

CITY OF WHITEHOUSE, TEXAS

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

FISCAL YEAR ENDED SEPTEMBER 30, 2025

GMP Assurance PLLC
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, 2025, 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, 2025 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.

Auditors' Responsibilities for the Audit of the Financial Statements (continued)

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 4-8, 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 January 14, 2026, 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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
January 14, 2026

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, 2025.

Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceed its liabilities by \$35,215,192 (net position). Of this amount \$8,242,462 (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 \$5,707,442.
- The total net position of \$35,215,192 is made up of \$25,046,677 in capital assets net of related debt and \$10,168,515 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, 2025 the City's assets exceeded liabilities by \$35,215,192.

By far the largest portion of the City's net position, \$25,046,677, 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 \$3,610,127 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, \$8,242,462, decreased by \$199,648 during the year.

City of Whitehouse's Net position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 29,026,276	\$ 17,202,657	\$ 2,312,812	\$ 2,391,410	\$ 31,339,088	\$ 19,594,067
Capital assets	24,185,251	18,840,886	14,826,900	14,915,566	39,012,151	33,756,452
Total Assets	<u>53,211,527</u>	<u>36,043,543</u>	<u>17,139,712</u>	<u>17,306,976</u>	<u>70,351,239</u>	<u>53,350,519</u>
Deferred outflows of resources	427,723	475,654	212,083	263,323	639,806	738,977
Total Deferred Outflows of Resources	<u>427,723</u>	<u>475,654</u>	<u>212,083</u>	<u>263,323</u>	<u>639,806</u>	<u>738,977</u>
Current liabilities	1,764,525	1,597,314	1,963,945	1,943,930	3,728,470	3,541,244
Non current liabilities	27,883,913	13,663,242	3,665,506	5,046,256	31,549,419	18,709,498
Total Liabilities	<u>29,648,438</u>	<u>15,260,556</u>	<u>5,629,451</u>	<u>6,990,186</u>	<u>35,277,889</u>	<u>22,250,742</u>
Deferred outflows of resources	307,214	1,349,901	190,747	116,944	497,961	1,466,845
Total Deferred Outflows of Resources	<u>307,214</u>	<u>1,349,901</u>	<u>190,747</u>	<u>116,944</u>	<u>497,961</u>	<u>1,466,845</u>
Net invested in capital assets	15,211,783	12,868,961	9,834,894	8,567,590	25,046,677	21,436,551
Restricted	1,926,052	1,904,696	-	-	1,926,052	1,904,696
Unrestricted	6,545,760	6,546,531	1,696,703	1,895,579	8,242,463	8,442,110
Total Net Position	<u>\$ 23,683,595</u>	<u>\$ 21,320,188</u>	<u>\$ 11,531,597</u>	<u>\$ 10,463,169</u>	<u>\$ 35,215,192</u>	<u>\$ 31,783,357</u>

Governmental activities. During the current year the governmental activities had an increase in net position of \$2,363,407 which represented a \$1,185,328 decrease from the previous year. The decrease comes mostly from an increase in expenses that were budgeted for public safety and a small drop in grant revenues and interest income from the prior year.

Business-type activities. The City had a \$1,068,428 increase in net position for its business-type activities during the year. This represents a \$386,647 increase from the previous year. This increase from the prior year comes from increased operating revenues from the City's water and wastewater distribution and a decrease in interest expense.

City of Whitehouse's Changes in Net position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Charges for services	\$ 2,390,674	\$ 2,388,239	\$ 3,777,837	\$ 3,543,534	\$ 6,168,511	\$ 5,931,773
Grant revenues	939,051	1,005,165	-	-	939,051	1,005,165
General revenue:						
Property taxes	4,697,283	4,405,740	820,200	831,250	5,517,483	5,236,990
Franchise taxes	334,933	331,002	-	-	334,933	331,002
Sales taxes	1,764,965	1,672,202	-	-	1,764,965	1,672,202
Gain (loss) on sale of assets	149,506	29,585	-	-	149,506	29,585
Interest income	741,720	954,437	134,288	144,563	876,008	1,099,000
Total revenues	11,018,132	10,786,370	4,732,325	4,519,347	15,750,457	15,305,717
Expenses:						
General government	1,561,906	1,321,930	-	-	1,561,906	1,321,930
Public safety	4,217,732	3,556,267	-	-	4,217,732	3,556,267
Community development	1,919,680	1,853,405	-	-	1,919,680	1,853,405
Parks and recreation	579,659	349,784	-	-	579,659	349,784
Interest	483,448	195,608	144,000	373,035	627,448	568,643
Water and sewer operations	-	-	3,412,197	3,425,182	3,412,197	3,425,182
Total expenses	8,762,425	7,276,994	3,556,197	3,798,217	12,318,622	11,075,211
Transfers	107,700	39,359	(107,700)	(39,359)	-	-
Change in net position	2,363,407	3,548,735	1,068,428	681,771	3,431,835	4,230,506
Net position beginning of year	21,320,188	17,771,453	10,463,169	9,781,398	31,783,357	27,552,851
Net position end of year	\$ 23,683,595	\$ 21,320,188	\$ 11,531,597	\$ 10,463,169	\$ 35,215,192	\$ 31,783,357

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 \$5,707,442. The total unrestricted fund balance for the governmental funds increased by \$1,300,329 during the year, primarily due to a large decrease in capital outlay expenses.

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 \$1,696,703 at year end as compared to \$1,895,579 at the end of the prior year.

General Fund Budgetary Highlights

Over the year, the City of Whitehouse made several budget amendments to its original budget for its General Fund. Actual revenues were \$596,068 over budget while expenditures were under budget by just \$22,729. After considering operating transfers, the City had a favorable variance of \$628,003 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, 2025, amounts to \$25,046,677 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 land acquisition and 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 \$3,610,126.

City of Whitehouse’s Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	\$ 2,242,946	\$ 2,242,946	\$ 25,000	\$ 25,000	\$ 2,267,946	\$ 2,267,946
Easements	-	-	7,800	7,800	7,800	7,800
Construction in progress	7,569,303	1,879,846	-	58,337	7,569,303	1,938,183
Buildings and improvements	2,616,892	2,718,555	161,041	75,545	2,777,933	2,794,100
Parks	1,964,337	2,060,086	-	-	1,964,337	2,060,086
Water and sewer system	-	-	14,600,075	14,705,472	14,600,075	14,705,472
Infrastructure	7,932,068	8,004,689	-	-	7,932,068	8,004,689
Right-of-use assets	1,182,194	1,180,551	-	-	1,182,194	1,180,551
Machinery and equipment	677,511	754,213	32,984	43,412	710,495	797,625
Total	\$ 24,185,251	\$ 18,840,886	\$ 14,826,900	\$ 14,915,566	\$ 39,012,151	\$ 33,756,452

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 \$34,264,723 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 issuance of the 2025 Series Combination Tax and Revenue Certificates of Obligation for \$14,900,000 during August 2025.

City of Whitehouse's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 27,593,279	\$ 13,257,642	\$ -	\$ -	\$ 27,593,279	\$ 13,257,642
Notes Payable	301,622	397,234	-	13,455	301,622	410,689
Compensated absences	219,723	163,914	20,782	20,782	240,505	184,696
Lease liability	1,036,259	1,039,693	-	-	1,036,259	1,039,693
Net Pension Liability	-	-	-	10,074	-	10,074
OPEB Liability	74,590	70,406	28,540	27,549	103,130	97,955
Revenue bonds and Certificates of obligation	-	-	4,989,928	6,334,521	4,989,928	6,334,521
Total	\$ 29,225,473	\$ 14,928,889	\$ 5,039,250	\$ 6,406,381	\$ 34,264,723	\$ 21,335,270

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

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 2025-2026 fiscal year which was the same as 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, 2025

	PRIMARY GOVERNMENT		TOTAL
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	
ASSETS			
Cash and cash equivalents	\$ 6,345,183	\$ 3,044,724	\$ 9,389,907
Receivables (net of allowance for doubtful accounts)	698,957	564,585	1,263,542
Internal balances	2,005,903	(2,005,903)	-
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	19,884,037	431,350	20,315,387
Water rights - Lake Columbia	-	230,000	230,000
Net pension asset	92,196	48,056	140,252
Capital Assets (net of accumulated depreciation):			
Land	2,242,946	25,000	2,267,946
Construction in progress	7,569,303	-	7,569,303
Easements	-	7,800	7,800
Buildings and improvements	2,616,892	161,041	2,777,933
Parks	1,964,337	-	1,964,337
Infrastructure	7,932,068	-	7,932,068
Machinery and equipment	677,511	32,984	710,495
Right-of-Use Asset	1,182,194	-	1,182,194
Water and sewer system	-	14,600,075	14,600,075
Total Assets	<u>53,211,527</u>	<u>17,139,712</u>	<u>70,351,239</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding (net of amortization)	-	69,957	69,957
Deferred charge on TMRS pension	419,666	139,985	559,651
Deferred charge on other postemployment benefits	8,057	2,141	10,198
Total Deferred Outflows of Resources	<u>427,723</u>	<u>212,083</u>	<u>639,806</u>
LIABILITIES			
Accounts payable	212,552	112,853	325,405
Deposits and other refundable balances	-	431,350	431,350
Accrued interest	210,416	45,998	256,414
Non-current liabilities:			
Due within one year	1,341,560	1,373,745	2,715,305
Due in more than one year	27,883,913	3,665,505	31,549,418
Total Liabilities	<u>29,648,441</u>	<u>5,629,451</u>	<u>35,277,892</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - grants	-	-	-
Deferred revenue - Lease	49,500	-	49,500
Deferred charge on TMRS pension	221,061	75,336	296,397
Deferred charge on other postemployment benefits	36,653	115,411	152,064
Total Deferred Inflows of Resources	<u>307,214</u>	<u>190,747</u>	<u>497,961</u>
NET POSITION			
Net investment in capital assets	15,211,783	9,834,894	25,046,677
Restricted for:			
Police forfeitures	35,289	-	35,289
Grants	-	-	-
Debt service	1,890,763	-	1,890,763
Unrestricted	6,545,760	1,696,703	8,242,463
Total Net Position	<u>\$ 23,683,595</u>	<u>\$ 11,531,597</u>	<u>\$ 35,215,192</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, 2025**

PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT		
				GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:						
Governmental activities:						
General government	\$ 1,561,906	\$ 321,367	\$ 939,051	\$ (301,488)	\$ -	\$ (301,488)
Public safety	4,217,732	624,472	-	(3,593,260)	-	(3,593,260)
Community development	1,919,680	1,444,835	-	(474,845)	-	(474,845)
Parks and recreation	579,659	-	-	(579,659)	-	(579,659)
Interest	483,448	-	-	(483,448)	-	(483,448)
Total governmental activities	<u>8,762,425</u>	<u>2,390,674</u>	<u>939,051</u>	<u>(5,432,700)</u>	<u>-</u>	<u>(5,432,700)</u>
Business-type activities:						
Water and sewer	3,412,197	3,777,837	-	-	365,640	365,640
Interest	144,000	-	-	-	(144,000)	(144,000)
Total business-type activities	<u>3,556,197</u>	<u>3,777,837</u>	<u>-</u>	<u>-</u>	<u>221,640</u>	<u>221,640</u>
Total primary government	<u>\$ 12,318,622</u>	<u>\$ 6,168,511</u>	<u>\$ 939,051</u>	<u>(5,432,700)</u>	<u>221,640</u>	<u>(5,211,060)</u>
General revenues:						
Property taxes				4,697,283	820,200	5,517,483
Franchise taxes				334,933	-	334,933
Sales and use taxes				1,764,965	-	1,764,965
Gain on sale of assets				149,506	-	149,506
Interest and rent				741,720	134,288	876,008
Transfers				107,700	(107,700)	-
Total general revenues and transfers				<u>7,796,107</u>	<u>846,788</u>	<u>8,642,895</u>
Change in net position				2,363,407	1,068,428	3,431,835
Net Position, Beginning of year				<u>21,320,188</u>	<u>10,463,169</u>	<u>31,783,357</u>
Net position - end of year				<u>\$ 23,683,595</u>	<u>\$ 11,531,597</u>	<u>\$ 35,215,192</u>

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

CITY OF WHITEHOUSE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

	MAJOR FUNDS					ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	2022 CITY IMPROVEMENTS FUND	2025 CITY IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS		
ASSETS							
Cash and investments	\$ 5,330,879	\$ -	\$ -	\$ -	\$ 933,940	\$ -	\$ 6,264,819
Receivables:							
Property taxes	102,066	69,121	-	-	-	-	171,187
Fines	54,992	-	-	-	-	-	54,992
Sales taxes	281,649	-	-	-	-	-	281,649
Lease receivable	52,500	-	-	-	-	-	52,500
Charges for services (net)	186,155	-	-	-	-	-	186,155
Restricted Assets:							
Temporarily restricted							
Cash and cash equivalents	-	-	4,037,894	15,073,149	772,994	-	19,884,037
Due from other funds	115,140	2,066,193	-	-	-	(94,894)	2,086,439
Total Assets	<u>6,123,381</u>	<u>2,135,314</u>	<u>4,037,894</u>	<u>15,073,149</u>	<u>1,706,934</u>	<u>(94,894)</u>	<u>28,981,778</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Accounts payable and accrued expenses	209,381	-	-	-	2,400	-	211,781
Due to other funds	-	175,430	-	-	-	(94,894)	80,536
Total Liabilities	<u>209,381</u>	<u>175,430</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>(94,894)</u>	<u>292,317</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	102,066	69,121	-	-	-	-	171,187
Unavailable revenue - grants	-	-	-	-	-	-	-
Unavailable revenue - leases	49,500	-	-	-	-	-	49,500
Unavailable revenue - fines	54,992	-	-	-	-	-	54,992
Total Deferred Inflows of Resources	<u>206,558</u>	<u>69,121</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,679</u>
Fund Balances:							
Restricted:							
Police forfeitures/ expenditures	-	-	-	-	35,289	-	35,289
Grant expenditures	-	-	-	-	-	-	-
Debt Service	-	1,890,763	-	-	-	-	1,890,763
Total Restricted	<u>-</u>	<u>1,890,763</u>	<u>-</u>	<u>-</u>	<u>35,289</u>	<u>-</u>	<u>1,926,052</u>
Assigned:							
Capital Projects	-	-	4,037,894	15,073,149	1,669,245	-	20,780,288
Unassigned	5,707,442	-	-	-	-	-	5,707,442
Total Fund Balances	<u>5,707,442</u>	<u>1,890,763</u>	<u>4,037,894</u>	<u>15,073,149</u>	<u>1,704,534</u>	<u>-</u>	<u>28,413,782</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 6,123,381</u>	<u>\$ 2,135,314</u>	<u>\$ 4,037,894</u>	<u>\$ 15,073,149</u>	<u>\$ 1,706,934</u>	<u>\$ -</u>	<u>\$ 28,981,778</u>

