21,608	16,599	5,009
MAINTENANCE OF BUILDING/GROUNDS:				
Building and grounds	7,000	7,000	1,629	5,371
Total Maintenance of Building/Grounds	7,000	7,000	1,629	5,371
MAINTENANCE OF EQUIPMENT/MACHINERY:				
HVAC equipment	383	383	1,215	(832)
Communication equipment	100	100	-	100
Total Maintenance of Equipment/ Machinery	483	483	1,215	(732)
CONTRACTUAL SERVICES:				
Communication services	5,000	5,000	4,495	505
Insurance	7,299	7,299	7,678	(379)
Advertising	4,500	4,500	3,044	1,456
Legal fees	20,000	20,000	21,744	(1,744)
Contractual and fee base services	228,109	60,865	150,624	(89,759)
Utility services	71,500	106,867	115,735	(8,868)
Online & credit card fees	3,500	3,500	3,566	(66)
Transfer to vehicle replacement fund	15,673	15,673	16,986	(1,313)
Codification	2,000	2,000	1,328	672
Miscellaneous expense	-	377,032	375,122	1,910
Memberships/subscriptions	7,149	7,149	6,083	1,066
Total Contractual Services	364,730	609,885	706,405	(96,520)
TOTAL GENERAL ADMINISTRATION	<u>648,607</u>	<u>893,762</u>	<u>993,141</u>	<u>(99,379)</u>

**CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TREASURY AND FINANCIAL</u>				
PERSONNEL SERVICES:				
Administration	\$ 44,625	\$ 44,625	\$ 46,233	\$ (1,608)
Uniforms	60	60	79	(19)
Workers compensation	112	112	130	(18)
Unemployment compensation	90	90	14	76
Employee retirement	3,940	3,940	4,163	(223)
Employee insurance	4,034	4,034	4,074	(40)
Payroll taxes	3,414	3,414	3,526	(112)
Total Personnel Services	56,275	56,275	58,219	(1,944)
SUPPLIES AND MATERIALS:				
Website & IT	204	204	187	17
Educational and training	3,500	3,500	4,196	(696)
Total Supplies and Materials	3,704	3,704	4,383	(679)
CONTRACTUAL SERVICES:				
Communication Services	600	600	900	(300)
Memberships and Subscriptions	814	814	679	135
Employee Banquet	2,500	2,500	1,877	623
Contractual/fee services	53,111	60,865	63,715	(2,850)
Total Contractual Services	57,025	64,779	67,171	(2,392)
TOTAL TREASURY AND FINANCIAL	117,004	124,758	129,773	(5,015)
<u>TAX APPRAISAL AND COLLECTIONS</u>				
CONTRACTUAL SERVICES:				
Contractual/Fee Services	61,552	61,552	61,391	161
Total Contractual Services	61,552	61,552	61,391	161
TOTAL TAX APPRAISAL AND COLLECTIONS	61,552	61,552	61,391	161
<u>MUNICIPAL COURT</u>				
PERSONNEL SERVICES:				
Clerical	36,123	36,123	36,862	(739)
Overtime	-	-	551	(551)
Uniforms	60	60	79	(19)
Workers compensation	90	90	5	85
Unemployment compensation	180	180	18	162
Employee retirement	3,190	3,190	3,304	(114)
Employee insurance	9,290	9,290	7,847	1,443
Payroll taxes	2,763	2,763	2,844	(81)
Total Personnel Services	51,696	51,696	51,510	186
SUPPLIES AND MATERIALS:				
Postage and delivery	500	500	805	(305)
Educational and training	1,000	1,000	5,285	(4,285)
Total Supplies and Materials	1,500	1,500	6,090	(4,590)
MAINTENANCE OF EQUIPMENT				
Office equipment	51	51	56	(5)
Total Maintenance of Equipment	51	51	56	(5)
CONTRACTUAL SERVICES:				
Contractual/fee services	13,114	13,114	11,240	1,874
Collection agency fees	6,000	6,000	7,617	(1,617)
State Fee	75,000	141,146	141,146	-
Omni base fee	1,100	1,100	341	759
Online & credit card fees	8,200	8,200	5,863	2,337
Memberships and Subscriptions	-	-	55	(55)
Vehicle registration	150,000	200,000	205,691	(5,691)
Total Contractual Services	253,414	369,560	371,953	(2,393)
TOTAL MUNICIPAL COURT	306,661	422,807	429,609	(6,802)

CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>PARKS/RECREATION SERVICES</u>				
PERSONNEL SERVICES:				
Operations and Maintenance	\$ 77,139	\$ 77,139	\$ 73,961	\$ 3,178
Overtime	1,000	1,000	647	353
Uniforms and clothing	700	700	1,376	(676)
Workers compensation	1,694	1,694	1,401	293
Unemployment compensation	360	360	47	313
Employee retirement	6,811	6,811	6,516	295
Employee insurance	19,417	19,417	17,835	1,582
Payroll taxes	5,978	5,978	4,668	1,310
Total Personnel Services	113,099	113,099	106,451	6,648
SUPPLIES AND MATERIALS:				
Office supplies	500	500	-	500
Tires - flat repairs	700	700	20	680
Other supplies	2,500	2,500	3,728	(1,228)
Total Supplies and Materials	3,700	3,700	3,748	(48)
MAINTENANCE OF BUILDINGS/LAND				
Maintenance - ball parks	20,500	20,500	19,791	709
Maintenance - parks	3,500	3,500	4,023	(523)
Maintenance - The Rec	3,000	3,000	7,253	(4,253)
Maintenance - Splash Park	2,500	2,500	1,522	978
Maintenance - trails	3,500	3,500	9	3,491
Total Maintenance of Buildings/Land	33,000	33,000	32,598	402
MAINTENANCE OF EQUIPMENT/MACHINERY				
Machinery & Equipment	1,500	1,500	1,233	267
HVAC equipment	315	315	368	(53)
Tools	1,500	1,500	983	517
Playground equipment	1,000	1,000	0	1,000
Total Maintenance of Equipment/Machinery	4,315	4,315	2,584	1,731
CONTRACTUAL SERVICES				
Communication Services	395	395	394	1
Insurance	2,920	2,920	2,946	(26)
Contractual services	1,176	1,176	-	1,176
Utility Services	10,500	18,815	19,337	(522)
Miscellaneous	5,500	21,136	21,136	-
Transfer to vehicle replacement fund	23,615	23,615	22,058	1,557
Memberships and subscriptions	6,000	6,000	-	6,000
Total Contractual Services	50,106	74,057	65,871	8,186
TOTAL PARKS/RECREATION SERVICES	204,220	228,171	211,252	16,919
<u>COMMUNITY DEVELOPMENT</u>				
SUPPLIES AND MATERIALS:				
Educational and training	1,200	1,200	688	512
Total Supplies and Materials	1,200	1,200	688	512
MAINTENANCE OF EQUIPMENT:				
Building and grounds	2,500	2,500	809	1,691
Total Maintenance of Building	2,500	2,500	809	1,691

**CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>CONTRACTUAL SERVICES:</b>				
Contractual/fee services	\$ 71,400	\$ 112,584	\$ 112,584	\$ -
Economic Development	5,000	5,000	5,000	-
Total Contractual Services	<u>76,400</u>	<u>117,584</u>	<u>117,584</u>	<u>-</u>
TOTAL COMMUNITY DEVELOPMENT	<u>80,100</u>	<u>121,284</u>	<u>119,081</u>	<u>2,203</u>
<b>STREET AND GROUNDS MAINTENANCE</b>				
<b>PERSONNEL SERVICES:</b>				
Operations and maintenance	99,503	99,503	102,401	(2,898)
Overtime	3,000	3,000	1,215	1,785
Uniforms and clothing	1,200	1,200	1,188	12
Workers compensation	4,625	4,625	3,727	898
Unemployment compensation	360	360	36	324
Employee retirement	8,786	8,786	9,208	(422)
Employee insurance	18,694	18,694	18,711	(17)
Payroll taxes	7,841	7,841	7,179	662
Total Personnel Services	<u>144,009</u>	<u>144,009</u>	<u>143,665</u>	<u>344</u>
<b>SUPPLIES AND MATERIALS:</b>				
Minor tools	500	500	463	37
Chemical and mechanical	500	500	580	(80)
Tires - flat repairs	600	600	28	572
Safety supplies	100	100	153	(53)
Other supplies	100	100	-	100
Total Supplies and Materials	<u>1,800</u>	<u>1,800</u>	<u>1,224</u>	<u>576</u>
<b>MAINTENANCE OF BUILDINGS/LAND:</b>				
Streets and alleys	8,000	23,614	23,614	-
Total Maintenance of Buildings/Land	<u>8,000</u>	<u>23,614</u>	<u>23,614</u>	<u>-</u>
<b>STREET AND GROUNDS MAINTENANCE (cont'd.)</b>				
<b>MAINTENANCE OF EQUIPMENT/MACHINERY:</b>				
Office equipment	102	102	104	(2)
Machinery and heavy equipment	5,000	5,000	4,364	636
Shop equipment	500	500	150	350
Minor tools and equipment	400	400	101	299
Signal and sign system	3,500	3,500	4,256	(756)
Total Maintenance of Equipment/Machinery	<u>9,502</u>	<u>9,502</u>	<u>8,975</u>	<u>527</u>
<b>CONTRACTUAL SERVICES</b>				
Communication services	395	395	391	4
Leases and rentals	500	500	-	500
Transfer to vehicle replacement fund	42,906	42,906	38,835	4,071
Contractual services	24,050	42,933	42,933	-
Insurance	1,766	1,766	2,015	(249)
Total Contractual Services	<u>69,617</u>	<u>88,500</u>	<u>84,174</u>	<u>4,326</u>
TOTAL STREET AND GROUNDS MAINTENANCE	<u>232,928</u>	<u>267,425</u>	<u>261,652</u>	<u>5,773</u>

CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>POLICE OPERATIONS</u>				
<u>PERSONNEL SERVICES:</u>				
Administration	\$ 247,335	\$ 247,335	\$ 262,316	\$ (14,981)
Operations and maintenance	785,336	785,336	761,266	24,070
Overtime	15,000	54,137	57,411	(3,274)
Certificate pay	8,000	8,000	9,059	(1,059)
Assignment pay	5,500	5,500	4,039	1,461
Uniforms and clothing	16,530	16,530	15,524	1,006
Workers compensation	33,977	33,977	26,733	7,244
Unemployment compensation	3,240	3,240	333	2,907
Employee retirement	93,013	93,013	97,020	(4,007)
Employee insurance	158,964	158,964	136,472	22,492
Payroll taxes	80,583	80,583	77,441	3,142
	<u>1,447,478</u>	<u>1,486,615</u>	<u>1,447,614</u>	<u>39,001</u>
<u>POLICE OPERATIONS (Cont)</u>				
<u>SUPPLIES AND MATERIALS:</u>				
Office supplies	8,700	8,700	8,601	99
Website & IT	194	194	211	(17)
Laboratory supplies	4,500	4,500	4,275	225
Postage and delivery	500	500	282	218
Educational and training	8,500	8,500	10,226	(1,726)
LEOSE continuing education	1,500	1,500	1,656	(156)
Community resource supply	2,700	2,700	2,986	(286)
Other supplies	-	42,041	42,041	-
	<u>26,594</u>	<u>68,635</u>	<u>70,278</u>	<u>(1,643)</u>
<u>MAINTENANCE OF BUILDINGS/LAND:</u>				
Buildings and grounds	9,970	9,970	9,567	403
Gun range	3,000	3,000	950	2,050
	<u>12,970</u>	<u>12,970</u>	<u>10,517</u>	<u>2,453</u>
<u>MAINTENANCE OF EQUIPMENT/MACHINERY:</u>				
Office equipment	1,412	1,412	1,974	(562)
HVAC equipment	1,000	1,000	1,060	(60)
Technology equipment	1,000	10,795	10,795	-
Communication equipment	6,700	6,700	9,719	(3,019)
	<u>10,112</u>	<u>19,907</u>	<u>23,548</u>	<u>(3,641)</u>
<u>CONTRACTUAL SERVICES:</u>				
Communication services	11,000	11,000	9,971	1,029
Insurance	10,538	10,538	11,063	(525)
Contractual/fee services	132,555	132,555	121,461	11,094
Utility services	6,000	6,000	6,166	(166)
Transfer to vehicle replacement fund	158,766	158,766	148,442	10,324
Memberships and subscriptions	1,000	1,000	338	662
	<u>319,859</u>	<u>319,859</u>	<u>297,441</u>	<u>22,418</u>
<b>TOTAL POLICE OPERATIONS</b>	<u><u>1,817,013</u></u>	<u><u>1,907,986</u></u>	<u><u>1,849,398</u></u>	<u><u>58,588</u></u>

