CITY OF WHITEHOUSE, TEXAS

BASIC FINANCIAL STATEMENTS and REQUIRED SUPPLEMENTARY and OTHER INFORMATION

FISCAL YEAR ENDED SEPTEMBER 30, 2022

Gollob Morgan Peddy PC
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Whitehouse, Texas , as of and for the year ended September 30, 2022, 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, 2022 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Management's Responsibility for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Whitehouse, Texas's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Whitehouse, Texas's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-8, 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 February 15, 2023, on our consideration of City of Whitehouse, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Whitehouse, Texas' internal control over financial reporting and compliance.

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
February 15, 2023

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, 2022.

Financial Highlights

- As of the end of the current fiscal year, the assets of the City exceed its liabilities by 23,796,308 (net position). Of this amount $5,803,624 (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 $3,340,290.
- The total net position of $23,796,308 is made up of $16,409,226 in capital assets net of related debt and $7,387,082 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, 2022 the City's assets exceeded liabilities by $23,796,308.

By far the largest portion of the City's net position, $16,409,226, 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 $842,843 during the current year primarily due to continued construction on the purchase of a new fire truck. 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, $5,803,624, increased by $1,388,023 during the year.

City of Whitehouse's Net position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	$ 19,163,718	$ 6,639,987	$ 2,704,211	$ 2,485,648	$ 21,867,929	$ 9,125,635
Capital assets	15,585,290	14,314,662	15,314,495	15,813,825	30,899,785	30,128,487
Total Assets	34,749,008	20,954,649	18,018,706	18,299,473	52,767,714	39,254,122
Deferred outflows of resources	61,696	101,314	259,814	302,902	321,510	404,216
Total Deferred Outflows of Resources	61,696	101,314	259,814	302,902	321,510	404,216
Current liabilities	1,515,107	1,167,731	1,758,920	1,645,138	3,274,027	2,812,869
Non current liabilities	15,778,168	5,248,240	7,653,749	8,846,318	23,431,917	14,094,558
Total Liabilities	17,293,275	6,415,971	9,412,669	10,491,456	26,705,944	16,907,427
Deferred outflows of resources	2,477,320	1,312,094	109,652	52,613	2,586,972	1,364,707
Total Deferred Outflows of Resources	2,477,320	1,312,094	109,652	52,613	2,586,972	1,364,707
Net invested in capital assets	9,831,923	9,600,041	6,577,303	5,966,342	16,409,226	15,566,383
Restricted	1,583,458	1,404,220	-	-	1,583,458	1,404,220
Unrestricted	3,624,728	2,323,637	2,178,896	2,091,964	5,803,624	4,415,601
Total Net Position	$ 15,040,109	$ 13,327,898	$ 8,756,199	$ 8,058,306	$ 23,796,308	$ 21,386,204

Governmental activities. During the current year the governmental activities had an increase in net position of $1,868,896 which represented a $283,771 increase from the previous year.

Business-type activities. The City had a $697,893 increase in net position for its business-type activities during the year. This represents a $80,700 decrease from the previous year. This decrease from the prior year comes form an increase in operating costs for the City's water and wastewater distribution system and an increase in transfers sent to governmental fund types.

City of Whitehouse's Changes in Net position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Charges for services	$ 2,058,055	$ 1,929,082	$ 3,638,215	$ 3,252,256	$ 5,696,270	$ 5,181,338
Grant revenues	183,198	-	-	-	183,198	-
General revenue:						
Property taxes	3,508,223	3,130,854	639,550	629,100	4,147,773	3,759,954
Franchise taxes	303,841	278,757	-	-	303,841	278,757
Sales taxes	1,516,345	1,290,874	-	-	1,516,345	1,290,874
Gain (loss) on sale of assets	13,533	178,250	-	(23,452)	13,533	154,798
Interest income	148,322	22,150	55,651	19,493	203,973	41,643
Total revenues	7,731,517	6,829,967	4,333,416	3,877,397	12,064,933	10,707,364
Expenses:						
General government	1,236,981	954,951	-	-	1,236,981	954,951
Public safety	2,561,054	2,453,492	-	-	2,561,054	2,453,492
Community development	1,392,328	1,313,909	-	-	1,392,328	1,313,909
Parks and recreation	302,332	298,128	-	-	302,332	298,128
Interest	381,855	199,423	276,920	387,730	658,775	587,153
Debt issuance cost	100,176	-	74,860	-	175,036	-
Water and sewer operations	-	-	3,171,638	2,736,013	3,171,638	2,736,013
Total expenses	5,974,726	5,219,903	3,523,418	3,123,743	9,498,144	8,343,646
Transfers	112,105	(24,939)	(112,105)	24,939	-	-
Change in net position	1,868,896	1,585,125	697,893	778,593	2,566,789	2,363,718
Net position beginning of year as originally statec	13,327,898	11,742,773	8,058,306	7,279,713	21,386,204	19,022,486
Prior period adjustment	(156,685)	-	-	-	(156,685)	-
Net position beginning of year - as restated	13,171,213	11,742,773	8,058,306	7,279,713	21,229,519	19,022,486
Net position end of year	$ 15,040,109	$ 13,327,898	$ 8,756,199	$ 8,058,306	$ 23,796,308	$ 21,386,204