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

CITY OF WHITEHOUSE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2025

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)	\$ 28,413,782
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	23,532,003
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	177,883
Net pension asset	92,196
Deferred outflows represent the consumption of net position that are applicable to a future reporting period.	427,723
Deferred inflows represent the consumption of net position that are applicable to a future reporting period.	(257,714)
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	(210,416)
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.	69,353
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>(28,561,215)</u>
Net position of governmental activities	<u>\$ 23,683,595</u>

CITY OF WHITEHOUSE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	MAJOR FUNDS				OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	2022 CITY IMPROVEMENTS FUND	2025 CITY IMPROVEMENTS FUND			
REVENUES							
Current and delinquent taxes	\$ 3,258,105	\$ 1,387,327	\$ -	\$ -	\$ -	\$ -	\$ 4,645,432
Fines and forfeitures	305,769	-	-	-	10,954	-	316,723
Licenses and permits	43,249	-	-	-	8,454	-	51,703
Franchise taxes	334,933	-	-	-	-	-	334,933
Sales taxes - regular	1,346,933	-	-	-	250,465	-	1,597,398
Sales taxes - additional 1/2 cent	59,589	-	-	-	-	-	59,589
Sales tax fees	107,978	-	-	-	-	-	107,978
Solid waste collections	1,387,392	-	-	-	-	-	1,387,392
Intergovernmental revenue	340,562	-	-	-	-	-	340,562
Grant revenue	23,956	-	-	-	915,095	-	939,051
Street and maintenance fee	-	-	-	-	57,443	-	57,443
Interest and rent	150,788	96,227	319,281	73,163	102,261	-	741,720
Vehicle registration fees	193,361	-	-	-	-	-	193,361
Miscellaneous income	61,198	-	-	-	-	-	61,198
Total Revenues	7,613,813	1,483,554	319,281	73,163	1,344,672	-	10,834,483
EXPENDITURES							
Legislative	75,691	-	-	-	-	-	75,691
General administration	642,026	-	-	14	149,857	-	791,897
Treasury and financial	147,271	-	-	-	-	-	147,271
Tax appraisal and collections	81,402	-	-	-	-	-	81,402
Municipal court	386,187	-	-	-	-	-	386,187
Development services	217,285	-	-	-	-	-	217,285
City Center	20,671	-	-	-	-	-	20,671
Parks/recreation	417,539	-	-	-	-	-	417,539
Community development	109,960	-	-	-	-	-	109,960
Street and ground maintenance	229,559	-	-	-	19,712	-	249,271
Police	2,271,224	-	-	-	-	-	2,271,224
Fire	1,167,235	-	-	-	-	-	1,167,235
Sanitation	975,383	-	-	-	-	-	975,383
Debt service:							
Bond principal	-	755,000	-	-	-	-	755,000
Note principal	-	95,553	-	-	-	-	95,553
Lease payments	186,742	-	-	-	-	-	186,742
Interest and fees	-	309,024	-	-	-	-	309,024
Capital outlay	261,125	-	5,474,261	-	287,070	-	6,022,456
Total Expenditures	7,189,300	1,159,577	5,474,261	14	456,639	-	14,279,791

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, 2025

	MAJOR FUNDS				OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	2022 CITY IMPROVEMENTS FUND	2025 CITY IMPROVEMENTS FUND			
Revenues Over (Under) Expenditures	424,513	323,977	(5,154,980)	73,149	888,033	-	(3,445,308)
OTHER FINANCING SOURCES (USES)							
Transfers in	1,233,202	14,027	-	-	-	375,507	1,622,736
Sale of assets	1,253	-	-	-	-	-	1,253
Bond issuance proceeds	-	-	-	15,282,031	-	-	15,282,031
Bond issue costs	-	-	-	(282,031)	-	-	(282,031)
Transfers out	(358,639)	(228,744)	-	-	(1,008,202)	(375,507)	(1,971,092)
Total Other Financing Sources (Uses)	875,816	(214,717)	-	15,000,000	(1,008,202)	-	14,652,897
Net Change in Fund Balances	1,300,329	109,260	(5,154,980)	15,073,149	(120,169)	-	11,207,589
Fund Balance, October 1, 2024	4,407,113	1,781,503	9,192,874	-	1,824,703	-	17,206,193
Fund Balance, September 30, 2025	<u>\$ 5,707,442</u>	<u>\$ 1,890,763</u>	<u>\$ 4,037,894</u>	<u>\$ 15,073,149</u>	<u>\$ 1,704,534</u>	<u>\$ -</u>	<u>\$ 28,413,782</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, 2025

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

Net change in fund balances - total governmental funds	\$ 11,207,589
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.	5,161,347
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government wide statements.	19,038
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.	47,059
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.	(14,178,887)
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>107,261</u>
Change in net position of governmental activities	<u><u>\$ 2,363,407</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, 2025

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/(NEGATIVE)
REVENUES				
Current and delinquent taxes	\$ 3,100,000	\$ 3,100,000	\$ 3,258,105	\$ 158,105
Fines and forfeitures	302,000	302,000	305,769	3,769
Licenses and permits	51,000	51,000	43,249	(7,751)
Franchise taxes	300,000	300,000	334,933	34,933
Sales taxes - regular	1,250,000	1,250,000	1,311,916	61,916
Sales taxes - additional (3/8 of 1%)	-	-	59,589	59,589
Sales tax fees	101,977	101,977	101,977	-
Mixed beverage taxes	6,001	6,001	6,001	-
Solid waste collections	1,340,000	1,340,000	1,387,392	47,392
Zoning and platting fees	250	250	1,350	1,100
Intergovernmental revenue	201,500	201,500	340,562	139,062
Contributions and donations	500	500	21,417	20,917
Grant revenue	27,500	27,500	23,956	(3,544)
Interest and rent	93,000	93,000	150,788	57,788
Vehicle registration fees	170,000	170,000	193,361	23,361
Miscellaneous income	22,212	39,000	38,431	(569)
Total Revenues	6,965,940	6,982,728	7,578,796	596,068
EXPENDITURES				
Legislative	32,500	91,736	92,191	(455)
General administration	616,146	643,332	646,297	(2,965)
Treasury and financial	143,526	147,093	146,389	704
Tax appraisal and collections	80,988	80,988	81,402	(414)
Municipal court	372,794	388,375	422,060	(33,685)
Development Services	273,957	273,957	224,409	49,548
City Center	106,860	39,884	20,671	19,213
Parks/recreation	375,218	641,440	640,212	1,228
Community development	91,100	118,573	113,548	5,025
Street and ground maintenance	281,753	281,753	263,193	18,560
Police	2,782,628	2,818,628	2,708,451	110,177
Fire	1,130,682	1,202,946	1,228,680	(25,734)
Sanitation	893,000	893,000	1,011,473	(118,473)
Total Expenditures	7,181,152	7,621,705	7,598,976	22,729
Revenues Over (Under) Expenditures	(215,212)	(638,977)	(20,180)	618,797
OTHER FINANCING SOURCES (USES)				
Transfers in	225,000	1,233,202	1,233,202	-
Transfers out	(7,953)	(7,953)	-	7,953
Sale of Assets	-	-	1,253	1,253
Total Other Financing Sources (Uses)	217,047	1,225,249	1,234,455	9,206
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budget Basis	1,835	586,272	1,214,275	628,003
Budget Basis to GAAP Basis Adjustments (Note A)	-	-	86,054	86,054
Revenues and Other Sources Over (Under) Expenditures and Other Uses - GAAP Basis	1,835	586,272	1,300,329	714,057
Fund Balance, October 1, 2024	4,407,113	4,407,113	4,407,113	-
Fund Balance, September 30, 2025	<u>\$ 4,408,948</u>	<u>\$ 4,993,385</u>	<u>\$ 5,707,442</u>	<u>\$ 714,057</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, 2025

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

Basis Presentation:

Sources/Inflows of Resources:

Differences - Budget to GAAP

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

35,017

Uses/Outflows of Resources:

Differences - Budget to GAAP

Decrease in accrued expenses

51,037

Net Change in Budget Basis Presentation and GAAP Basis Presentation

\$ 86,054

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, 2025

	UTILITY FUND	INTERNAL SERVICE FUND
Current Assets:		
Cash and certificates of deposit	\$ 3,044,724	\$ 80,364
Accounts receivable (Net)	564,585	-
Total Current Assets	<u>3,609,309</u>	<u>80,364</u>
Restricted Current Assets:		
Temporarily Restricted		
Customer deposits	431,350	-
Total Restricted Current Assets	<u>431,350</u>	<u>-</u>
Other Noncurrent Assets:		
Water rights - Lake Columbia	230,000	-
Net pension asset	48,056	-
Total Other Noncurrent Assets	<u>278,056</u>	<u>-</u>
Capital Assets:		
Land	25,000	-
Construction in progress	-	-
Easements	7,800	-
Buildings	472,964	-
Water and sewer system	27,495,020	-
Machinery & equipment	822,856	-
Right-of-use asset	-	1,144,523
Less: Accumulated depreciation/ amortization	<u>(13,996,740)</u>	<u>(491,275)</u>
Total Capital Assets Net of Accumulated Depreciation	<u>14,826,900</u>	<u>653,248</u>
Total Noncurrent Assets:	<u>15,104,956</u>	<u>653,248</u>
Total Assets	<u>19,145,615</u>	<u>733,612</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding (net of amortization)	69,957	-
Deferred charge on other post employment benefits	2,141	-
Deferred charge on TMRS pension	139,985	-
Total Deferred Outflows of Resources	<u>212,083</u>	<u>-</u>

(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, 2025

	UTILITY FUND	INTERNAL SERVICE FUND
	<u> </u>	<u> </u>
LIABILITIES		
Current Liabilities:		
Accounts payable	\$ 112,853	\$ -
Compensated absences	2,078	-
Due to other funds	2,005,903	-
Total Current Liabilities	<u>2,120,834</u>	<u>-</u>
Current liabilities payable from restricted assets:		
Customer deposits	431,350	-
Accrued interest	45,998	-
Notes payable	-	-
Lease liability - current portion	-	212,169
Revenue bonds payable	1,371,667	-
Total current liabilities payable from restricted assets	<u>1,849,015</u>	<u>212,169</u>
Noncurrent Liabilities:		
Revenue bonds payable	3,618,261	-
Lease liability	-	452,090
Compensated absences	18,704	-
Other post employment benefits	28,540	-
Total Noncurrent Liabilities	<u>3,665,505</u>	<u>452,090</u>
Total Liabilities	<u>7,635,354</u>	<u>664,259</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on other postemployment benefits	115,411	-
Deferred charge on TMRS pension	75,336	-
Total Deferred Inflows of Resources	<u>190,747</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	9,834,894	-
Unrestricted	1,696,703	69,353
Total Net Position	<u>\$ 11,531,597</u>	<u>\$ 69,353</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, 2025

	UTILITY FUND	INTERNAL SERVICE FUND
OPERATING REVENUES		
Water sales	\$ 2,481,302	\$ -
Sewer charges	1,091,069	-
Property taxes	820,200	-
Charges for other services	205,466	-
	<u>4,598,037</u>	<u>-</u>
Total Operating Revenues		
OPERATING EXPENSES		
Utility administration	850,048	-
Customer service	187,293	-
Water operations	734,552	-
Sewer operations	559,074	-
Water supply	467,840	-
Fuel	-	75,158
Insurance	-	33,305
Maintenance	-	229,079
Amortization of leases	-	220,050
Depreciation	613,390	-
	<u>3,412,197</u>	<u>557,592</u>
Total Operating Expenses		
Operating Income	<u>1,185,840</u>	<u>(557,592)</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest and fiscal charge expense	(144,000)	(14,763)
Sale of assets	-	148,253
Revenue reimbursement for claims	-	15,105
Interest income	134,288	-
	<u>(9,712)</u>	<u>148,595</u>
Total non-operating revenue (expenses)		
Income before transfers	1,176,128	(408,997)
Transfers in	1,515,036	456,056
Transfers out	(1,622,736)	-
	<u>(107,700)</u>	<u>456,056</u>
Total Transfers		
Change in Net Position	1,068,428	47,059
Net Position, October 1, 2024	<u>10,463,169</u>	<u>22,294</u>
Net Position, September 30, 2025	<u>\$ 11,531,597</u>	<u>\$ 69,353</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, 2025

	UTILITY FUND	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 4,664,084	\$ -
Cash paid to suppliers for goods and services	(1,836,703)	(337,542)
Cash paid to employees for services	(944,451)	-
Net cash provided by (used in) operating activities	1,882,930	(337,542)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	1,515,036	456,056
Transfers out	(1,622,736)	-
Net cash provided by (used in) non-capital financing activities	(107,700)	456,056
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases or construction of capital assets	(524,723)	(403,068)
Proceeds on sale of assets	-	148,253
Proceeds from claims	-	15,105
Proceeds on capital leases	-	397,540
Principal paid on notes	(13,455)	-
Interest paid	(156,989)	(14,763)
Principal paid on leases	(109,259)	(214,232)
Principal paid on bonds	(1,287,448)	-
Net cash used in capital and related financing activities	(2,091,874)	(71,165)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	134,288	-
Net cash provided by investing activities	134,288	-
Net increase in cash	36,162	47,349
Cash, beginning of period	3,439,912	33,015
Cash, end of period	\$ 3,476,074	\$ 80,364
Reconciliation of cash to Exhibit 7:		
Cash - current asset	\$ 3,044,724	\$ 80,364
Cash - restricted current asset	431,350	-
Total cash, end of period	\$ 3,476,074	\$ 80,364
Summary on non-cash investing and financing activities:		
Vehicle fleet acquired through lease agreements	\$ -	\$ 234,800

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, 2025

	UTILITY FUND	INTERNAL SERVICE FUND
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:		
Operating income	\$ 1,185,840	\$ (557,592)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortixation expense	613,390	220,050
Insurance proceeds	-	-
Decrease in deferred outflows of resources	(5,905)	-
Decrease in accounts payable	6,894	-
Increase in accounts receivable	53,557	-
Increase in net pension liability	(58,130)	-
Increase in other post employee benefit liability	991	-
Increase in customer deposits	12,490	-
Total adjustments	<u>697,090</u>	<u>220,050</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 1,882,930</u>	<u>\$ (337,542)</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, 2025**

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, 2025

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.