CITY OF WHITEHOUSE, TEXAS  
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL  
(NON-GAAP BUDGET BASIS)  
FISCAL YEAR ENDED SEPTEMBER 30, 2023  
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>FIRE OPERATIONS</b>				
<b>PERSONNEL SERVICES:</b>				
Administration	\$ 95,727	\$ 95,727	\$ 96,477	\$ (750)
Operations maintenance	511,924	511,924	529,666	(17,742)
Overtime	42,000	74,371	76,828	(2,457)
Community service	11,000	11,000	12,228	(1,228)
Certificate pay	600	600	1,477	(877)
Uniforms and clothing	5,000	5,000	4,984	16
Workers compensation	22,111	22,111	17,344	4,767
Unemployment compensation	3,960	3,960	345	3,615
Employee retirement	51,228	51,228	56,081	(4,853)
Employee insurance	59,281	59,281	56,932	2,349
Payroll taxes	49,421	49,421	52,066	(2,645)
<b>Total Personnel Services</b>	<b>852,252</b>	<b>884,623</b>	<b>904,428</b>	<b>(19,805)</b>
<b>FIRE OPERATIONS (Con't)</b>				
<b>SUPPLIES AND MATERIALS:</b>				
Office supplies	400	400	241	159
Laboratory services	800	800	1,189	(389)
Postage & delivery supplies	100	100	1	99
Emergency medical supplies	1,900	1,900	3,103	(1,203)
Minor tools and apparatus	400	400	397	3
Janitorial supplies	1,200	1,200	1,092	108
FOAM	1,400	1,400	1,895	(495)
Safety supplies	600	600	509	91
Educational and training	6,000	6,000	6,241	(241)
<b>Total Supplies and Materials</b>	<b>12,800</b>	<b>12,800</b>	<b>14,668</b>	<b>(1,868)</b>
<b>MAINTENANCE OF BUILDING:</b>				
Building and grounds	4,000	4,000	7,005	(3,005)
<b>Total Maintenance of Equipment/Machinery</b>	<b>4,000</b>	<b>4,000</b>	<b>7,005</b>	<b>(3,005)</b>
<b>MAINTENANCE OF EQUIPMENT/MACHINERY:</b>				
Office equipment	1,281	1,281	1,570	(289)
HVAC equipment	180	180	190	(10)
Shop equipment	400	400	496	(96)
Safety and medical equipment	10,000	10,000	1,845	8,155
Tools	10,000	10,000	6,325	3,675
Outdoor Warning System	4,600	4,600	5,018	(418)
Communication equipment	7,200	7,200	2,597	4,603
<b>Total Maintenance of Equipment/Machinery</b>	<b>33,661</b>	<b>33,661</b>	<b>18,041</b>	<b>15,620</b>
<b>CONTRACTUAL SERVICES:</b>				
Communication services	17,296	17,296	18,878	(1,582)
Insurance	2,889	2,889	2,976	(87)
Contractual/fee services	4,450	4,450	4,946	(496)
Utility service	5,000	5,000	7,624	(2,624)
Memberships and subscriptions	1,200	1,200	765	435
Transfer to vehicle replacement fund	45,196	45,196	47,144	(1,948)
Miscellaneous expense	1,400	1,400	1,407	(7)
<b>Total Contractual Services</b>	<b>77,431</b>	<b>77,431</b>	<b>83,740</b>	<b>(6,309)</b>
<b>TOTAL FIRE OPERATIONS</b>	<b>980,144</b>	<b>1,012,515</b>	<b>1,027,882</b>	<b>(15,367)</b>

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**  
**GENERAL FUND**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>SANITATION</u>				
CONTRACTUAL SERVICES:				
Contractual/fee services	\$ 751,000	\$ 775,975	\$ 775,975	\$ -
Sales tax	67,000	67,000	73,796	(6,796)
Total Contractual Services	818,000	842,975	849,771	(6,796)
TOTAL SANITATION	818,000	842,975	849,771	(6,796)
TOTAL EXPENDITURES - BUDGET BASIS	\$ 5,298,729	\$ 5,915,735	5,936,198	\$ (20,463)
Financial Statement Adjustments:				
Increase in accrued expenses			4,232	
TOTAL EXPENDITURES - GAAP BASIS			\$ 5,940,430	

**CITY OF WHITEHOUSE, TEXAS  
COMBINING BALANCE SHEET  
DEBT SERVICE FUNDS  
SEPTEMBER 30, 2023**

	<u>TAX NOTE &amp; GENERAL OBLIGATION NOTES</u>	<u>2006 SERIES REFUNDING FUND</u>	<u>2018 SERIES CERTIFICATES OF OBLIGATION</u>	<u>2022 SERIES CERTIFICATES OF OBLIGATION</u>	<u>TOTAL</u>
<u>ASSETS</u>					
Receivables:	\$ 50,574	\$ -	\$ -	\$ -	\$ 50,574
Due from other funds					
Due from General Fund	9,452	-	-	-	9,452
Due from Utility Fund	38,692	-	-	-	38,692
Due from Utility Debt Service Fund	1,817,939	-	-	-	1,817,939
	<u>1,817,939</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,817,939</u>
TOTAL ASSETS	<u>\$ 1,916,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,657</u>
Operations and Maintenance					
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</u>					
<u>LIABILITIES</u>					
Due to General Fund	\$ 104,346	\$ -	\$ -	\$ -	\$ 104,346
Due to Utility Debt Service Fund	71,084	-	-	-	71,084
	<u>71,084</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>71,084</u>
Total Liabilities	<u>175,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,430</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	50,574	-	-	-	50,574
<u>FUND BALANCE</u>					
Restricted:					
Debt Service	1,690,653	-	-	-	1,690,653
	<u>1,690,653</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,690,653</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 1,916,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,916,657</u>

**CITY OF WHITEHOUSE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES**  
**AND CHANGES IN FUND BALANCE**  
**DEBT SERVICE FUNDS**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	TAX NOTE & GENERAL OBLIGATION NOTES	2006 SERIES REFUNDING FUND	2018 SERIES CERTIFICATES OF OBLIGATION	2022 SERIES CERTIFICATES OF OBLIGATION	TOTAL
<u>REVENUES</u>					
Current and delinquent taxes	\$ 123,064	\$ 236,125	\$ 634,250	295,851	\$ 1,289,290
Interest income	97,268	-	-	-	97,268
Total Revenues	220,332	236,125	634,250	295,851	1,386,558
<u>EXPENDITURES</u>					
Debt Service:					
Bond principal	-	200,000	520,000	-	720,000
Note principal	90,938	-	-	-	90,938
Interest and fees	14,742	36,125	114,250	295,851	460,968
Total Expenditures	105,680	236,125	634,250	295,851	1,271,906
Revenues Over (Under) Expenditures	114,652	-	-	-	114,652
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers in	14,069	-	-	-	14,069
Transfers out	(6,131)	-	-	-	(6,131)
Total Other Financing Sources (Uses)	7,938	-	-	-	7,938
Revenues and Other Sources Over (Under) Expenditures and Other Uses	122,590	-	-	-	122,590
Fund Balance, October 1, 2022	1,568,063	-	-	-	1,568,063
Fund Balance, September 30, 2023	\$ 1,690,653	\$ -	\$ -	\$ -	\$ 1,690,653