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 $3,340,290. The total unrestricted fund balance for the governmental funds increased by $1,049,193 during the year, which was primarily due to controlling expenditures in the current year and an increase in tax revenues and solid waste collections.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Unrestricted net position of the proprietary fund amounted to $2,178,896 at year end as compared to $2,091,964 at the end of the prior year.

General Fund Budgetary Highlights

Over the year, the City of Whitehouse made one budget amendment to its original budget for its General Fund. Revenues were $1,002,897 over budget while expenditures were over budget by $93,067. After considering operating transfers, the City had a favorable variance of $786,003 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, 2022, amounts to $16,409,226 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 commitment for street and drainage improvements. The City continued to spend bond funds issued in the previous year and in the current year incurred $149,554 in capital projects costs associated with these projects. The total net increase in the City's investment in fixed assets for the current year (see Note 4C) amounted to $771,298.

City of Whitehouse's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	$ 190,184	$ 190,184	$ 25,000	$ 25,000	$ 215,184	$ 215,184
Easements	-	-	7,800	7,800	7,800	7,800
Construction in progress	42,582	-	-	-	42,582	-
Buildings and improvements	2,515,904	2,388,147	75,759	89,996	2,591,663	2,478,143
Parks	2,031,267	2,103,754	-	-	2,031,267	2,103,754
Water and sewer system	-	-	15,121,823	15,608,961	15,121,823	15,608,961
Infrastructure	7,924,360	8,679,989	-	-	7,924,360	8,679,989
Right-of-use assets	1,328,006	-	-	-	1,328,006	-
Machinery and equipment	1,552,987	952,588	84,113	82,068	1,637,100	1,034,656
Total	$ 15,585,290	$ 14,314,662	$ 15,314,495	$ 15,813,825	$ 30,899,785	$ 30,128,487

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

Long-term debt. After principal payments and bond refunding of $8,836,135 were made against debt during the year, and the issuance of new leases for the City's vehicle fleet, implementation of GASB 87, and issuance of bonds, the City had total debt and other long-term liabilities outstanding of $25,753,185 at the end of the fiscal year.

City of Whitehouse's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
General obligation bonds	$ 14,795,403	$ 5,415,405	$ -	$ -	$ 14,795,403	$ 5,415,405
Notes Payable	581,387	62,509	38,656	55,483	620,043	117,992
Compensated absences	113,253	83,366	20,782	23,240	134,035	106,606
Lease liability	1,359,548	343,413	-	-	1,359,548	343,413
Net Pension Liability (Asset)	-	116,722	-	116,809	-	233,531
OPEB Liability	107,452	104,363	38,168	37,178	145,620	141,541
Revenue bonds and Certificates of obligation	-	-	8,698,536	9,792,000	8,698,536	9,792,000
Total	$ 16,957,043	$ 6,125,778	$ 8,796,142	$ 10,024,710	$ 25,753,185	$ 16,150,488

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

Change in Accounting Policy

The City adopted GASB 87 Leases, which was effective for the current year. The standard requires that leases now be shown on the financial statements as right of use assets with an offsetting liability. There was a prior period adjustment as a result of the adoption of this new standard in the amount of $156,685 to the City's Vehicle Replacement Fund, which is reported on Exhibit 7 & 8 as an internal service fund.

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 $ 0.772891 per $100.00 property valuation for the 2022-2023 fiscal year which was a $0.2 decrease from the prior year.