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.

2025 City Improvements Capital Project Fund is used to account for the expenditures of funds from the 2025 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, 2025

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, 2025**

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, 2025

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, 2024 and September 30, 2025.

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, 2025

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. 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 City implemented this statement as applicable for the fiscal year ending September 30, 2024. The implementation did not have a material effect of the City’s 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 implemented this statement as applicable for the fiscal year ending September 30, 2025. The implementation did not have a material effect of the City’s financial statements.

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 \$23,532,003 difference are as follows:

Capital assets, October 1, 2024, net of accumulated depreciation	\$ 18,370,654
Capital asset additions, net of retirements	6,019,963
Depreciation of capital assets, net of retirements	<u>(858,614)</u>
	<u>\$ 23,532,003</u>

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 these \$270,079 differences is as follows:

Allowance account for uncollectible property taxes	\$ (47,526)
Unavailable revenue - property taxes	170,417
Unavailable revenue - fines	<u>54,992</u>
	<u>\$ 177,883</u>

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 \$28,561,274 difference are as follows:

Long-term liabilities, October 1, 2024	\$ (114,447,168)
Principal paid on debt in current year	1,036,583
Debt incurred during current year	(15,126,326)
Amortization of bond premium	35,689
Increase in other postemployment benefit liability	(4,184)
Change in compensated absences	<u>(55,809)</u>
	<u>\$ (128,561,215)</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 \$5,161,349 was related to fixed asset additions exceeding current year depreciation expense as follows:

Capital outlay, asset additions	\$ 6,019,963
Depreciation expense	<u>(858,614)</u>
	<u>\$ 5,161,349</u>

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 (continued)

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 \$19,038 are as follows:

Change in allowance for uncollectible taxes	\$	(4,048)
Change in deferred revenue		23,086
		23,086
	\$	19,038

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 \$(14,178,887) difference are as follows:

Principal payments on debt	\$	1,036,583
Debt incurred during current year	\$	(15,126,326)
Change in accrued interest		(69,024)
Amortization on bond premium		35,689
Change in compensated absences		(55,809)
		(55,809)
	\$	(14,178,887)

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.

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

NOTE 4 — DETAILED NOTES ON ALL FUNDS

B. Deposits and Investments

Cash and investments as of September 30, 2025 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:	
Primary Government	
Cash and cash equivalents	\$ 9,389,907
Restricted cash and cash equivalents	<u>20,315,387</u>
 Total Cash and cash equivalents	 <u><u>\$ 29,705,294</u></u>
 Cash on hand	 \$ 1,300
Savings and checking accounts	10,544,090
External investment pools	<u>19,159,904</u>
 Total Cash and Investments	 <u><u>\$ 29,705,294</u></u>

At September 30, 2025, the carrying value of the City’s bank deposits was \$10,544,090 while the bank balance was \$10,623,427. 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.

During the year ended September 30, 2025, the City invested a public funds investment pool. The City’s investment in the public funds investment pool as of September 30, 2025, is shown below.

<u>External Investment Pool</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>	<u>Credit Risk</u>
Texas Class	<u>\$ 19,159,904</u>	0.21	AAAm
	<u><u>\$ 19,159,904</u></u>		

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

B. Deposits and Investments (continued)

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, 2025 are as follows:

	Assets at Fair Value as of September 30, 2024			
	Level 1	Level 2	Level 3	Total
Primary Government				
Texas Government Investment Pool	\$ -	\$ 19,159,904	\$ -	\$ 19,159,904
Total Primary Government	\$ -	\$ 19,159,904	\$ -	\$ 19,159,904

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, 2025, 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:

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.

**CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

B. Deposits and Investments – (continued)

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.

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	\$ 383,715	\$ 69,121	\$ -	\$ -	\$ 452,836
Assessments	-	-	-	45,223	45,223
Accounts (services)	349,338	-	-	591,542	940,880
Leases	-	-	-	-	-
Gross receivables	<u>733,053</u>	<u>69,121</u>	<u>-</u>	<u>636,765</u>	<u>1,438,939</u>
Less: Allowance for Uncollectibles	<u>(103,217)</u>	<u>-</u>	<u>-</u>	<u>(72,180)</u>	<u>(175,397)</u>
Net Receivables	<u><u>\$ 629,836</u></u>	<u><u>\$ 69,121</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 564,585</u></u>	<u><u>\$ 1,263,542</u></u>

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

D. Capital Assets

Capital asset activity for the year ended September 30, 2025 was as follows:

<u>PRIMARY GOVERNMENT</u>	<u>BEGINNING BALANCE</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>ENDING BALANCE</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,242,946	\$ -	\$ -	\$ 2,242,946
Construction in Progress	1,879,846	5,689,457	-	7,569,303
Total Capital Assets, Not Being Depreciated	<u>4,122,792</u>	<u>5,689,457</u>	<u>-</u>	<u>9,812,249</u>
Capital Assets, Being Depreciated				
Buildings and Improvements	4,314,755	8,965	-	4,323,720
Parks	2,748,626	8,077	-	2,756,703
Infrastructure	12,988,183	251,874	-	13,240,057
Machinery and Equipment	2,971,292	64,083	-	3,035,375
Right of Use Asset	1,949,389	403,068	(122,934)	2,229,523
Total Capital Assets, Being Depreciated	<u>24,972,245</u>	<u>736,067</u>	<u>(122,934)</u>	<u>25,585,378</u>
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,596,200)	(110,628)	-	(1,706,828)
Parks	(688,540)	(103,826)	-	(792,366)
Infrastructure	(4,983,494)	(324,495)	-	(5,307,989)
Machinery and Equipment	(2,217,079)	(140,785)	-	(2,357,864)
Right of Use Asset	(768,838)	(401,425)	122,934	(1,047,329)
Total Accumulated Depreciation	<u>(10,254,151)</u>	<u>(1,081,159)</u>	<u>122,934</u>	<u>(11,212,376)</u>
Net Total Assets Being Depreciated	<u>14,718,094</u>	<u>(345,092)</u>	<u>-</u>	<u>14,373,002</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,840,886</u>	<u>\$ 5,344,365</u>	<u>\$ -</u>	<u>\$ 24,185,251</u>

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

D. Capital Assets – (continued)

PRIMARY GOVERNMENT	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 25,000	\$ -	\$ -	\$ 25,000
Construction in Progress	58,337	176,617	(234,954)	-
Easements	7,800	-	-	7,800
Total Capital Assets, Not Being Depreciated	91,137	176,617	(234,954)	32,800
Capital Assets, Being Depreciated				
Water and Sewer System	27,005,660	254,406	234,954	27,495,020
Buildings	379,264	93,700	-	472,964
Machinery and Equipment	822,856	-	-	822,856
Total Capital Assets, Being Depreciated	28,207,780	348,106	234,954	28,790,840
Less Accumulated Depreciation For:				
Water and Sewer System	(12,300,188)	(594,757)	-	(12,894,945)
Buildings	(303,719)	(8,204)	-	(311,923)
Machinery and Equipment	(779,444)	(10,428)	-	(789,872)
Total Accumulated Depreciation	(13,383,351)	(613,389)	-	(13,996,740)
Net Total Assets Being Depreciated	14,824,429	(265,283)	234,954	14,794,100
Business-Type Activities Capital Assets, Net	<u>\$ 14,915,566</u>	<u>\$ (88,666)</u>	<u>\$ -</u>	<u>\$ 14,826,900</u>
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	\$ 285,838
Public Safety	134,607
Community Development	323,551
Transportation Fleet (ISF)	220,050
Parks and Recreation	117,113
Total depreciation expense, governmental activities	<u>\$ 1,081,159</u>

The City has the following construction projects as of September 30, 2025:

Project	Spent To-Date	Estimated Remaining Construction
109 E Main Street Remodel	\$ 7,354,107	\$ 173,257
Shahan Park Project Phase I	\$ 215,196	\$ 3,171
	<u>\$ 7,569,303</u>	<u>\$ 176,428</u>

**CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2025 is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Utility Operating fund	\$ 992
General Fund	Utility Debt Service Fund	19,253
Debt Service Fund	Utility Operating fund	38,693
Debt Service Fund	Utility Debt Service Fund	<u>1,946,965</u>
		<u><u>\$ 2,005,903</u></u>

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

The composition of interfund transfers as of September 30, 2025, 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	\$ -	\$ 433,501	\$ 14,207	\$ 225,000	\$ -	\$ 97,415	\$ 770,123
Utility Debt Service Fund	1,325,455	-	-	-	-	-	1,325,455
Street Maintenance Fund	-	-	-	-	-	-	-
General Fund	-	-	-	-	-	358,641	358,641
Other Governmental Funds	-	-	-	1,008,202	-	-	1,008,202
Debt Service Fund	-	228,744	-	-	-	-	228,744
Total transfers out /in	<u>\$ 1,325,455</u>	<u>\$ 662,245</u>	<u>\$ 14,207</u>	<u>\$ 1,233,202</u>	<u>\$ -</u>	<u>\$ 456,056</u>	<u>\$ 3,691,165</u>

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025:

	GENERAL OBLIGATION	REVENUE	TOTAL
Bonds payable - October 1, 2024	\$ 13,257,642	\$ 6,334,521	\$ 19,592,163
Additions	15,126,326	-	15,126,326
Retirements	(790,689)	(1,344,593)	(2,135,282)
Bonds payable - September 30, 2024	\$ 27,593,279	\$ 4,989,928	\$ 32,583,207

Outstanding bonds at September 30, 2025 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%.	\$ 225,000
\$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%.	2,226,894
\$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%.	10,016,869
\$14,900,000 Series 2025 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-26 through 2-15-45. Interest at 2.0%.	15,124,516
Total Governmental Bonded Debt	\$ 27,593,279

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%.	\$ 205,000
\$4,359,000 Series 2007 Tax Refunding; maturing annually in varying amounts through 2-15-27 at 4.52%.	141,000
\$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%.	285,000
\$635,000 series 2020 Tax Note; maturing serially in varying amounts through 8-15-2035 at 1.51%.	441,000
\$5,575,000 series 2022 Refunding Bonds; maturing serially in varying amounts through beginning 2-15-23 through 2-15-28 at 2%	3,917,928
Total Business-Type Bonded Debt	\$ 4,989,928

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

E. Long-term Debt –(continued)

The funding requirements to amortize all bonds outstanding as of September 30, 2025, including interest, are as follows:

	GOVERNMENTAL		BUSINESS-TYPE		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
2026	\$ 775,000	\$ 952,587	\$ 1,345,000	\$ 93,465	\$ 3,166,052
2027	430,000	937,894	1,619,000	56,699	3,043,593
2028	375,000	925,044	1,658,000	21,556	2,979,600
2029	1,960,000	900,194	43,000	4,756	2,907,950
2030	2,145,000	855,844	44,000	4,108	3,048,952
2031-2035	9,695,000	3,433,820	228,000	10,434	13,367,254
2036-2040	5,445,000	2,228,247	-	-	7,673,247
2041-2045	6,375,000	828,875	-	-	7,203,875
	<u>\$ 27,200,000</u>	<u>\$ 11,062,505</u>	<u>\$ 4,937,000</u>	<u>\$ 191,018</u>	<u>\$ 43,390,523</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, 2025 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	-		10/1/2024 to 10/01/2025
	Law Enforcement	1,000,000	2,000,000	2,500		10/1/2024 to 10/01/2025
	Errors & Omissions	1,000,000	2,000,000	5,000		10/1/2024 to 10/01/2025
	Auto Liability	1,000,000	n/a	-		10/1/2024 to 10/01/2025
	Auto Physical Damage	per schedule & endorsements	n/a	\$500/\$10,000		10/1/2024 to 10/01/2025
Texas Municipal League	Information Security & Privacy Liability	10,000	1,000,000	-		10/1/2024 to 10/01/2025
	Regulatory Defense & Penalties	-	25,000	\$2,500/ \$5,000		10/1/2024 to 10/01/2025
Texas Municipal League	Real & Personal Property	30,082,958	n/a	\$ 1,000		10/1/2024 to 10/01/2025
	Mobile Equipment	566,275	n/a	\$ 500		10/1/2024 to 10/01/2025
	Boiler & Machinery	100,000	n/a	\$ 1,000		10/1/2024 to 10/01/2025
Texas Municipal League	Workers Comp	complies with state statutes	n/a			10/1/2024 to 10/01/2025
	TOTAL	<u>\$ 34,759,233</u>				

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

E. Long-term Debt – Continued

The funding requirements to amortize all notes outstanding as of September 30, 2025, including interest, are as follows:

	GOVERNMENTAL		
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
2026	\$ 98,035	\$ 7,645	\$ 105,680
2027	100,520	5,160	105,680
2028	<u>103,067</u>	<u>2,619</u>	<u>105,686</u>
	<u>\$ 301,622</u>	<u>\$ 15,424</u>	<u>\$ 317,046</u>

Changes in long-term liabilities

Long term liability activity for the year ended September 30, 2025 was as follows:

	Beginning Balance 10/1/24	Additions	Reductions	Ending Balance 9/30/25	Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 13,055,000	\$ 14,900,000	\$ 755,000	\$ 27,200,000	\$ 775,000
Bond Premium	202,642	226,326	35,689	393,279	48,384
Notes Payable	397,234	-	95,612	301,622	98,035
Lease Liability	1,039,693	397,540	400,974	1,036,259	398,169
Net Pension Liability	-	-	-	-	-
Other Postemployment Benefits	70,406	4,184	-	74,590	-
Compensated Absences	<u>163,914</u>	<u>55,809</u>	<u>-</u>	<u>219,723</u>	<u>21,972</u>
Governmental Activity Long-Term Liabilities	<u>14,928,889</u>	<u>15,583,859</u>	<u>1,287,275</u>	<u>29,225,473</u>	<u>1,341,560</u>
Business-type Activities:					
Revenue Bonds	6,249,000	-	1,312,000	4,937,000	1,345,000
Bond Premium	85,521	-	32,593	52,928	26,667
Notes Payable	13,455	-	13,455	-	-
Net Pension Liability	10,074	-	10,074	-	-
Other Postemployment Benefits	27,549	991	-	28,540	-
Compensated Absences	<u>20,782</u>	<u>-</u>	<u>-</u>	<u>20,782</u>	<u>2,078</u>
Business-type Activity Long-Term Liabilities	<u>\$ 6,406,381</u>	<u>\$ 991</u>	<u>\$ 1,368,122</u>	<u>\$ 5,039,250</u>	<u>\$ 1,373,745</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, 2025

E. Long-term Debt – Continued

Some of the City’s notes payable are secured with collateral. As of September 30, 2025, the City had the following outstanding notes have the following collateral:

	Borrowing Amount	Collateral Description
Governmental activities:		
2022 Note Payable	\$ 301,622	Fire Truck Compressor
Total Governmental activities	301,622	
Total	\$ 301,622	

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, 2025, are as follows:

Year	Principal	Interest	Total Receipts
2026	\$ 18,000	-	\$ 18,000
2027	18,000	-	18,000
2028	18,000	-	18,000
Total Future Receipts	\$ 54,000	-	\$ 54,000

Lessee Leases Payable

The City was party to several leases for office equipment and vehicles. Lease payables additions for the year ended September 30, 2025 were \$397,540 and lease payments for the year then ended were \$400,974. 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, 2025 are as follows:

Year	Principal	Interest	Total Payments
2026	\$ 398,169	\$ 21,733	\$ 419,902
2027	374,689	14,287	388,976
2028	177,604	7,136	184,740
2029	83,080	1,498	84,578
2030	2,717	22	2,739
Total Future Payments	\$ 1,036,259	44,676	\$ 1,080,935

**CITY OF WHITEHOUSE, TEXAS
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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, 2025, \$4,675,000 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	\$ 3,825,000
Total Bonds Defeased (Refunded)		\$ 3,825,000

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, 2025, the City had \$988,406 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.