CITY OF WHITEHOUSE, TEXAS  
COMBINING STATEMENT OF NET POSITION  
UTILITY FUND  
SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
<b>ASSETS</b>			
Current Assets:			
Cash and certificates of deposit	\$ 1,256,237	1,715,423	\$ 2,971,660
Accounts receivable (net)	586,344	-	586,344
<b>Total Current Assets</b>	<b>1,842,581</b>	<b>1,715,423</b>	<b>3,558,004</b>
Restricted Current Assets:			
Temporarily Restricted			
Customer deposits	402,340	-	402,340
<b>Total Restricted Current Assets</b>	<b>402,340</b>	<b>-</b>	<b>402,340</b>
Noncurrent Assets:			
Water rights - Lake Columbia	230,000	-	230,000
Capital Assets:			
Land	25,000	-	25,000
Easements	7,800	-	7,800
Buildings	379,264	-	379,264
Water and sewer system	26,967,083	-	26,967,083
Machinery & equipment	839,856	-	839,856
Less: Accumulated depreciation	(12,776,269)	-	(12,776,269)
<b>Total Capital Assets (net of accumulated depreciation)</b>	<b>15,442,734</b>	<b>-</b>	<b>15,442,734</b>
<b>Total Noncurrent Assets:</b>	<b>15,672,734</b>	<b>-</b>	<b>15,672,734</b>
<b>Total Assets</b>	<b>17,917,655</b>	<b>1,715,423</b>	<b>19,633,078</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding (net of amortization)	184,247	-	184,247
Deferred charge on other post employment benefits	4,203	-	4,203
Deferred charge on TMRS pension	163,837	-	163,837
<b>Total Deferred Outflows of Resources</b>	<b>352,287</b>	<b>-</b>	<b>352,287</b>

(continued)

CITY OF WHITEHOUSE, TEXAS  
COMBINING STATEMENT OF NET POSITION  
UTILITY FUND  
SEPTEMBER 30, 2023

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts payable	\$ 112,875	\$ -	\$ 112,875
Compensated absences	2,077	-	2,077
Due to other funds	39,684	1,766,110	1,805,794
Total Current Liabilities	<u>154,636</u>	<u>1,766,110</u>	<u>1,920,746</u>
Current liabilities payable from restricted assets:			
Customer deposits	402,340	-	402,340
Accrued interest	-	70,453	70,453
Notes payable	12,865	-	12,865
Revenue bonds payable	1,196,450	-	1,196,450
Revenue bonds premium	-	-	-
Total current liabilities payable from restricted assets	<u>1,611,655</u>	<u>70,453</u>	<u>1,682,108</u>
Noncurrent Liabilities:			
Revenue bonds payable	6,334,521	-	6,334,521
Notes payable	13,483	-	13,483
Compensated absences	18,705	-	18,705
Net pension liability	89,304	-	89,304
Other post employment benefits	25,595	-	25,595
Total Noncurrent Liabilities	<u>6,481,608</u>	<u>-</u>	<u>6,481,608</u>
Total Liabilities	<u>8,247,899</u>	<u>1,836,563</u>	<u>10,084,462</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on other post employment benefits	39,987	-	39,987
Deferred charge on TMRS pension	79,518	-	79,518
Total Deferred Inflows of Resources	<u>119,505</u>	<u>-</u>	<u>119,505</u>
NET POSITION			
Invested in capital assets, net of related debt	7,885,415	-	7,885,415
Unrestricted	<u>2,017,123</u>	<u>(121,140)</u>	<u>1,895,983</u>
Total Net Position	<u>\$ 9,902,538</u>	<u>\$ (121,140)</u>	<u>\$ 9,781,398</u>

**CITY OF WHITEHOUSE, TEXAS**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**UTILITY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
OPERATING REVENUES				
Water sales	\$ 2,414,154	\$ -	\$ -	\$ 2,414,154
Sewer charges	954,820	-	-	954,820
Property taxes	-	930,101	-	930,101
Charges for other services	213,773	-	-	213,773
Total Operating Revenues	<u>3,582,747</u>	<u>930,101</u>	<u>-</u>	<u>4,512,848</u>
OPERATING EXPENSES				
Utility administration	589,793	-	-	589,793
Customer service	151,832	-	-	151,832
Water operations	690,424	-	-	690,424
Sewer operations	572,431	-	-	572,431
Water supply	386,185	-	-	386,185
Depreciation	598,265	-	-	598,265
Total Operating Expenses	<u>2,988,930</u>	<u>-</u>	<u>-</u>	<u>2,988,930</u>
Operating Income (Loss)	<u>593,817</u>	<u>930,101</u>	<u>-</u>	<u>1,523,918</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and fiscal charge expense	-	(215,048)	-	(215,048)
Bond issue costs	-	-	-	-
Interest income	114,514	-	-	114,514
Total Non-Operating Revenue (Expenses)	<u>114,514</u>	<u>(215,048)</u>	<u>-</u>	<u>(100,534)</u>
Income before transfers	708,331	715,053	-	1,423,384
Transfers in	1,140,308	439,011	(413,642)	1,165,677
Transfers out	(837,196)	(1,140,308)	413,642	(1,563,862)
Total Transfers	<u>303,112</u>	<u>(701,297)</u>	<u>-</u>	<u>(398,185)</u>
Change in Net Position	1,011,443	13,756	-	1,025,199
Net Position, October 1, 2022	<u>8,891,095</u>	<u>(134,896)</u>	<u>-</u>	<u>8,756,199</u>
Net Position, September 30, 2023	<u>\$ 9,902,538</u>	<u>\$ (121,140)</u>	<u>-</u>	<u>\$ 9,781,398</u>

**CITY OF WHITEHOUSE, TEXAS**  
**COMBINING STATEMENT OF CASH FLOWS**  
**UTILITY FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Increase (Decrease) in Cash and Cash Equivalents**

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers and users	\$ 3,545,904	\$ 930,101	\$ -	\$ 4,476,005
Cash paid to suppliers for goods and services	(1,621,624)	-	-	(1,621,624)
Cash paid to employees for services	(833,037)	-	-	(833,037)
Net cash provided by operating activities	<u>1,091,243</u>	<u>930,101</u>	<u>-</u>	<u>2,021,344</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>				
Transfers in	1,140,308	439,011	(413,642)	1,165,677
Transfers out	(837,196)	(1,140,308)	413,642	(1,563,862)
Net cash provided by non-capital financing activities	<u>303,112</u>	<u>(701,297)</u>	<u>-</u>	<u>(398,185)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchases or construction of capital assets	(726,504)	-	-	(726,504)
Principal paid on notes	(12,308)	-	-	(12,308)
Bond proceeds	-	-	-	-
Bond issue costs	-	-	-	-
Interest paid	-	(228,804)	-	(228,804)
Advances from other funds	-	122,591	-	122,591
Principal paid on bonds	(1,108,762)	-	-	(1,108,762)
Net cash used in capital and related financing activities	<u>(1,847,574)</u>	<u>(106,213)</u>	<u>-</u>	<u>(1,953,787)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest earned on investments	114,514	-	-	114,514
Net cash provided by investing activities	<u>114,514</u>	<u>-</u>	<u>-</u>	<u>114,514</u>
Net increase in cash	(338,705)	122,591	-	(216,114)
Cash, beginning of period	<u>1,997,282</u>	<u>1,592,832</u>	<u>-</u>	<u>3,590,114</u>
Cash, end of period	<u>\$ 1,658,577</u>	<u>\$ 1,715,423</u>	<u>\$ -</u>	<u>\$ 3,374,000</u>
<b>Reconciliation of cash to Schedule 6:</b>				
Cash - current asset	\$ 1,256,237	\$ 1,715,423	\$ -	\$ 2,971,660
Cash - restricted current asset	402,340	-	-	402,340
Total cash, end of period	<u>\$ 1,658,577</u>	<u>\$ 1,715,423</u>	<u>\$ -</u>	<u>\$ 3,374,000</u>