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, 2025

Benefits Provided – (continued)

Plan provisions for the City were as follows:

	<u>Plan Year 2024</u>	<u>Plan Year 2023</u>
Employee deposit rate	6.0%	6.0%
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	50% Repeating	50% Repeating
Annuity Increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>12/31/2024</u>	<u>12/31/2023</u>
Inactive employees or beneficiaries currently receiving benefits	26	23
Inactive employees entitled to but not yet receiving benefits	53	54
Active employees	<u>55</u>	<u>51</u>
	<u>134</u>	<u>128</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 7.58% and 7.98% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2025, were \$339,664, and exceeded the required contributions by \$33,461.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2024, 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, 2025

Actuarial assumptions

The Total Pension Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.60% to 11.85% 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 2025 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.10%
Core Fixed Income	6.00%	5.00%
Non-Core Fixed Income	6.00%	6.80%
Hedge Funds	5.00%	6.40%
Private Equity	13.00%	8.50%
Private Debt	13.00%	8.20%
Real Estate	12.00%	6.70%
Infrastructure	6.00%	6.00%
Other Private Markets	4.00%	7.30%
Total	100.00%	

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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 12/31/2023	\$ 7,243,397	\$ 7,275,735	\$ (32,338)
Changes for the year:			
Service cost	502,407	-	502,407
Interest	498,421	-	498,421
Change of benefit terms	-	-	-
Difference between expected and actual experience	169,041	-	169,041
Changes of assumptions	-	-	-
Contributions - employer	-	309,313	(309,313)
Contributions - employee	-	216,555	(216,555)
Net investment income	-	756,877	(756,877)
Benefit payments, including refunds of employee contributions	(221,171)	(221,171)	-
Administrative expense	-	(4,848)	4,848
Other changes	-	(114)	114
Net changes	948,698	1,056,612	(107,914)
Balance at 12/31/2024	<u>\$ 8,192,095</u>	<u>\$ 8,332,347</u>	<u>\$ (140,252)</u>

Sensitivity of the net pension liability to changes in the discount rate

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

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	\$ 1,195,631	\$ (140,252)	\$ (140,252)	\$ (1,218,370)

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.

**CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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

For the year ended September 30, 2025, the City recognized pension expense of \$233,946.

At September 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 123,721	\$ 107,558
Changes in actuarial assumptions	-	24,864
Difference between projected and actual investment earnings	380,620	470,115
Contributions subsequent to the measurement date	226,493	-
Total	\$ 730,834	\$ 602,537

The City had \$226,493 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, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31	
2025	\$ (39,616)
2026	75,754
2027	(81,181)
2028	(53,153)
2029	-
Thereafter	-
	\$ (98,196)

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.

**CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

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, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2024	12/31/2023
Inactive employees or beneficiaries currently receiving benefits	16	13
Inactive employees entitled to but not yet receiving benefits	15	14
Active employees	55	51
	86	78

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 2024, the total SDB contribution rate for the City of Whitehouse was 0.26% while the retiree portion of the SDB contribution was 0.07%. The City’s contributions for the year ended September 30, 2025, were \$2,468 for the retiree portion and \$9,382 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, 2024 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, 2025**

Actuarial Assumptions

The Total Net OPEB Liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.60% to 11.50% including inflation
Discount rate*	4.08%
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, 2024.

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, 2025

Changes in the Net OPEB Liability

	Increase (Decrease)
	Total OPEB
	Liability
Balance at 12/31/2023	\$ 97,955
Changes for the year:	
Service cost	7,940
Interest	3,795
Change of benefit terms	-
Difference between expected and actual experience	2,889
Changes of assumptions	(6,923)
Benefit payments, including refunds of employee contributions	(2,526)
Net changes	5,175
Balance at 12/31/2024	\$ 103,130

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 4.08%, would be if it were calculated using a discount rate that is 1-percentage-point lower (3.08%) or 1-percentage-point higher (5.08%) than the current rate:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's total OPEB liability	\$ 127,884	\$ 103,130	\$ 84,696

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

For the year ended September 30, 2025, the City recognized OPEB expense of \$4,923.

At September 30, 2025, 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	\$ 2,592	\$ 15,844
Changes in actuarial assumptions	13,178	38,936
Contributions subsequent to the measurement date	1,792	-
Total	\$ 17,562	\$ 54,780

The City had \$1,792 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, 2026.

**CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

**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	
2025	\$ (7,443)
2026	(9,894)
2027	(10,360)
2028	(9,592)
2029	(1,641)
Thereafter	(80)
	\$ (39,010)

NOTE 9 – DEFICIT NET POSITION OR FUND BALANCE

At September 30, 2025, the Enterprise Debt Service Fund had a deficit net position of \$96,684

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, 2030.

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, 2025 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, 2025, 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, 2025.

Effective October 16th 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, 2025, the City paid Smith County \$85,264 under the agreement.

CITY OF WHITEHOUSE, TEXAS
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

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, 2025, the City did not have any liability for unpaid claims or adjustments under policies carried with TML. During the year ended September 30, 2025, there was no reduction in insurance coverage from the prior year.

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2025, 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

Subsequent events were evaluated through January 14, 2026, 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, 2025

	Measurement Year 2024	Measurement Year 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
Total pension liability										
Service Cost	\$ 502,407	\$ 409,443	\$ 337,651	\$ 259,479	\$ 231,025	\$ 214,077	\$ 216,979	\$ 187,993	\$ 164,171	\$ 168,558
Interest (on the Total Pension Liability)	498,421	456,884	437,738	416,090	392,021	370,025	345,272	318,220	304,286	266,073
Changes in benefit terms	-	-	(87,016)	-	-	-	-	-	383,870	-
Difference between expected and actual result	169,041	(31,249)	(272,969)	(66,195)	(90,578)	(82,184)	(7,801)	52,437	(116,546)	16,262
Change of assumptions	-	(50,900)	-	-	-	2,432	-	-	-	20,359
Benefit payments, including refunds of employee contributions	(221,171)	(209,428)	(299,902)	(181,581)	(198,633)	(175,284)	(197,299)	(147,436)	(167,369)	(124,673)
Net Change in Total Pension Liability	948,698	574,750	115,502	427,793	333,835	329,066	357,151	411,214	568,412	346,579
Total Pension Liability - Beginning	7,243,397	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
Total Pension Liability - Ending (a)	\$ 8,192,095	\$ 7,243,397	\$ 6,668,647	\$ 6,553,145	\$ 6,125,352	\$ 5,791,517	\$ 5,462,451	\$ 5,105,300	\$ 4,694,086	\$ 4,125,674
Plan Fiduciary Net Position										
Contributions - Employer	\$ 309,313	\$ 256,354	\$ 217,025	\$ 186,738	\$ 170,125	\$ 164,914	\$ 155,774	\$ 140,954	\$ 86,486	\$ 91,796
Contributions - Employee	216,555	181,169	126,178	108,569	98,225	91,721	92,174	81,950	84,624	88,435
Net Investment Income	756,877	732,172	(494,540)	768,550	411,089	714,693	(141,250)	565,106	258,085	5,552
Benefit payments, including refunds of employee contributions	(221,171)	(209,428)	(299,902)	(181,581)	(198,633)	(175,285)	(197,299)	(147,436)	(167,369)	(124,673)
Administrative Expense	(4,848)	(4,654)	(4,277)	(3,554)	(2,659)	(4,037)	(2,730)	(2,929)	(2,915)	(3,381)
Other	(114)	(33)	5,103	25	(104)	(121)	(141)	(149)	(157)	(167)
Net Change in Plan Fiduciary Net Position	1,056,612	955,580	(450,413)	878,747	478,043	791,885	(93,472)	637,496	258,754	57,562
Plan Fiduciary Net Position - Beginning	7,275,735	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
Plan Fiduciary Net Position - Ending (b)	\$ 8,332,347	\$ 7,275,735	\$ 6,320,155	\$ 6,770,568	\$ 5,891,821	\$ 5,413,778	\$ 4,621,893	\$ 4,715,365	\$ 4,077,869	\$ 3,819,115
Net Pension Liability (Asset) - Ending (a)-(b)	(140,252)	(32,338)	348,492	(217,423)	233,531	377,739	840,558	389,935	616,217	306,559
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	101.71%	100.45%	94.77%	103.32%	96.19%	93.48%	84.61%	92.36%	86.87%	92.57%
Covered Payroll	\$ 3,609,244	\$ 3,019,489	\$ 2,523,553	\$ 2,171,375	\$ 1,964,495	\$ 1,834,422	\$ 1,843,489	\$ 1,638,998	\$ 1,692,482	\$ 1,768,710
Net Pension Liability as a Percentage of Covered Payroll	-3.89%	-1.07%	13.81%	-10.01%	11.89%	20.59%	45.60%	23.79%	36.41%	17.33%

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, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially Determined Contributor	\$ 306,203	\$ 268,171	\$ 229,588	\$ 200,747	\$ 183,561	\$ 153,256	\$ 165,523	\$ 153,825	\$ 122,276	\$ 84,016
Contributions in relation to the actuarially determined contributions:	<u>339,664</u>	<u>298,668</u>	<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>
Contribution deficiency (excess)	\$ (33,461)	\$ (30,497)	\$ (13,035)	\$ (7,097)	\$ (1,759)	\$ -	\$ -	\$ -	\$ -	\$ (2,621)
Covered payroll	\$ 3,952,954	\$ 2,493,015	\$ 2,848,946	\$ 2,415,730	\$ 2,151,038	\$ 1,901,679	\$ 1,872,492	\$ 1,811,734	\$ 1,607,660	\$ 1,636,970
Contributions as a percentage of covered payroll	8.59%	11.98%	8.52%	8.60%	8.62%	8.06%	8.84%	8.49%	7.61%	5.29%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months lat

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal

Amortization Method: Level Percentage of Payroll, Closec

Remaining Amortization Period: 20 Years

Asset Valuation Method: 10 Year smoothed market; 12% soft corridor

Inflation: 2.50%

Salary Increases: 3.60% to 11.85% including inflation

Investment Rate of Return: 6.75%

Retirement Age: Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience stud for the period ending 2022.

Mortality: Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%
The rates are projected on a fully generational basis by the most recent scale MP-2021 (with immediate convergenc
Pre-retirement: PUB(10) mortality tables, with 110% of the Public Safety table used for males 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergenc

Other Information: There were no benefit changes during the year

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

CITY OF WHITEHOUSE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	Measurement Year 2024	Measurement Year 2023	Measurement Year 2022	Measurement Year 2021	Measurement Year 2020	Measurement Year 2019	Measurement Year 2018
Total OPEB liability							
Service Cost	\$ 7,940	\$ 6,341	\$ 11,356	\$ 10,640	\$ 5,108	\$ 4,403	\$ 5,899
Interest	3,795	3,630	2,753	2,903	3,481	3,690	3,259
Changes in benefit terms	-	-	-	-	-	-	-
Difference between expected and actual experience	2,889	(2,104)	(12,532)	(10,808)	(10,579)	(1,515)	1,205
Change of assumptions and other inputs	(6,923)	5,754	(55,183)	4,868	20,019	21,064	(7,884)
Benefit payments	(2,526)	(4,227)	(3,533)	(3,474)	(982)	(734)	(737)
Net Change in Total OPEB Liability	5,175	9,394	(57,139)	4,129	17,047	26,908	1,742
Total OPEB Liability - Beginning	97,955	88,561	145,700	141,571	124,524	97,616	95,874
Total OPEB Liability - Ending (a)	<u>\$ 103,130</u>	<u>\$ 97,955</u>	<u>\$ 88,561</u>	<u>\$ 145,700</u>	<u>\$ 141,571</u>	<u>\$ 124,524</u>	<u>\$ 97,616</u>
Covered Payroll	\$ 3,609,244	\$ 3,019,489	\$ 2,523,553	\$ 2,171,375	\$ 1,964,495	\$ 1,834,422	\$ 1,843,489
Net OPEB Liability as a Percentage of Covered Payroll	2.86%	3.24%	3.51%	6.71%	7.21%	6.79%	5.30%

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	3.60% to 11.85% including inflation
Discount Rate	4.08%
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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent scale MP-2021 (with immediate convergence)
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 the most recent Scale MP-2021 (with immediate convergence) 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, 2025**

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	COURT SECURITY AND TECHNOLOGY	FORESTDALE DEVELOPMENT FUND	AMERICAN RESCUE PLAN FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS									
Cash and investments	\$ 277,144	\$ -	\$ -	\$ 575,766	\$ -	\$ 81,030	\$ -	\$ -	\$ 933,940
Restricted Assets:									
Temporarily restricted									
Cash and cash equivalents	-	116,662	6,112	-	29,177	-	-	621,043	772,994
Total Assets	<u>\$ 277,144</u>	<u>\$ 116,662</u>	<u>\$ 6,112</u>	<u>\$ 575,766</u>	<u>\$ 29,177</u>	<u>\$ 81,030</u>	<u>\$ -</u>	<u>\$ 621,043</u>	<u>\$ 1,706,934</u>
LIABILITIES AND FUND BALANCES									
Accounts payable and accrued expenses	-	-	-	2,400	-	-	-	-	2,400
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,400</u>
Fund Balances:									
Restricted:									
Police forfeitures/expenditures	-	-	6,112	-	29,177	-	-	-	35,289
Assigned:									
Capital Projects	277,144	116,662	-	573,366	-	81,030	-	621,043	1,669,245
Total Fund Balances	<u>277,144</u>	<u>116,662</u>	<u>6,112</u>	<u>573,366</u>	<u>29,177</u>	<u>81,030</u>	<u>-</u>	<u>621,043</u>	<u>1,704,534</u>
Total Liabilities and Fund Balances	<u>\$ 277,144</u>	<u>\$ 116,662</u>	<u>\$ 6,112</u>	<u>\$ 575,766</u>	<u>\$ 29,177</u>	<u>\$ 81,030</u>	<u>\$ -</u>	<u>\$ 621,043</u>	<u>\$ 1,706,934</u>

**CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	COURT SECURITY AND TECHNOLOGY	FORESTDALE DEVELOPMENT FUND	AMERICAN RESCUE PLAN FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES									
Maintenance fees	\$ 57,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,443
Sales and use tax	-	-	-	250,465	-	-	-	-	250,465
Miscellaneous	-	-	-	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	10,954	-	-	-	10,954
Grant revenue	-	-	-	-	-	-	915,095	-	915,095
Building/inspection permits	-	-	-	-	-	8,454	-	-	8,454
Interest	10,733	4,481	152	19,540	-	3,670	32,815	30,870	102,261
Total Revenues	68,176	4,481	152	270,005	10,954	12,124	947,910	30,870	1,344,672
EXPENDITURES									
Administration	7,813	3,750	-	112,579	3,522	22,193	-	-	149,857
Capital outlay	29,182	-	-	-	-	-	35,196	222,692	287,070
Streets and grounds	14,954	-	-	-	-	-	-	4,758	19,712
Total Expenditures	51,949	3,750	-	112,579	3,522	22,193	35,196	227,450	456,639
Excess (deficiency) of revenues over (under) expenditures	16,227	731	152	157,426	7,432	(10,069)	912,714	(196,580)	888,033
OTHER FINANCING SOURCES (USES)									
Transfers out	-	-	-	-	-	-	(1,008,202)	-	(1,008,202)
Total Other Financing Sources (Uses)	-	-	-	-	-	-	(1,008,202)	-	(1,008,202)
Net change in fund balances	16,227	731	152	157,426	7,432	(10,069)	(95,488)	(196,580)	(120,169)
Fund Balance - October 1, 2024	260,917	115,931	5,960	415,940	21,745	91,099	95,488	817,623	1,824,703
Fund Balance - September 30, 2025	\$ 277,144	\$ 116,662	\$ 6,112	\$ 573,366	\$ 29,177	\$ 81,030	\$ -	\$ 621,043	\$ 1,704,534

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>LEGISLATIVE</u>				
PERSONNEL SERVICES:				
Special projects	\$ 25,000	\$ 84,236	\$ 84,656	\$ (420)
Total Personnel Services	25,000	84,236	84,656	(420)
SUPPLIES AND MATERIALS:				
Continuing education and conferences	7,500	7,500	7,470	30
Total Supplies and Materials	7,500	7,500	7,470	30
CONTRACTUAL SERVICES:				
Contractual and fee base services	-	-	65	(65)
Total Contractual Services	-	-	65	(65)
TOTAL LEGISLATIVE	32,500	91,736	92,191	(455)
<u>GENERAL/ADMINISTRATION</u>				
PERSONNEL SERVICES:				
Administration	93,500	93,500	93,500	-
Clerical	64,167	64,167	60,000	4,167
Annual stipend	28,500	28,500	32,625	(4,125)
Vacation buyback	20,000	20,000	20,028	(28)
Uniforms and clothing	180	180	211	(31)
Workers compensation	420	420	815	(395)
Unemployment compensation	270	270	302	(32)
Employee retirement	13,922	13,922	13,849	73
Employee insurance	14,621	14,621	14,562	59
Retiree insurance	600	600	600	-
Payroll taxes	12,062	12,062	11,599	463
Total Personnel Services	248,242	248,242	248,091	151
SUPPLIES AND MATERIALS:				
Office supplies	5,800	5,800	6,721	(921)
Website and IT	1,488	1,488	1,488	-
Postage and delivery	1,500	1,500	821	679
Minor tools	150	150	-	150
Continuing education and conferences	7,750	7,750	9,711	(1,961)
Other supplies	7,500	7,500	11,048	(3,548)
Total Supplies and Materials	24,188	24,188	29,789	(5,601)
MAINTENANCE OF BUILDING/GROUNDS:				
Building and grounds	10,000	18,805	18,909	(104)
Total Maintenance of Building/Grounds	10,000	18,805	18,909	(104)
MAINTENANCE OF EQUIPMENT/MACHINERY:				
HVAC equipment	383	383	312	71
Total Maintenance of Equipment/ Machinery	383	383	312	71
CONTRACTUAL SERVICES:				
Communication services	2,800	2,800	2,712	88
Insurance	6,638	6,638	9,115	(2,477)
Advertising	3,000	3,000	2,922	78
Legal fees	15,000	15,000	16,861	(1,861)
Contractual and fee base services	168,523	186,904	189,148	(2,244)
Utility services	120,000	120,000	107,115	12,885
Transfer to vehicle replacement fund	7,953	7,953	7,252	701
Codification	2,445	2,445	1,777	668
Miscellaneous expense	-	-	5,547	(5,547)
Memberships/subscriptions	6,974	6,974	6,747	227
Total Contractual Services	333,333	351,714	349,196	2,518
TOTAL GENERAL ADMINISTRATION	616,146	643,332	646,297	(2,965)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>TREASURY AND FINANCIAL</u>				
PERSONNEL SERVICES:				
Administration	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
Clerical	-	2,389	2,390	(1)
Uniforms and clothing	90	90	119	(29)
Workers compensation	133	133	130	3
Unemployment compensation	90	90	139	(49)
Employee retirement	4,415	4,857	4,858	(1)
Employee insurance	4,589	5,024	4,303	721
Payroll taxes	3,825	4,126	4,127	(1)
Total Personnel Services	<u>63,142</u>	<u>66,709</u>	<u>66,066</u>	<u>643</u>
SUPPLIES AND MATERIALS:				
Website & IT	288	288	288	-
Laboratory Supplies	-	-	87	(87)
Continuing education and conferences	3,500	3,500	2,803	697
Total Supplies and Materials	<u>3,788</u>	<u>3,788</u>	<u>3,178</u>	<u>610</u>
CONTRACTUAL SERVICES:				
Communication services	900	900	900	-
Insurance	-	-	475	(475)
Memberships and subscriptions	814	814	1,004	(190)
Miscellaneous expense	2,500	2,500	1,823	677
Contractual/fee services	72,382	72,382	72,943	(561)
Total Contractual Services	<u>76,596</u>	<u>76,596</u>	<u>77,145</u>	<u>(549)</u>
TOTAL TREASURY AND FINANCIAL	<u><u>143,526</u></u>	<u><u>147,093</u></u>	<u><u>146,389</u></u>	<u><u>704</u></u>
<u>TAX APPRAISAL AND COLLECTIONS</u>				
CONTRACTUAL SERVICES:				
Tools	-	-	28	(28)
Communication Services	-	-	430	(430)
Contractual/Fee Services	80,988	80,988	80,944	44
Total Contractual Services	<u>80,988</u>	<u>80,988</u>	<u>81,402</u>	<u>(414)</u>
TOTAL TAX APPRAISAL AND COLLECTIONS	<u><u>80,988</u></u>	<u><u>80,988</u></u>	<u><u>81,402</u></u>	<u><u>(414)</u></u>
<u>MUNICIPAL COURT</u>				
PERSONNEL SERVICES:				
Clerical	49,754	49,754	49,240	514
Overtime	-	-	28	(28)
Certificate pay	600	600	519	81
Uniforms and clothing	90	90	80	10
Workers compensation	133	133	130	3
Unemployment compensation	180	180	180	-
Employee retirement	4,393	4,393	4,462	(69)
Employee insurance	8,967	8,967	10,613	(1,646)
Payroll taxes	3,806	3,806	3,468	338
Total Personnel Services	<u>67,923</u>	<u>67,923</u>	<u>68,720</u>	<u>(797)</u>
SUPPLIES AND MATERIALS:				
Postage and delivery	500	500	935	(435)
Other supplies	-	-	0	-
Continuing education and conferences	2,500	2,500	2,759	(259)
Total Supplies and Materials	<u>3,000</u>	<u>3,000</u>	<u>3,694</u>	<u>(694)</u>
CONTRACTUAL SERVICES:				
Contractual/fee services	\$ 11,516	\$ 11,516	\$ 11,516	\$ -
Collection agency fees	6,000	6,000	7,524	(1,524)
State Fee	125,000	125,000	116,278	8,722
Omni base fee	1,100	1,100	534	566
Online & credit card fees	8,200	23,781	23,781	-
Memberships and subscriptions	55	55	55	-
Vehicle registration	150,000	150,000	189,958	(39,958)
Total Contractual Services	<u>301,871</u>	<u>317,452</u>	<u>349,646</u>	<u>(32,194)</u>

**CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TOTAL MUNICIPAL COURT	<u>372,794</u>	<u>388,375</u>	<u>422,060</u>	<u>(33,685)</u>
<u>DEVELOPMENT SERVICES</u>				
PERSONNEL SERVICES:				
Administration	62,462	62,462	49,663	12,799
Clerical	48,000	48,000	46,831	1,169
Operations and Maintenance	58,488	58,488	45,127	13,361
Overtime	-	-	10	(10)
Uniforms and clothing	340	340	97	243
Workers compensation	625	625	581	44
Unemployment compensation	450	450	708	(258)
Employee retirement	14,918	14,918	12,987	1,931
Employee insurance	26,984	26,984	20,240	6,744
Payroll taxes	12,925	12,925	11,029	1,896
Total Personnel Services	<u>225,192</u>	<u>225,192</u>	<u>187,273</u>	<u>37,919</u>
SUPPLIES AND MATERIALS:				
Office supplies	300	300	638	(338)
Website and IT	576	576	576	-
Laboratory supplies	-	-	367	(367)
Continuing education and conferences	1,656	1,656	1,595	61
Total Supplies and Materials	<u>2,532</u>	<u>2,532</u>	<u>3,176</u>	<u>(644)</u>
CONTRACTUAL SERVICES:				
Contractual/fee services	30,192	30,192	18,043	12,149
Communication services	2,800	2,800	1,527	1,273
Advertising	1,500	1,500	1,606	(106)
Online & credit card fees	3,500	3,500	5,490	(1,990)
Transfer to vehicle replacement fund	8,041	8,041	7,124	917
Memberships and subscriptions	200	200	170	30
Total Contractual Services	<u>46,233</u>	<u>46,233</u>	<u>33,960</u>	<u>12,273</u>
TOTAL DEVELOPMENT SERVICES	<u>273,957</u>	<u>273,957</u>	<u>224,409</u>	<u>49,548</u>
<u>CITY CENTER</u>				
PERSONNEL SERVICES:				
Clerical	39,583	9,165	9,159	6
Uniforms and clothing	-	-	82	(82)
Workers compensation	155	155	0	155
Unemployment compensation	540	540	0	540
Employee retirement	5,151	809	809	-
Employee insurance	11,193	1,494	1,494	-
Payroll taxes	4,463	696	696	-
Total Personnel Services	<u>61,085</u>	<u>12,859</u>	<u>12,240</u>	<u>619</u>