**CITY OF WHITEHOUSE, TEXAS  
COMBINING STATEMENT OF CASH FLOWS  
UTILITY FUND  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

**Increase (Decrease) in Cash and Cash Equivalents**

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
<b>Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:</b>				
Operating income	\$ 593,817	\$ 930,101	\$ -	\$ 1,523,918
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation expense	598,265	-	-	598,265
Increase in accounts receivable	(54,468)	-	-	(54,468)
Increase in deferred outflows of resources	(151,276)	-	-	(151,276)
Decrease in accounts payable	(34,708)	-	-	(34,708)
Increase in net pension liability	124,728	-	-	124,728
Increase in deferred inflows of resources	9,853	-	-	9,853
Decrease in other post employee benefit liability	(12,593)	-	-	(12,593)
Increase in compensated absences	-	-	-	-
Increase in customer deposits	17,625	-	-	17,625
Total adjustments	497,426	-	-	497,426
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 1,091,243</b>	<b>\$ 930,101</b>	<b>\$ -</b>	<b>\$ 2,021,344</b>

SCHEDULE 9

**CITY OF WHITEHOUSE, TEXAS  
 DETAILED SCHEDULE OF REVENUES - BUDGET AND ACTUAL  
 (NON-GAAP BUDGET BASIS)  
 UTILITY OPERATING FUND  
 FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUES</u>				
Charges for services:				
Water sales	\$ 2,087,060	\$ 2,087,060	\$ 2,451,507	\$ 364,447
Sewer charges	891,602	891,602	954,820	63,218
Tap and connect fees	40,000	40,000	46,684	6,684
Miscellaneous revenue	-	-	2,000	2,000
Penalties	120,000	120,000	123,508	3,508
Insurance claims	-	-	30,726	30,726
Anra Compost Rebate	7,000	7,000	12,855	5,855
Interest and rent	<u>1,000</u>	<u>1,000</u>	<u>112,514</u>	<u>111,514</u>
 TOTAL REVENUES AND OTHER FINANCING SOURCES - BUDGET BASIS	 <u>\$ 3,146,662</u>	 <u>\$ 3,146,662</u>	 3,734,614	 <u>\$ 587,952</u>
 Financial Statement Adjustments:				
Adjust accounts receivable for cut-off			(37,353)	
Debt Service Fund payment of principal and fees on bonds and note			<u>1,140,308</u>	
 TOTAL REVENUES AND OTHER FINANCING SOURCES - GAAP BASIS			 <u>\$ 4,837,569</u>	

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**UTILITY OPERATING FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>UTILITY ADMINISTRATION</b>				
<b>PERSONNEL SERVICES:</b>				
Administration	\$ 180,118	\$ 180,118	\$ 192,847	\$ (12,729)
Workers' compensation	2,418	2,418	9	2,409
Unemployment compensation	360	360	27	333
Employee retirement	15,904	15,904	17,112	(1,208)
Employee insurance	6,000	6,000	6,000	-
Retiree Insurance	21,701	21,701	22,580	(879)
Payroll taxes	13,779	13,779	14,061	(282)
Total Personnel Services	<u>240,280</u>	<u>240,280</u>	<u>252,636</u>	<u>(12,356)</u>
<b>SUPPLIES AND MATERIALS:</b>				
Office supplies	2,000	2,000	1,806	194
Postage and delivery service	12,000	12,000	15,652	(3,652)
Continuing education and conferences	6,750	6,750	-	6,750
Educational and training	-	-	3,030	(3,030)
Other supplies	500	500	137	363
Total Supplies and Materials	<u>21,250</u>	<u>21,250</u>	<u>20,625</u>	<u>625</u>
<b>MAINTENANCE OF BUILDINGS/LAND:</b>				
Buildings and grounds	2,000	2,000	5,998	(3,998)
Total Maintenance of Buildings/Land	<u>2,000</u>	<u>2,000</u>	<u>5,998</u>	<u>(3,998)</u>
<b>MAINTENANCE - EQUIPMENT/MACHINERY:</b>				
Office equipment	1,836	1,836	2,319	(483)
HVAC equipment	257	257	565	(308)
Total Maintenance - Equipment/Machinery	<u>2,093</u>	<u>2,093</u>	<u>2,884</u>	<u>(791)</u>
<b>CONTRACTUAL SERVICES:</b>				
Communication services	1,500	1,500	1,518	(18)
Leases and Rentals	996	996	996	-
Advertising	250	250	-	250
Legal fees	2,500	2,500	-	2,500
Contractual and fee basis service	202,073	202,073	204,109	(2,036)
Utility services	15,000	15,000	8,179	6,821
Utility billing - dataprose	7,000	7,000	6,703	297
On-Line / credit card fees	49,000	82,369	92,347	(9,978)
Document shredding	450	450	449	1
Memberships and subscriptions	550	550	45	505
Miscellaneous	2,500	2,500	2,406	94
Total Contractual Services	<u>281,819</u>	<u>315,188</u>	<u>316,752</u>	<u>(1,564)</u>
<b>TOTAL UTILITY ADMINISTRATION</b>	<u><u>547,442</u></u>	<u><u>580,811</u></u>	<u><u>598,895</u></u>	<u><u>(18,084)</u></u>

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**UTILITY OPERATING FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>CUSTOMER SERVICE</u>				
PERSONNEL SERVICES:				
Clerical	\$ 106,536	\$ 106,536	\$ 110,613	\$ (4,077)
Overtime	500	500	159	341
Uniforms and clothing	180	180	261	(81)
Worker's compensation	266	266	341	(75)
Unemployment compensation	540	540	70	470
Employee retirement	9,451	9,451	9,910	(459)
Employee insurance	26,931	26,931	28,199	(1,268)
Payroll taxes	8,188	8,188	7,550	638
Total Personnel Services	<u>152,592</u>	<u>152,592</u>	<u>157,103</u>	<u>(4,511)</u>
TOTAL CUSTOMER SERVICE	<u><u>152,592</u></u>	<u><u>152,592</u></u>	<u><u>157,103</u></u>	<u><u>(4,511)</u></u>
<u>WATER OPERATIONS</u>				
PERSONNEL SERVICES:				
Operations and maintenance	186,426	186,426	194,671	(8,245)
Continuing education and conferences	500	500	-	500
Overtime	13,000	13,000	20,461	(7,461)
Certificate Pay	600	600	819	(219)
Uniforms and clothing	1,450	1,450	2,218	(768)
Workers' compensation	5,117	5,117	6,378	(1,261)
Unemployment compensation	720	720	80	640
Employee retirement	17,662	17,662	19,212	(1,550)
Employee insurance	31,560	31,560	28,599	2,961
Payroll taxes	15,302	15,302	15,706	(404)
Total Personnel Services	<u>272,337</u>	<u>272,337</u>	<u>288,144</u>	<u>(15,807)</u>
SUPPLIES AND MATERIALS:				
Laboratory supplies	-	-	164	(164)
Tires and tubes	1,200	1,200	267	933
Water meter supplies	15,000	15,000	20,622	(5,622)
Minor tools and apparatus	1,000	1,000	3,576	(2,576)
Fuel	-	-	2,961	(2,961)
Chemical and mechanical supplies	25,000	25,000	24,880	120
Safety Supplies	2,100	2,100	1,457	643
Educational and training	2,000	2,000	2,545	(545)
Other supplies	400	400	344	56
Total Supplies and Materials	<u>46,700</u>	<u>46,700</u>	<u>56,816</u>	<u>(10,116)</u>
MAINTENANCE - BUILDING/LAND:				
Buildings and grounds	4,000	4,000	1,800	2,200
Chlorination facilities	7,500	7,500	6,275	1,225
Water system	25,000	46,506	46,506	-
Meters and settings	25,000	25,000	9,441	15,559
Total Maintenance - Building/Land	<u>61,500</u>	<u>83,006</u>	<u>64,022</u>	<u>18,984</u>

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**UTILITY OPERATING FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>MAINTENANCE - EQUIPMENT/MACHINERY:</b>				
Machinery and heavy equipment	\$ 10,000	\$ 10,000	\$ 17,563	\$ (7,563)
Office equipment	1,200	1,200	70	1,130
Tools	-	-	881	(881)
Contingency	25,000	427,085	427,085	-
Safety and medical equipment	200	200	54	146
<b>Total Maintenance - Equipment/Machinery</b>	<b>36,400</b>	<b>438,485</b>	<b>445,653</b>	<b>(7,168)</b>
<b>CONTRACTUAL SERVICES:</b>				
Communication services	2,960	2,960	10,569	(7,609)
Leases and rentals	2,000	2,000	2,803	(803)
Insurance	16,968	16,968	16,990	(22)
Contractual and fee basis service	36,390	54,456	54,456	-
Utility services	135,000	222,746	248,887	(26,141)
Transfer to vehicle replacement fund	78,477	78,477	66,240	12,237
Memberships and subscriptions	-	-	420	(420)
Regulatory inspection fee	7,500	7,500	6,813	687
<b>Total Contractual Services</b>	<b>279,295</b>	<b>385,107</b>	<b>407,178</b>	<b>(22,071)</b>
<b>CAPITAL OUTLAY:</b>				
Water system improvements	100,000	252,120	252,120	-
<b>Total Capital Outlay</b>	<b>100,000</b>	<b>252,120</b>	<b>252,120</b>	<b>-</b>
<b>TOTAL WATER OPERATIONS</b>	<b>796,232</b>	<b>1,477,755</b>	<b>1,513,933</b>	<b>(36,178)</b>
<b>WASTEWATER OPERATIONS</b>				
<b>PERSONNEL SERVICES:</b>				
Operations and maintenance	86,050	86,050	90,642	(4,592)
Overtime	6,500	6,500	8,172	(1,672)
Certificate Pay	600	600	508	92
Uniforms and clothing	1,000	1,000	1,386	(386)
Workers' compensation	2,362	2,362	2,267	95
Unemployment compensation	360	360	39	321
Employee retirement	8,225	8,225	8,828	(603)
Employee insurance	15,750	15,750	15,763	(13)
Payroll taxes	7,126	7,126	7,549	(423)
<b>Total Personnel Services</b>	<b>127,973</b>	<b>127,973</b>	<b>135,154</b>	<b>(7,181)</b>
<b>SUPPLIES AND MATERIALS:</b>				
Laboratory supplies	100	100	249	(149)
Fuel	-	-	2,961	(2,961)
Tires and tubes	1,000	1,000	-	1,000
Minor tools and apparatus	750	750	1,876	(1,126)
Chemical and mechanical supplies	35,000	50,621	50,860	(239)
Safety supplies	3,000	3,000	1,287	1,713
Educational and training	1,500	1,500	1,650	(150)
<b>Total Supplies and Materials</b>	<b>41,350</b>	<b>56,971</b>	<b>58,883</b>	<b>(1,912)</b>
<b>MAINTENANCE - BUILDING/LAND:</b>				
Building and grounds	7,000	7,000	5,992	1,008
Sanitary sewers	25,000	25,000	20,476	4,524
Lift stations	30,000	30,000	41,255	(11,255)
<b>Total Maintenance - Building/Land</b>	<b>62,000</b>	<b>62,000</b>	<b>67,723</b>	<b>(5,723)</b>

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**UTILITY OPERATING FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>MAINTENANCE - EQUIPMENT/MACHINERY:</b>				
Machinery and heavy equipment	\$ 10,000	\$ 10,000	\$ 10,139	\$ (139)
Office equipment	-	-	7	(7)
Tools	-	-	613	(613)
Lab equipment	150	150	629	(479)
Contingency	25,000	25,000	29,103	(4,103)
	35,150	35,150	40,491	(5,341)
<b>CONTRACTUAL SERVICES:</b>				
Communication services	1,400	1,400	1,145	255
Leases and rentals	200	200	-	200
Insurance	718	718	756	(38)
Contractual and fee basis service	122,500	122,500	133,390	(10,890)
Utility services	75,000	142,740	155,913	(13,173)
Transfer to vehicle replacement fund	21,722	21,722	24,008	(2,286)
Regulatory inspection fee	12,500	12,500	11,101	1,399
	234,040	301,780	326,313	(24,533)
<b>TOTAL WASTEWATER OPERATIONS</b>	500,513	583,874	628,564	(44,690)
<b>WATER SUPPLY</b>				
<b>CONTRACTUAL SERVICES:</b>				
Contractual and fee basis service	395,865	414,225	445,585	(31,360)
	395,865	414,225	445,585	(31,360)
<b>TOTAL WATER SUPPLY</b>	395,865	414,225	445,585	(31,360)
<b>UTILITY DEBT SERVICE</b>				
<b>DEBT SERVICE:</b>				
Revenue bonds principal	305,000	305,000	305,000	-
Revenue bonds interest	55,020	55,020	61,171	(6,151)
Installment notes principal	12,307	12,307	12,308	(1)
Installment notes interest	1,762	1,762	1,761	1
Hwy 110 Line/Blower principal	39,000	39,000	39,000	-
Hwy 110 Line/Blower interest	8,471	8,471	8,471	-
	421,560	421,560	427,711	(6,151)
<b>TOTAL UTILITY DEBT SERVICE</b>	421,560	421,560	427,711	(6,151)
<b>TRANSFERS</b>				
Interfund transfers	300,000	300,000	300,000	-
	300,000	300,000	300,000	-
<b>TOTAL EXPENSES - BUDGET BASIS</b>	\$ 3,114,204	\$ 3,930,817	4,071,791	\$ (140,974)
<b>Financial Statement Adjustments:</b>				
Depreciation			598,265	
Record transfers to other funds			19,237	
TMRS pension adjustment			(30,286)	
OPEB adjustment			998	
Increase in accrued expenses			(107,375)	
Reclassify capital expenditures			(726,504)	
<b>TOTAL EXPENSES AND TRANSFERS - GAAP BASIS</b>			\$ 3,826,126	