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES AND MATERIALS:				
Office supplies	\$ 300	\$ 300	\$ -	\$ 300
Janitorial Supplies	875	875	-	875
Other Supplies	6,000	6,000	6,282	(282)
Laboratory supplies	-	-	2	(2)
Miscellaneous supplies	1,000	1,000	-	1,000
Total Supplies and Materials	8,175	8,175	6,284	1,891
CONTRACTUAL SERVICES:				
Contractual/fee services	5,850	5,850	1,994	3,856
Utility Services	12,500	12,500	153	12,347
Total Contractual Services	18,350	18,350	2,147	16,203
MAINTENANCE OF BUILDINGS/LAND				
Buildings and grounds	500	500	-	500
Maintenance - City Center	18,750	-	-	-
Total Contractual Services	19,250	500	-	500
TOTAL CITY CENTER	106,860	39,884	20,671	19,213
<u>PARKS/RECREATION SERVICES</u>				
PERSONNEL SERVICES:				
Administration	75,000	75,000	67,212	7,788
Operations and Maintenance	88,259	88,259	89,291	(1,032)
Overtime	1,000	1,000	567	433
Uniforms and clothing	1,000	1,000	1,336	(336)
Workers compensation	3,629	3,629	2,220	1,409
Unemployment compensation	540	540	814	(274)
Employee retirement	14,416	14,416	14,256	160
Employee insurance	26,645	26,645	29,632	(2,987)
Payroll taxes	12,566	12,566	11,354	1,212
Total Personnel Services	223,055	223,055	216,682	6,373
SUPPLIES AND MATERIALS:				
Lab supplies	-	-	204	(204)
Tires - flat repairs	400	400	-	400
Total Supplies and Materials	400	400	204	196
MAINTENANCE OF BUILDINGS/LAND				
Maintenance - ball parks	38,388	38,388	35,748	2,640
Maintenance - parks	3,500	14,581	14,616	(35)
Maintenance - The Rec	3,000	3,000	7,897	(4,897)
Maintenance - Splash Park	2,500	2,500	2,884	(384)
Maintenance - trails	4,600	11,062	11,237	(175)
Total Maintenance of Buildings/Land	51,988	69,531	72,382	(2,851)
MAINTENANCE OF EQUIPMENT/MACHINERY				
Machinery & Equipment	1,500	1,500	505	995
Office equipment	-	-	0	-
HVAC equipment	315	315	330	(15)
Tools	1,500	1,500	1,179	321
Maintenance - Other	-	68,679	77,207	(8,528)
Other equipment	-	180,000	180,000	-
Playground equipment	1,000	1,000	111	889
Total Maintenance of Equipment/Machinery	4,315	252,994	259,332	(6,338)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CONTRACTUAL SERVICES				
Communication Services	\$ 395	\$ 395	\$ 831	\$ (436)
Leases and rentals	500	500	0	500
Insurance	3,020	3,020	6,347	(3,327)
Contractual services	7,200	7,200	5,686	1,514
Utility Services	20,000	20,000	15,394	4,606
Miscellaneous expense	35,000	35,000	34,044	956
Transfer to vehicle replacement fund	23,345	23,345	26,782	(3,437)
Continuing education	-	-	640	(640)
Memberships and subscriptions	6,000	6,000	1,888	4,112
Total Contractual Services	95,460	95,460	91,612	3,848
TOTAL PARKS/RECREATION SERVICES	375,218	641,440	640,212	1,228
COMMUNITY DEVELOPMENT				
PERSONNEL SERVICES:				
Operations and Maintenance	-	19,476	19,476	-
Uniforms and clothing	-	282	282	-
Employee retirement	-	1,720	1,720	-
Employee insurance	-	4,551	4,551	-
Payroll taxes	-	1,299	1,299	-
Total Personnel Services	-	27,328	27,328	-
SUPPLIES AND MATERIALS:				
Office supplies	-	145	165	(20)
Continuing education and conferences	1,200	1,200	1,870	(670)
Total Supplies and Materials	1,200	1,345	2,035	(690)
MAINTENANCE OF EQUIPMENT:				
Building and grounds	2,500	2,500	-	2,500
Total Maintenance of Building	2,500	2,500	-	2,500
CONTRACTUAL SERVICES:				
Contractual/fee services	82,400	82,400	75,363	7,037
Transfer to vehicle replacement fund	-	-	3,822	(3,822)
Chamber of Commerce	5,000	5,000	5,000	-
Total Contractual Services	87,400	87,400	84,185	3,215
TOTAL COMMUNITY DEVELOPMENT	91,100	118,573	113,548	5,025
STREET AND GROUNDS MAINTENANCE				
PERSONNEL SERVICES:				
Operations and maintenance	107,641	107,641	107,853	(212)
Overtime	3,000	3,000	1,433	1,567
Uniforms and clothing	1,000	1,000	943	57
Workers compensation	5,066	5,066	4,130	936
Unemployment compensation	360	360	360	-
Employee retirement	9,505	9,505	9,950	(445)
Employee insurance	21,260	21,260	20,538	722
Payroll taxes	8,464	8,464	7,722	742
Total Personnel Services	156,296	156,296	152,929	3,367

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
SUPPLIES AND MATERIALS:				
Chemical and mechanical	\$ 800	\$ 800	\$ 480	\$ 320
Tires - flat repairs	300	300	355	(55)
Safety supplies	3,100	3,100	2,926	174
Total Supplies and Materials	4,200	4,200	3,761	439
MAINTENANCE OF BUILDINGS/LAND:				
Buildings and grounds	-	-	625	(625)
Streets, driveways and drainage	8,000	8,000	1,969	6,031
Total Maintenance of Buildings/Land	8,000	8,000	2,594	5,406
MAINTENANCE OF EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	5,000	5,000	5,676	(676)
Minor tools and equipment	1,400	1,400	1,116	284
Signal and sign system	3,500	3,500	5,458	(1,958)
Total Maintenance of Equipment/Machinery	9,900	9,900	12,250	(2,350)
CONTRACTUAL SERVICES				
Communication services	395	395	854	(459)
Leases and rentals	500	500	276	224
Transfer to vehicle replacement fund	43,881	43,881	34,229	9,652
Contractual services	57,380	57,380	54,454	2,926
Insurance	1,201	1,201	1,846	(645)
Total Contractual Services	103,357	103,357	91,659	11,698
TOTAL STREET AND GROUNDS MAINTENANCE	281,753	281,753	263,193	18,560
POLICE OPERATIONS				
PERSONNEL SERVICES:				
Administration	312,503	312,503	308,087	4,416
Operations and maintenance	1,337,601	1,337,601	1,292,038	45,563
Overtime	15,000	51,000	52,557	(1,557)
Certificate pay	9,000	9,000	9,244	(244)
Assignment pay	21,900	21,900	16,894	5,006
Uniforms and clothing	16,530	16,530	18,347	(1,817)
Workers compensation	48,919	48,919	49,817	(898)
Unemployment compensation	3,780	3,780	4,198	(418)
Employee retirement	147,559	147,559	150,528	(2,969)
Employee insurance	206,653	206,653	194,470	12,183
Payroll taxes	127,840	127,840	124,210	3,630
Total Personnel Services	2,247,285	2,283,285	2,220,390	62,895
SUPPLIES AND MATERIALS:				
Office supplies	9,500	9,500	7,747	1,753
Website & IT	288	288	288	-
Laboratory supplies	5,000	5,000	5,649	(649)
Postage and delivery	500	500	232	268
Continuing education and conferences	12,000	12,000	10,329	1,671
LEOSE continuing education	1,500	1,500	4,434	(2,934)
Community resource supply	3,700	3,700	4,396	(696)
Total Supplies and Materials	32,488	32,488	33,075	(587)
MAINTENANCE OF BUILDINGS/LAND:				
Buildings and grounds	9,970	9,970	11,253	(1,283)
Gun range	3,000	3,000	3,083	(83)
Total Maintenance of Buildings/Land	12,970	12,970	14,336	(1,366)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE OF EQUIPMENT/MACHINERY:				
Office equipment	\$ 5,112	\$ 5,112	\$ 3,491	\$ 1,621
Vehicles	27,500	27,500	23,956	3,544
HVAC equipment	1,000	1,000	6,412	(5,412)
Technology equipment	1,000	1,000	-	1,000
Communication equipment	6,700	6,700	6,422	278
Total Maintenance of Equipment/Machinery	41,312	41,312	40,281	1,031
CONTRACTUAL SERVICES:				
Communication services	11,000	11,000	11,253	(253)
Insurance	11,934	11,934	16,101	(4,167)
Contractual/fee services	162,688	162,688	130,564	32,124
Utility services	7,500	7,500	5,973	1,527
Transfer to vehicle replacement fund	254,451	254,451	234,919	19,532
Memberships and subscriptions	1,000	1,000	1,559	(559)
Total Contractual Services	448,573	448,573	400,369	48,204
TOTAL POLICE OPERATIONS	2,782,628	2,818,628	2,708,451	110,177
FIRE OPERATIONS				
PERSONNEL SERVICES:				
Administration	112,500	112,500	112,500	-
Operations maintenance	595,387	595,387	625,370	(29,983)
Overtime	42,000	95,500	96,152	(652)
Community service	6,300	6,300	5,835	465
Certificate pay	2,700	2,700	2,712	(12)
Uniforms and clothing	5,000	5,000	5,800	(800)
Workers compensation	24,167	24,167	23,638	529
Unemployment compensation	3,240	3,240	2,781	459
Employee retirement	61,702	61,702	68,400	(6,698)
Employee insurance	78,102	78,102	76,645	1,457
Payroll taxes	57,085	57,085	63,667	(6,582)
Total Personnel Services	988,183	1,041,683	1,083,500	(41,817)
SUPPLIES AND MATERIALS:				
Office supplies	1,200	1,200	797	403
Laboratory services	400	400	571	(171)
Postage & delivery supplies	100	100	114	(14)
Emergency medical supplies	2,100	2,100	845	1,255
Minor tools and apparatus	400	400	390	10
Janitorial supplies	1,500	1,500	1,199	301
FOAM	1,800	1,800	1,304	496
Safety supplies	300	300	276	24
Continuing education and conferences	6,000	6,000	4,177	1,823
Total Supplies and Materials	13,800	13,800	9,673	4,127
MAINTENANCE OF BUILDING:				
Building and grounds	9,100	9,100	11,610	(2,510)
Total Maintenance of Equipment/Machinery	9,100	9,100	11,610	(2,510)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE OF EQUIPMENT/MACHINERY:				
HVAC equipment	\$ 180	\$ 180	\$ 190	\$ (10)
Shop equipment	4,000	4,000	4,083	(83)
Safety and medical equipment	10,000	10,000	8,363	1,637
Fire equipment	4,000	4,000	3,912	88
Outdoor Warning System	6,600	25,364	25,364	-
Communication equipment	7,200	7,200	719	6,481
Total Maintenance of Equipment/Machinery	31,980	50,744	42,631	8,113
CONTRACTUAL SERVICES:				
Communication services	17,554	17,554	15,729	1,825
Insurance	2,819	2,819	6,324	(3,505)
Contractual/fee services	7,350	7,350	5,559	1,791
Utility service	8,000	8,000	7,084	916
Memberships and subscriptions	1,200	1,200	1,142	58
Transfer to vehicle replacement fund	49,696	49,696	44,514	5,182
Miscellaneous expense	1,000	1,000	914	86
Total Contractual Services	87,619	87,619	81,266	6,353
TOTAL FIRE OPERATIONS	1,130,682	1,202,946	1,228,680	(25,734)
SANITATION				
CONTRACTUAL SERVICES:				
Contractual/fee services	825,000	825,000	928,771	(103,771)
Sales tax	68,000	68,000	82,702	(14,702)
Total Contractual Services	893,000	893,000	1,011,473	(118,473)
TOTAL SANITATION	893,000	893,000	1,011,473	(118,473)
TOTAL EXPENDITURES - BUDGET BASIS	7,181,152	7,621,705	7,598,976	22,729
Financial Statement Adjustments:				
Decrease in accrued expenses			(51,037)	
TOTAL EXPENDITURES - GAAP BASIS			\$ 7,547,939	

**CITY OF WHITEHOUSE, TEXAS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 2025**

	TAX NOTE & GENERAL OBLIGATION NOTES	2006 SERIES REFUNDING FUND	2018 SERIES CERTIFICATES OF OBLIGATION	2022 SERIES CERTIFICATES OF OBLIGATION	TOTAL
<u>ASSETS</u>					
Receivables:	\$ 69,121	\$ -	\$ -	\$ -	\$ 69,121
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	2,018,049	-	-	-	2,018,049
	<u>2,018,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,018,049</u>
TOTAL ASSETS	<u>\$ 2,135,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,135,314</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>175,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175,430</u>
Total Liabilities	175,430	-	-	-	175,430
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue - property taxes	69,121	-	-	-	69,121
<u>FUND BALANCE</u>					
Restricted:					
Debt Service	1,890,763	-	-	-	1,890,763
	<u>1,890,763</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,890,763</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 2,135,314</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,135,314</u>

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	TAX NOTE & GENERAL OBLIGATION NOTES	2006 SERIES REFUNDING FUND	2018 SERIES CERTIFICATES OF OBLIGATION	2022 SERIES CERTIFICATES OF OBLIGATION	TOTAL
REVENUES					
Current and delinquent taxes	\$ 333,427	\$ 233,700	\$ 622,600	197,600	\$ 1,387,327
Interest income	96,227	-	-	-	96,227
Total Revenues	429,654	233,700	622,600	197,600	1,483,554
EXPENDITURES					
Debt Service:					
Bond principal	-	215,000	540,000	-	755,000
Note principal	95,553	-	-	-	95,553
Interest and fees	10,124	18,700	82,600	197,600	309,024
Total Expenditures	105,677	233,700	622,600	197,600	1,159,577
Revenues Over (Under) Expenditures	323,977	-	-	-	323,977
OTHER FINANCING SOURCES (USES)					
Transfers in	14,027	-	-	-	14,027
Transfers out	(228,744)	-	-	-	(228,744)
Total Other Financing Sources (Uses)	(214,717)	-	-	-	(214,717)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	109,260	-	-	-	109,260
Fund Balance, October 1, 2024	1,781,503	-	-	-	1,781,503
Fund Balance, September 30, 2025	<u>\$ 1,890,763</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,890,763</u>

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF NET POSITION
UTILITY FUND
SEPTEMBER 30, 2025

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
ASSETS			
Current Assets:			
Cash and certificates of deposit	\$ 1,129,191	1,915,533	\$ 3,044,724
Accounts receivable (net)	564,585	-	564,585
Total Current Assets	<u>1,693,776</u>	<u>1,915,533</u>	<u>3,609,309</u>
Restricted Current Assets:			
Temporarily Restricted			
Customer deposits	431,350	-	431,350
Total Restricted Current Assets	<u>431,350</u>	<u>-</u>	<u>431,350</u>
Noncurrent Assets:			
Water rights - Lake Columbia	230,000	-	230,000
Net Pension Asset	48,056	-	48,056
Capital Assets:			
Land	25,000	-	25,000
Construction in progress	-	-	-
Easements	7,800	-	7,800
Buildings	472,964	-	472,964
Water and sewer system	27,495,020	-	27,495,020
Machinery & equipment	822,856	-	822,856
Less: Accumulated depreciation	<u>(13,996,740)</u>	<u>-</u>	<u>(13,996,740)</u>
Total Capital Assets (net of accumulated depreciation)	<u>14,826,900</u>	<u>-</u>	<u>14,826,900</u>
Total Noncurrent Assets:	<u>15,104,956</u>	<u>-</u>	<u>15,104,956</u>
Total Assets	<u>17,230,082</u>	<u>1,915,533</u>	<u>19,145,615</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding (net of amortization)	69,957	-	69,957
Deferred charge on other post employment benefits	2,141	-	2,141
Deferred charge on TMRS pension	139,985	-	139,985
Total Deferred Outflows of Resources	<u>212,083</u>	<u>-</u>	<u>212,083</u>

(continued)

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF NET POSITION
UTILITY FUND
SEPTEMBER 30, 2025