**CITY OF WHITEHOUSE, TEXAS**  
**DETAILED SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL**  
**(NON-GAAP BUDGET BASIS)**  
**ENTERPRISE DEBT SERVICE FUND**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property taxes	\$ 930,101	\$ 930,101	\$ 930,101	\$ -
Transfers in	407,491	407,491	413,642	6,151
TOTAL REVENUES - BUDGET BASIS	\$ 1,337,592	\$ 1,337,592	1,343,743	\$ 6,151
Record transfer in for bond defeasance			19,237	
Reclassify 2018 Certificates of Obligation payments			(930,101)	
Record transfer in for bond and note principal and interest paid in Governmental debt service fund			936,233	
TOTAL REVENUES - GAAP BASIS			\$ 1,369,112	-
<u>EXPENSES</u>				
Bond/Note principal:				
2006 Certificates of Obligation	180,000	180,000	180,000	-
2007 Certificates of Obligation	125,000	125,000	125,000	-
2018 Certificates of Obligation	520,000	520,000	520,000	-
Installment notes	39,000	39,000	39,000	-
Bond/Note interest:				
2006 Certificates of Obligation	28,560	28,560	34,711	(6,151)
2007 Certificates of Obligation	26,460	26,460	26,460	-
2018 Certificates of Obligation	114,250	114,250	114,250	-
2022 Certificates of Obligation	295,851	295,851	295,851	-
Installment Notes	8,471	8,471	8,471	-
TOTAL EXPENSES - BUDGET BASIS	\$ 1,337,592	\$ 1,337,592	1,343,743	\$ (6,151)
Record amortization of bond defeasance			19,237	
Reclassify 2018 Certificates of Obligation payments			(930,101)	
Bond and note principal and interest paid in Governmental debt service fund			936,233	
Bond issuance cost paid in Governmental debt service fund			-	
Decrease in accrued interest at September 30, 2023			(13,756)	
TOTAL EXPENSES - GAAP BASIS			\$ 1,355,356	

**OTHER SCHEDULES**

**CITY OF WHITEHOUSE, TEXAS**  
**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE**  
**FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	TOTAL	LAND	CONSTRUCTION IN PROCESS	BUILDINGS & IMPROVEMENTS	PARKS	INFRASTRUCTURE	RIGHT OF USE ASSET	MACHINERY & EQUIPMENT	
								AUTOS	OTHER EQUIPMENT
Governmental assets - October 1, 2022	\$ 24,150,761	\$ 190,184	\$ 42,582	\$ 3,897,493	\$ 2,571,986	\$ 12,859,392	\$ 1,655,560	\$ 931,454	\$ 2,002,110
<b>EXPENDITURES FROM GOVERNMENTAL FUNDS:</b>									
<b>GENERAL FUND</b>									
Right of Use Assets	-	-	-	-	-	-	-	-	-
Building Improvements	823,120	-	405,858	417,262	-	-	-	-	-
Fire Apparatus	8,005	-	-	-	-	-	-	-	8,005
<b>RETIREMENTS FROM GOVERNMENTAL FUNDS:</b>									
<b>GENERAL FUND</b>									
Machinery & Equipment	(31,295)	-	-	-	-	-	(7,879)	(23,416)	-
COMPLETION OF CAPITAL PROJECTS	-	-	-	-	-	-	-	-	-
<b>GOVERNMENTAL ASSETS - SEPTEMBER 30, 2023</b>	<b>\$ 24,950,591</b>	<b>\$ 190,184</b>	<b>\$ 448,440</b>	<b>\$ 4,314,755</b>	<b>\$ 2,571,986</b>	<b>\$ 12,859,392</b>	<b>\$ 1,647,681</b>	<b>\$ 908,038</b>	<b>\$ 2,010,115</b>

CITY OF WHITEHOUSE, TEXAS  
 SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT  
 FISCAL YEAR ENDED SEPTEMBER 30, 2023

	TOTAL	BONDS PAYABLE			NOTES PAYABLE	LEASES	COMPENSATED ABSENCES	NET PENSION LIABILITY (ASSET)	OPEB LIABILITY
		2006 SERIES	2018 SERIES	2022 SERIES					
Governmental fund debt, October 1, 2021	\$ 16,775,104	\$ 850,000	\$ 3,852,140	\$ 10,093,263	\$ 581,387	\$ 1,359,548	\$ 113,253	\$ (181,999)	\$ 107,512
<b>ADDITIONS</b>									
Compensated Absences	29,887	-	-	-	-	-	29,887	-	-
Lease Agreements	187,866	-	-	-	-	187,866	-	-	-
Net Pension Liability (Asset)	441,187	-	-	-	-	-	-	441,187	-
Other Post-Employment Benefits	-	-	-	-	-	-	-	-	-
Total Additions	658,940	-	-	-	-	187,866	29,887	441,187	-
<b>RETIREMENTS</b>									
Bond principal:									
2006 Limited Tax Refunding Bonds	200,000	200,000	-	-	-	-	-	-	-
2018 Certificates of Obligation	531,692	-	531,692	-	-	-	-	-	-
2022 Certificates of Obligation	25,442	-	-	25,442	-	-	-	-	-
Total Bond Retirements	757,134	200,000	531,692	25,442	-	-	-	-	-
Notes Payable:									
Austin Bank									
Fire Truck	90,938	-	-	-	90,938	-	-	-	-
Total Note Retirements	90,938	-	-	-	90,938	-	-	-	-
Lease Agreements	365,378	-	-	-	-	365,378	-	-	-
Net Pension Liability (Asset)	44,546	-	-	-	-	-	-	-	44,546
Total Other Retirements	44,546	-	-	-	-	-	-	-	44,546
<b>GOVERNMENTAL FUND DEBT, SEPTEMBER 30, 2023</b>	<b>\$ 16,176,048</b>	<b>\$ 650,000</b>	<b>\$ 3,320,448</b>	<b>\$ 10,067,821</b>	<b>\$ 490,449</b>	<b>\$ 1,182,036</b>	<b>\$ 143,140</b>	<b>\$ 259,188</b>	<b>\$ 62,966</b>

**CITY OF WHITEHOUSE, TEXAS  
SCHEDULE OF REVENUE AND GENERAL OBLIGATION BONDS AND NOTES PAYABLE  
FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	ISSUE DATE	MATURITY	BOND NUMBERS AND INTEREST RATE	BONDS AND NOTES ISSUED	BOND/NOTE PRINCIPAL			BOND/NOTE PRINCIPAL AND INTEREST REQUIREMENTS YEAR ENDING 9-30-24			BOND/NOTE INTEREST TO BE PROVIDED IN FUTURE YEARS	
					BALANCE 10-1-22	ISSUED CURRENT YEAR	CURRENT YEAR RETIREMENTS	OUTSTANDING 9-30-23	PRINCIPAL	INTEREST		TOTAL
<b>BUSINESS TYPE ACTIVITIES DEBT BONDED DEBT</b>												
2006-Water & Sewer Certificates of Obligation	4/1/06	Payable serially in varying amounts to 2-15-26	4.20%	\$ 2,800,000	\$ 770,000	\$ -	\$ 180,000	\$ 590,000	\$ 190,000	\$ 20,790	\$ 210,790	\$ 17,010
2007 Tax Refunding Bonds	7/15/07	Payable serially in varying amounts to 2-15-27	4.52%	4,359,000	954,000	-	684,000	270,000	63,000	10,780	73,780	14,306
2007-Water & Sewer Certificates of Obligation	5/15/07	Payable serially in varying amounts to 2-15-26	4.32%	2,000,000	675,000	-	125,000	550,000	130,000	20,952	150,952	27,648
2012-Limited Tax Refunding Bonds	09/05/12	Payable serially in varying amounts to 2-15-28	Variable 0.6%-2.75%	9,730,000	-	-	-	-	-	-	-	-
2020 Water & Sewer Certificates of Obligation	04/08/20	Payable serially in varying amounts to 8-15-35	1.51%	635,000	561,000	-	39,000	522,000	40,000	7,883	47,883	44,680
2022 General Obligation Refunding Bonds	02/16/22	Payable serially in varying amounts to 2-15-28	2.00%	5,754,254	5,738,536	-	139,565	5,598,971	773,450	102,150	875,600	216,500
Total Business Type Activities Bonded Debt				25,278,254	8,698,536	-	1,167,565	7,530,971	1,196,450	162,555	1,359,005	320,144
<b>GOVERNMENTAL FUND DEBT: BONDED DEBT</b>												
2006 Limited Tax Refunding Bonds	10/15/06	Payable serially in varying amounts to 2-15-26	4.80%	3,140,000	850,000	-	200,000	650,000	210,000	27,625	237,625	28,262
2018 Series Combination Tax & Revenue Bonds	02/20/18	Payable serially in varying amounts to 2-15-26	3.00% to 3.12%	5,190,000	3,852,140	-	531,692	3,320,448	535,000	98,650	633,650	474,113
2022 Series Combination Tax & Revenue Certificates of Obligation	02/16/22	Payable serially in varying amounts to 2-15-33	2.00%	10,105,810	10,093,263	-	25,442	10,067,821	-	197,600	197,600	1,258,400
Total Governmental Fund Bonded Debt				18,435,810	14,795,403	-	757,134	14,038,269	745,000	323,875	1,068,875	1,760,775
Total Bonded Indebtedness				\$ 43,714,064	\$23,493,939	\$ -	\$ 1,924,699	\$ 21,569,240	\$ 1,941,450	\$ 486,430	\$ 2,427,880	\$ 2,080,919
<b>BUSINESS TYPE ACTIVITIES DEBT NOTES PAYABLE</b>												
Note Payable - Austin Bank		Maturing 08-15-2025	4.50%	\$ 85,000	\$ 38,656	\$ -	\$ 12,308	\$ 26,348	\$ 12,865	\$ 1,204	\$ 14,069	\$ 614
Total Business Type Activities Notes Payable				85,000	38,656	-	12,308	26,348	12,865	1,204	14,069	614
<b>GOVERNMENTAL FUND: NOTES PAYABLE</b>												
Note Payable - Austin Bank		Maturing 08-10-2028	2.50%	675,666	581,387	-	90,938	490,449	90,944	14,737	105,681	23,222
Total Governmental Fund Notes Payable				675,666	581,387	-	90,938	490,449	90,944	14,737	105,681	23,222
Total Notes Payable				\$ 760,666	\$ 620,043	\$ -	\$ 103,246	\$ 516,797	\$ 103,809	\$ 15,941	\$ 119,750	\$ 23,836
<b>GOVERNMENTAL FUND: LEASES PAYABLE</b>												
UT Health EMS		Maturing 09-30-2023	0.00%	\$ 7,879	\$ 3,941	\$ -	\$ 3,941	\$ -	\$ -	\$ -	\$ -	\$ -
Postage Meter		Maturing 07-31-2025	24.90%	2,495	2,010	-	556	1,454	712	36	748	452
City of Tyler IT Equipment		Maturing 09-30-2027	0.00%	1,085,000	930,000	-	186,000	744,000	186,000	-	186,000	-
Total Governmental Fund Leases Payable				1,095,374	935,951	-	190,497	745,454	186,712	36	186,748	452
<b>INTERNAL SERVICE FUND LEASE PAYABLE</b>												
Lease Payable - Enterprise Fleet Management		Maturing variably through 10-01-2027	0.10% to 6.39%	585,138	423,597	187,866	174,881	436,582	154,318	1,286	155,604	282,265
Total Leases Payable				\$ 1,680,512	\$ 1,359,548	\$ 187,866	\$ 365,378	\$ 1,182,036	\$ 341,030	\$ 1,322	\$ 342,352	\$ 282,717

## **OTHER REPORTS**

**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***

*Independent Auditors' Report*

The Governing Body  
City of Whitehouse, Texas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Whitehouse, Texas as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City of Whitehouse, Texas' basic financial statements, and have issued our report thereon dated January 26, 2024.

***Internal Control over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the City of Whitehouse, Texas' internal control over financial reporting (internal control) to determine the 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 of Whitehouse, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Whitehouse, Texas' 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, material weaknesses may exist that have not been identified.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City of Whitehouse, Texas' 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 determination of financial statement amounts. 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.

*Gollob Morgan Peddy PC*

Certified Public Accountants

Tyler, Texas  
January 26, 2024