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
LIABILITIES			
Current Liabilities:			
Accounts payable	\$ 112,853	\$ -	\$ 112,853
Compensated absences	2,078	-	2,078
Due to other funds	39,684	1,966,219	2,005,903
Total Current Liabilities	154,615	1,966,219	2,120,834
Current liabilities payable from restricted assets:			
Customer deposits	431,350	-	431,350
Accrued interest	-	45,998	45,998
Revenue bonds payable	1,371,667	-	1,371,667
Total current liabilities payable from restricted assets	1,803,017	45,998	1,849,015
Noncurrent Liabilities:			
Revenue bonds payable	3,618,261	-	3,618,261
Compensated absences	18,704	-	18,704
Other post employment benefits	28,540	-	28,540
Total Noncurrent Liabilities	3,665,505	-	3,665,505
Total Liabilities	5,623,137	2,012,217	7,635,354
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on other post employment benefits	115,411	-	115,411
Deferred charge on TMRS pension	75,336	-	75,336
Total Deferred Inflows of Resources	190,747	-	190,747
NET POSITION			
Invested in capital assets, net of related debt	9,834,894	-	9,834,894
Unrestricted	1,793,387	(96,684)	1,696,703
Total Net Position	\$ 11,628,281	\$ (96,684)	\$ 11,531,597

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
UTILITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
OPERATING REVENUES				
Water sales	\$ 2,481,302	\$ -	\$ -	\$ 2,481,302
Sewer charges	1,091,069	-	-	1,091,069
Property taxes	-	820,200	-	820,200
Charges for other services	205,466	-	-	205,466
Total Operating Revenues	<u>3,777,837</u>	<u>820,200</u>	<u>-</u>	<u>4,598,037</u>
OPERATING EXPENSES				
Utility administration	850,048	-	-	850,048
Customer service	187,293	-	-	187,293
Water operations	734,552	-	-	734,552
Sewer operations	559,074	-	-	559,074
Water supply	467,840	-	-	467,840
Depreciation	613,390	-	-	613,390
Total Operating Expenses	<u>3,412,197</u>	<u>-</u>	<u>-</u>	<u>3,412,197</u>
Operating Income (Loss)	<u>365,640</u>	<u>820,200</u>	<u>-</u>	<u>1,185,840</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest and fiscal charge expense	-	(144,000)	-	(144,000)
Bond issue costs	-	-	-	-
Interest income	134,288	-	-	134,288
Total Non-Operating Revenue (Expenses)	<u>134,288</u>	<u>(144,000)</u>	<u>-</u>	<u>(9,712)</u>
Income before transfers	499,928	676,200	-	1,176,128
Transfers in	1,325,455	1,515,036	(1,325,455)	1,515,036
Transfers out	(769,943)	(2,178,248)	1,325,455	(1,622,736)
Total Transfers	<u>555,512</u>	<u>(663,212)</u>	<u>-</u>	<u>(107,700)</u>
Change in Net Position	1,055,440	12,988	-	1,068,428
Net Position, October 1, 2024	<u>10,572,841</u>	<u>(109,672)</u>	<u>-</u>	<u>10,463,169</u>
Net Position, September 30, 2025	<u>\$ 11,628,281</u>	<u>\$ (96,684)</u>	<u>-</u>	<u>\$ 11,531,597</u>

**CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
UTILITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025**

Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 3,843,884	\$ 820,200	\$ -	\$ 4,664,084
Cash paid to suppliers for goods and services	(1,836,703)	-	-	(1,836,703)
Cash paid to employees for services	(944,451)	-	-	(944,451)
Net cash provided by operating activities	<u>1,062,730</u>	<u>820,200</u>	<u>-</u>	<u>1,882,930</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	1,325,455	1,515,036	(1,325,455)	1,515,036
Transfers out	(769,943)	(2,178,248)	1,325,455	(1,622,736)
Net cash provided by (used in) non-capital financing activities	<u>555,512</u>	<u>(663,212)</u>	<u>-</u>	<u>(107,700)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases or construction of capital assets	(524,723)	-	-	(524,723)
Principal paid on notes	(13,455)	-	-	(13,455)
Interest paid	-	(156,989)	-	(156,989)
Advances from other funds	-	109,259	-	109,259
Principal paid on bonds	(1,287,448)	-	-	(1,287,448)
Net cash used in capital and related financing activities	<u>(1,825,626)</u>	<u>(47,730)</u>	<u>-</u>	<u>(1,873,356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned on investments	134,288	-	-	134,288
Net cash provided by investing activities	<u>134,288</u>	<u>-</u>	<u>-</u>	<u>134,288</u>
Net increase in cash	(73,096)	109,258	-	36,162
Cash, beginning of period	<u>1,633,637</u>	<u>1,806,275</u>	<u>-</u>	<u>3,439,912</u>
Cash, end of period	<u>\$ 1,560,541</u>	<u>\$ 1,915,533</u>	<u>\$ -</u>	<u>\$ 3,476,074</u>
Reconciliation of cash to Schedule 6:				
Cash - current asset	\$ 1,129,191	\$ 1,915,533	\$ -	\$ 3,044,724
Cash - restricted current asset	431,350	-	-	431,350
Total cash, end of period	<u>\$ 1,560,541</u>	<u>\$ 1,915,533</u>	<u>\$ -</u>	<u>\$ 3,476,074</u>

CITY OF WHITEHOUSE, TEXAS
 COMBINING STATEMENT OF CASH FLOWS
 UTILITY FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS-TYPE ACTIVITIES			TOTAL UTILITY FUND
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:				
Operating income	\$ 365,640	\$ 820,200	\$ -	\$ 1,185,840
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation expense	613,390	-	-	613,390
Decrease in accounts receivable	53,557	-	-	53,557
Increase in deferred outflows of resources	(5,905)	-	-	(5,905)
Increase in accounts payable	6,894	-	-	6,894
Decrease in net pension liability	(58,130)	-	-	(58,130)
Increase in deferred inflows of resources	73,803	-	-	73,803
Increase in other post employee benefit liability	991	-	-	991
Increase in customer deposits	12,490	-	-	12,490
Total adjustments	<u>697,090</u>	<u>-</u>	<u>-</u>	<u>697,090</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 1,062,730</u></u>	<u><u>\$ 820,200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,882,930</u></u>

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, 2025**

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Charges for services:				
Water sales	\$ 2,300,000	\$ 2,300,000	\$ 2,499,464	\$ 199,464
Sewer charges	988,945	988,945	1,091,069	102,124
Tap and connect fees	40,000	40,000	45,690	5,690
Penalties	120,000	120,000	123,587	3,587
Anra Compost Rebate	7,000	7,000	7,976	976
Insurance Claims	-	-	23,269	23,269
Sale of Assets	-	-	4,944	4,944
Interest and rent	75,000	75,000	134,288	59,288
 TOTAL REVENUES AND OTHER FINANCING SOURCES - BUDGET BASIS	 \$ 3,530,945	 \$ 3,530,945	 3,930,287	 \$ 399,342
 Financial Statement Adjustments:				
Adjust accounts receivable for services billed in subsequent month			(18,162)	
Debt Service Fund payment of principal and fees on bonds and note			1,325,455	
 TOTAL REVENUES AND OTHER FINANCING SOURCES - GAAP BASIS			 \$ 5,237,580	

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
UTILITY ADMINISTRATION				
PERSONNEL SERVICES:				
Administration	\$ 240,219	\$ 240,219	227,465	\$ 12,754
Clerical	-	2,389	2,389	-
Operations and maintenance	-	2,260	2,260	-
Overtime	-	-	14	(14)
Uniform and clothing	600	600	759	(159)
Worker's compensation	3,211	3,211	391	2,820
Unemployment compensation	360	360	397	(37)
Employee retirement	21,211	21,211	20,873	338
Retiree insurance	6,000	6,000	6,000	-
Empolycee insurance	23,570	23,570	21,479	2,091
Annual stipend	7,500	7,500	6,750	750
Vacation buyback	4,948	4,948	5,933	(985)
Payroll taxes	18,377	18,377	17,359	1,018
Total Personnel Services	325,996	330,645	312,069	18,576
SUPPLIES AND MATERIALS:				
Office supplies	2,000	2,000	2,398	(398)
Continuing education and conferences	8,250	8,250	3,436	4,814
Other supplies	500	500	263	237
Postage and delivery	16,000	16,000	17,752	(1,752)
Total Supplies and Materials	26,750	26,750	23,849	2,901
MAINTENANCE OF BUILDINGS/LAND:				
Buildings and grounds	2,000	60,327	60,413	(86)
Total Maintenance of Buildings/Land	2,000	60,327	60,413	(86)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Office equipment	1,452	1,452	2,854	(1,402)
HVAC equipment	257	257	2,802	(2,545)
Total Maintenance - Equipment/Machinery	1,709	1,709	5,656	(3,947)
CONTRACTUAL SERVICES:				
Communication services	1,500	1,500	511	989
Leases and rentals	996	996	996	-
Advertising	250	250	100	150
Insurance	-	-	475	(475)
Contractual and fee basis service	221,311	249,634	254,699	(5,065)
Utility services	15,000	15,000	8,200	6,800
Utility billing - dataprose	7,000	7,000	6,619	381
On-Line / credit card fees	55,000	229,688	229,909	(221)
Document shredding	450	450	686	(236)
Memberships and subscriptions	550	550	190	360
Miscellaneous	2,500	2,500	1,952	548
Total Contractual Services	304,557	507,568	504,337	3,231
TOTAL UTILITY ADMINISTRATION	661,012	926,999	906,324	20,675

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>CUSTOMER SERVICE</u>				
PERSONNEL SERVICES:				
Clerical	\$ 141,671	\$ 141,671	\$ 134,377	\$ 7,294
Overtime	500	500	35	465
Uniforms and clothing	270	270	175	95
Worker's compensation	378	378	200	178
Unemployment compensation	540	540	627	(87)
Employee retirement	12,554	12,554	12,159	395
Employee insurance	30,161	30,161	28,570	1,591
Payroll taxes	10,876	10,876	9,808	1,068
Total Personnel Services	<u>196,950</u>	<u>196,950</u>	<u>185,951</u>	<u>10,999</u>
SUPPLIES AND MATERIALS				
Laboratory Supplies	-	-	87	(87)
Total Supplies and Materials	<u>-</u>	<u>-</u>	<u>87</u>	<u>(87)</u>
CONTRACTUAL SERVICES				
Insurance	-	-	475	(475)
Total Contractual Services	<u>-</u>	<u>-</u>	<u>475</u>	<u>(475)</u>
TOTAL CUSTOMER SERVICE	<u><u>196,950</u></u>	<u><u>196,950</u></u>	<u><u>186,513</u></u>	<u><u>10,437</u></u>
<u>WATER OPERATIONS</u>				
PERSONNEL SERVICES:				
Operations and maintenance	206,700	206,700	207,402	(702)
Overtime	13,000	13,000	24,776	(11,776)
Certificate Pay	-	-	831	(831)
Uniforms and clothing	2,000	2,000	1,808	192
Workers' compensation	6,046	6,046	9,121	(3,075)
Unemployment compensation	720	720	772	(52)
Employee retirement	19,452	19,452	21,020	(1,568)
Employee insurance	38,131	38,131	37,769	362
Payroll taxes	16,853	16,853	17,465	(612)
Total Personnel Services	<u>302,902</u>	<u>302,902</u>	<u>320,964</u>	<u>(18,062)</u>
SUPPLIES AND MATERIALS:				
Laboratory supplies	-	-	185	(185)
Water meter supplies	15,000	15,000	8,045	6,955
Chemical and mechanical supplies	26,250	37,584	41,129	(3,545)
Safety supplies	2,000	2,000	1,345	655
Continuing education and conferences	2,000	2,000	730	1,270
Total Supplies and Materials	<u>45,250</u>	<u>56,584</u>	<u>51,434</u>	<u>5,150</u>
MAINTENANCE - BUILDING/LAND:				
Buildings and grounds	4,000	4,000	4,168	(168)
Chlorination equipment	7,500	7,500	7,149	351
Water system	30,000	71,610	71,725	(115)
Meters and settings	30,000	30,000	31,698	(1,698)
Total Maintenance - Building/Land	<u>71,500</u>	<u>113,110</u>	<u>114,740</u>	<u>(1,630)</u>

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	\$ 5,000	\$ 5,000	\$ 2,149	\$ 2,851
Office equipment	200	200	79	121
Tools	6,862	6,862	7,299	(437)
Contingency	30,000	30,000	11,048	18,952
Total Maintenance - Equipment/Machinery	42,062	42,062	20,575	21,487
CONTRACTUAL SERVICES:				
Communication services	6,300	6,300	6,057	243
Leases and rentals	3,000	3,000	2,936	64
Insurance	17,833	17,833	18,605	(772)
Contractual and fee basis service	45,000	45,000	38,148	6,852
Utility services	200,000	200,000	203,958	(3,958)
Transfer to vehicle replacement fund	72,245	72,245	78,946	(6,701)
Memberships and subscriptions	210	210	140	70
Regulatory inspection fee	7,500	7,500	6,813	687
Total Contractual Services	352,088	352,088	355,603	(3,515)
CAPITAL OUTLAY:				
Water system improvements	-	214,012	214,012	-
Total Capital Outlay	-	214,012	214,012	-
TOTAL WATER OPERATIONS	813,802	1,080,758	1,077,328	3,430
WASTEWATER OPERATIONS				
PERSONNEL SERVICES:				
Operations and maintenance	104,007	104,007	92,087	11,920
Overtime	6,500	6,500	7,762	(1,262)
Certificate Pay	-	-	138	(138)
Uniforms and clothing	1,000	1,000	1,412	(412)
Workers' compensation	3,042	3,042	3,020	22
Unemployment compensation	360	360	481	(121)
Employee retirement	9,811	9,811	9,041	770
Employee insurance	19,599	19,599	10,657	8,942
Payroll taxes	8,500	8,500	7,585	915
Total Personnel Services	152,819	152,819	132,183	20,636
SUPPLIES AND MATERIALS:				
Laboratory supplies	-	-	387	(387)
Tires and tubes	500	500	33	467
Chemical and mechanical supplies	36,750	56,263	60,461	(4,198)
Safety supplies	2,000	2,000	2,543	(543)
Continuing education and conferences	1,500	1,500	1,706	(206)
Total Supplies and Materials	40,750	60,263	65,130	(4,867)
MAINTENANCE - BUILDING/LAND:				
Building and grounds	7,000	7,000	5,108	1,892
Sanitary sewers	25,000	84,406	85,225	(819)
Lift stations	35,000	115,076	142,545	(27,469)
Total Maintenance - Building/Land	67,000	206,482	232,878	(26,396)

**CITY OF WHITEHOUSE, TEXAS
 DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
 (NON-GAAP BUDGET BASIS)
 UTILITY OPERATING FUND
 FISCAL YEAR ENDED SEPTEMBER 30, 2025**

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	\$ 10,000	\$ 10,000	\$ 9,090	\$ 910
Tools	400	400	636	(236)
Contingency	25,000	25,000	17,897	7,103
Total Maintenance - Equipment/Machinery	35,400	35,400	27,623	7,777
CONTRACTUAL SERVICES:				
Communication services	1,400	1,400	842	558
Insurance	6,620	6,620	7,095	(475)
Contractual and fee basis service	125,204	125,204	145,084	(19,880)
Utility services	150,000	150,000	138,630	11,370
Memberships and subscriptions	140	140	140	-
Transfer to vehicle replacement fund	22,775	22,775	18,469	4,306
Regulatory inspection fee	12,500	12,500	11,101	1,399
Total Contractual Services	318,639	318,639	321,361	(2,722)
TOTAL WASTEWATER OPERATIONS	614,608	773,603	779,175	(5,572)
WATER SUPPLY				
CONTRACTUAL SERVICES:				
Contractual and fee basis service	517,211	431,396	467,840	(36,444)
Total Contractual Services	517,211	431,396	467,840	(36,444)
TOTAL WATER SUPPLY	517,211	431,396	467,840	(36,444)
UTILITY DEBT SERVICE				
DEBT SERVICE:				
Revenue bonds principal	330,000	330,000	330,000	-
Revenue bonds interest	27,933	27,933	30,669	(2,736)
Installment notes principal	13,455	13,455	13,415	40
Installment notes interest	614	614	612	2
Hwy 110 Line/Blower principal	41,000	41,000	41,000	-
Hwy 110 Line/Blower interest	7,278	7,278	7,280	(2)
Total Debt Service	420,280	420,280	422,976	(2,696)
TOTAL UTILITY DEBT SERVICE	420,280	420,280	422,976	(2,696)
TRANSFERS				
Interfund transfers	225,000	225,000	225,000	-
TOTAL TRANSFERS	225,000	225,000	225,000	-
TOTAL EXPENSES - BUDGET BASIS	\$ 3,448,863	\$ 4,054,986	4,065,156	\$ (10,170)
Financial Statement Adjustments:				
Depreciation			613,390	
Record transfers to other funds			24,552	
Beginning fund balance adjustment			(278)	
TMRS pension adjustment			(20,240)	
OPEB adjustment			24,283	
Reclassify capital expenditures			(524,723)	
TOTAL EXPENSES AND TRANSFERS - GAAP BASIS			\$ 4,182,140	

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<u>REVENUES</u>				
Property taxes	\$ 820,200	\$ 820,200	\$ 820,200	\$ -
Transfers in	406,211	406,211	408,947	2,736
TOTAL REVENUES - BUDGET BASIS	\$ 1,226,411	\$ 1,226,411	1,229,147	\$ 2,736
Record transfer in for bond defeasance			57,145	
Reclassify 2018 Certificates of Obligation payments			(852,793)	
Record transfer in for bond and note principal and interest paid in Governmental debt service fund			1,048,944	
TOTAL REVENUES - GAAP BASIS			\$ 1,482,443	
<u>EXPENSES</u>				
Bond/Note principal:				
2006 Certificates of Obligation	195,000	195,000	195,000	-
2007 Certificates of Obligation	135,000	135,000	135,000	-
2018 Certificates of Obligation	540,000	540,000	540,000	-
Installment notes	41,000	41,000	41,000	
Bond/Note interest:				
2006 Certificates of Obligation	12,705	12,705	15,441	(2,736)
2007 Certificates of Obligation	15,228	15,228	15,228	-
2018 Certificates of Obligation	82,600	82,600	82,600	-
2022 Certificates of Obligation	197,600	197,600	197,600	-
Installment Notes	7,278	7,278	7,277	1
TOTAL EXPENSES - BUDGET BASIS	\$ 1,226,411	\$ 1,226,411	1,229,146	\$ (2,735)
Record amortization of bond defeasance			57,145	
Reclassify 2018 Certificates of Obligation payments			(852,793)	
Bond and note principal and interest paid in Governmental debt service fund			1,048,944	
Decrease in accrued interest at September 30, 2025			(12,989)	
TOTAL EXPENSES - GAAP BASIS			\$ 1,469,453	

OTHER SCHEDULES

CITY OF WHITEHOUSE, TEXAS
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	TOTAL	LAND	CONSTRUCTION IN PROCESS	BUILDINGS & IMPROVEMENTS	PARKS	INFRASTRUCTURE	RIGHT OF USE ASSET	MACHINERY & EQUIPMENT	
								AUTOS	OTHER EQUIPMENT
Governmental assets - October 1, 2024	\$ 29,095,037	\$ 2,242,946	\$ 1,879,846	\$ 4,314,755	\$ 2,748,626	\$ 12,988,183	\$ 1,949,389	\$ 908,038	\$ 2,063,254
EXPENDITURES FROM GOVERNMENTAL FUNDS:									
<u>GENERAL FUND</u>									
Right of Use Assets	403,068	-	-	-	-	-	403,068	-	-
Shahan Park Project	215,196	-	215,196	-	-	-	-	-	-
109 E. Main Project	5,474,261	-	5,474,261	-	-	-	-	-	-
Building improvements	8,965	-	-	8,965	-	-	-	-	-
Street and Drainage improvements	251,874	-	-	-	-	251,874	-	-	-
Equipment additions	72,160	-	-	-	8,077	-	-	-	64,083
Land acquisition	-	-	-	-	-	-	-	-	-
RETIREMENTS FROM GOVERNMENTAL FUNDS:									
<u>GENERAL FUND</u>									
Right of Use Assets	(122,934)	-	-	-	-	-	(122,934)	-	-
GOVERNMENTAL ASSETS - SEPTEMBER 30, 2025	<u>\$ 35,397,627</u>	<u>\$ 2,242,946</u>	<u>\$ 7,569,303</u>	<u>\$ 4,323,720</u>	<u>\$ 2,756,703</u>	<u>\$ 13,240,057</u>	<u>\$ 2,229,523</u>	<u>\$ 908,038</u>	<u>\$ 2,127,337</u>

CITY OF WHITEHOUSE, TEXAS
 SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT
 FISCAL YEAR ENDED SEPTEMBER 30, 2025

	TOTAL	BONDS PAYABLE				NOTES PAYABLE	LEASES	COMPENSATED ABSENCES	NET PENSION LIABILITY (ASSET)	OPEB LIABILITY
		2006 SERIES	2018 SERIES	2022 SERIES	2025 SERIES					
Governmental fund debt, October 1, 2024	\$ 14,886,477	\$ 440,000	\$ 2,775,332	\$ 10,042,310	\$ -	\$ 397,234	\$ 1,039,693	\$ 163,914	\$ (42,412)	\$ 70,406
ADDITIONS										
2025 Certificates of Obligation	15,126,326	-	-	-	15,126,326	-	-	-	-	-
Compensated Absences	55,809	-	-	-	-	-	-	55,809	-	-
Lease Agreements	397,540	-	-	-	-	-	397,540	-	-	-
OPEB Additions	4,184	-	-	-	-	-	-	-	-	4,184
Net Pension Liability (Asset)	-	-	-	-	-	-	-	-	-	-
Total Additions	15,583,859	-	-	-	15,126,326	-	397,540	55,809	-	4,184
RETIREMENTS										
Bond principal:										
2006 Limited Tax Refunding Bonds	215,000	215,000	-	-	-	-	-	-	-	-
2018 Certificates of Obligation	548,437	-	548,437	-	-	-	-	-	-	-
2022 Certificates of Obligation	27,252	-	-	25,442	1,810	-	-	-	-	-
2025 Certificates of Obligation	-	-	-	-	-	-	-	-	-	-
Total Bond Retirements	790,689	215,000	548,437	25,442	1,810	-	-	-	-	-
Notes Payable:										
Austin Bank										
Fire Truck	95,612	-	-	-	-	95,612	-	-	-	-
Total Note Retirements	95,612	-	-	-	-	95,612	-	-	-	-
Lease Agreements										
	400,974	-	-	-	-	-	400,974	-	-	-
Net Pension Liability (Asset)										
	49,784	-	-	-	-	-	-	-	49,784	-
Total Other Retirements										
	49,784	-	-	-	-	-	-	-	49,784	-
GOVERNMENTAL FUND DEBT, SEPTEMBER 30, 2025	\$ 29,133,277	\$ 225,000	\$ 2,226,895	\$ 10,016,868	\$ 15,124,516	\$ 301,622	\$ 1,036,259	\$ 219,723	\$ (92,196)	\$ 74,590

CITY OF WHITEHOUSE, TEXAS
SCHEDULE OF REVENUE AND GENERAL OBLIGATION BONDS AND NOTES PAYABLE
FISCAL YEAR ENDED SEPTEMBER 30, 2025

	ISSUE DATE	MATURITY	BOND NUMBERS AND INTEREST RATE	BONDS AND NOTES ISSUED	BOND/NOTE PRINCIPAL			OUTSTANDING 9-30-25	BOND/NOTE PRINCIPAL AND INTEREST REQUIREMENTS YEAR ENDING 9-30-26			BOND/NOTE INTEREST TO BE PROVIDED IN FUTURE YEARS
					BALANCE 10-1-24	ISSUED CURRENT YEAR	CURRENT YEAR RETIREMENTS		PRINCIPAL	INTEREST	TOTAL	
BUSINESS TYPE ACTIVITIES DEBT BONDED DEBT												
2006-Water & Sewer Certificates of Obligation	4/1/06	Payable serially in varying amounts to 2-15-26	4.20%	\$ 2,800,000	\$ 400,000	\$ -	\$ 195,000	\$ 205,000	\$ 205,000	\$ 4,305	\$ 209,305	\$ -
2007 Tax Refunding Bonds	7/15/07	Payable serially in varying amounts to 2-15-27	4.52%	4,359,000	207,000	-	66,000	141,000	69,000	4,814	73,814	1,627
2007-Water & Sewer Certificates of Obligation	5/15/07	Payable serially in varying amounts to 2-15-26	4.32%	2,000,000	420,000	-	135,000	285,000	140,000	9,288	149,288	3,132
2020 Water & Sewer Certificates of Obligation	04/08/20	Payable serially in varying amounts to 8-15-35	1.51%	635,000	482,000	-	41,000	441,000	41,000	6,658	47,658	30,744
2022 General Obligation Refunding Bonds	02/16/22	Payable serially in varying amounts to 2-15-28	2.00%	5,754,254	4,825,521	-	907,593	3,917,928	916,667	68,400	985,067	62,050
Total Business Type Activities Bonded Debt				15,548,254	6,334,521	-	1,344,593	4,989,928	1,371,667	93,465	1,465,132	97,553
GOVERNMENTAL FUND DEBT: BONDED DEBT												
2006 Limited Tax Refunding Bonds	10/15/06	Payable serially in varying amounts to 2-15-26	4.80%	3,140,000	440,000	-	215,000	225,000	225,000	9,562	234,562	-
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	2,775,332	-	548,437	2,226,895	496,772	66,400	563,172	325,113
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	10,042,310	-	25,442	10,016,868	85,365	197,000	282,365	864,600
2025 Series Combination Tax & Revenue Certificates of Obligation	08/21/25	Payable serially in varying amounts to 2-15-45	4.41%	15,126,326	-	15,126,326	1,810	15,124,516	16,247	679,625	695,872	8,920,205
Total Governmental Fund Bonded Debt				33,562,136	13,257,642	15,126,326	790,689	27,593,279	823,384	952,587	1,775,971	10,109,918
Total Bonded Indebtedness				\$ 49,110,390	\$ 19,592,163	\$ 15,126,326	\$ 2,135,282	\$ 32,583,207	\$ 2,195,051	\$ 1,046,052	\$ 3,241,103	\$ 10,207,471
BUSINESS TYPE ACTIVITIES DEBT NOTES PAYABLE												
Note Payable - Austin Bank		Maturing 08-15-2025	4.50%	\$ 85,000	\$ 13,455	\$ -	\$ 13,455	\$ -	\$ -	\$ -	\$ -	\$ -
Total Business Type Activities Notes Payable				85,000	13,455	-	13,455	-	-	-	-	-
GOVERNMENTAL FUND: NOTES PAYABLE												
Note Payable - Austin Bank		Maturing 08-10-2028	2.50%	675,666	397,234	-	95,612	301,622	98,035	7,645	105,680	7,779
Total Governmental Fund Notes Payable				675,666	397,234	-	95,612	301,622	98,035	7,645	105,680	7,779
Total Notes Payable				\$ 760,666	\$ 410,689	\$ -	\$ 109,067	\$ 301,622	\$ 98,035	\$ 7,645	\$ 105,680	\$ 7,779
GOVERNMENTAL FUND: LEASES PAYABLE												
Postage Meter		Maturing 07-31-2025	24.90%	2,495	742	-	742	-	-	-	-	-
City of Tyler IT Equipment		Maturing 09-30-2027	0.00%	1,085,000	558,000	-	186,000	372,000	186,000	-	186,000	-
Total Governmental Fund Leases Payable				1,087,495	558,742	-	186,742	372,000	186,000	-	186,000	-
INTERNAL SERVICE FUND LEASE PAYABLE												
Lease Payable - Enterprise Fleet Management		Maturing variably through 10-01-2028	0.10% to 6.39%	585,138	480,951	397,540	214,232	664,259	212,168	21,733	233,901	22,943
Total Leases Payable				\$ 1,672,633	\$ 1,039,693	\$ 397,540	\$ 400,974	\$ 1,036,259	\$ 398,168	\$ 21,733	\$ 419,901	\$ 22,943

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, 2025, 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 14, 2026.

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.

GMP Assurance PLLC

Certified Public Accountants

Tyler, Texas
January 14, 2026