Request for Information

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

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

Or call 903-510-7504

BASIC FINANCIAL STATEMENTS

EXHIBIT 1

CITY OF WHITEHOUSE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2022

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Cash and cash equivalents	$ 3,545,171	$ 3,205,399	$ 6,750,570
Receivables (net of allowance for doubtful accounts)	638,893	531,876	1,170,769
Internal balances	1,683,203	(1,683,203)	-
Restricted Assets:			
Temporarily restricted			
Cash and cash equivalents	13,114,452	384,715	13,499,167
Water rights - Lake Columbia	-	230,000	230,000
Net pension asset	181,999	35,424	217,423
Capital Assets (net of accumulated depreciation):			
Land	190,184	25,000	215,184
Construction in progress	42,582	-	42,582
Easements	-	7,800	7,800
Buildings and improvements	2,515,904	75,759	2,591,663
Parks	2,031,267	-	2,031,267
Infrastructure	7,924,360	-	7,924,360
Machinery and equipment	1,552,987	84,113	1,637,100
Right-of-Use Asset	1,328,006	-	1,328,006
Water and sewer system	-	15,121,823	15,121,823
Total Assets	34,749,008	18,018,706	52,767,714
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding (net of amortization)	-	243,050	243,050
Deferred charge on TMRS pension	39,057	10,788	49,845
Deferred charge on other postemployment benefits	22,639	5,976	28,615
Total Deferred Outflows of Resources	61,696	259,814	321,510
LIABILITIES			
Accounts payable	190,878	147,583	338,461
Deposits and other refundable balances	-	384,715	384,715
Accrued interest	145,349	84,209	229,558
Non-current liabilities:			
Due within one year	1,178,880	1,142,413	2,321,293
Due in more than one year	15,778,168	7,653,749	23,431,917
Total Liabilities	17,293,275	9,412,669	26,705,944
DEFERRED INFLOWS OF RESOURCES			
Deferred revenue - grants	2,054,182	-	2,054,182
Deferred revenue - Lease	106,500	-	106,500
Deferred charge on TMRS pension	305,198	67,700	372,898
Deferred charge on other postemployment benefits	11,440	41,952	53,392
Total Deferred Inflows of Resources	2,477,320	109,652	2,586,972
NET POSITION			
Net investment in capital assets	9,831,923	6,577,303	16,409,226
Restricted for:			
Police forfeitures	7,533	-	7,533
Grants	7,862	-	7,862
Debt service	1,568,063	-	1,568,063
Unrestricted	3,624,728	2,178,896	5,803,624
Total Net Position	$ 15,040,109	$ 8,756,199	$ 23,796,308

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, 2022

		PROGRAM REVENUES		NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION PRIMARY GOVERNMENT		
PROGRAM ACTIVITIES	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
PRIMARY GOVERNMENT:						
Governmental activities:						
General government	$ 1,236,981	$ 414,105	$ 183,198	$ (639,678)	$ -	$ (639,678)
Public safety	2,561,054	412,456	-	(2,148,598)	-	(2,148,598)
Community development	1,392,328	1,231,494	-	(160,834)	-	(160,834)
Parks and recreation	302,332	-	-	(302,332)	-	(302,332)
Interest	381,855	-	-	(381,855)	-	(381,855)
Total governmental activities	5,874,550	2,058,055	183,198	(3,633,297)	-	(3,633,297)
Business-type activities:						
Water and sewer	3,171,638	3,638,215	-	-	466,577	466,577
Interest	276,920	-	-	-	(276,920)	(276,920)
Total business-type activities	3,448,558	3,638,215	-	-	189,657	189,657
Total primary government	$ 9,323,108	$ 5,696,270	$ 183,198	(3,633,297)	189,657	(3,443,640)
General revenues:						
Property taxes				3,508,223	639,550	4,147,773
Franchise taxes				303,841	-	303,841
Sales and use taxes				1,516,345	-	1,516,345
Bond issue costs				(100,176)	(74,860)	(175,036)
Gain on sale of assets				13,533	-	13,533
Interest and rent				148,322	55,651	203,973
Transfers				112,105	(112,105)	-
Total general revenues and transfers				5,502,193	508,236	6,010,429
Change in net position				1,868,896	697,893	2,566,789
Net Position, Beginning of year - as orginally stated				13,327,898	8,058,306	21,386,204
Prior period adjustment				(156,685)	-	(156,685)
Net Position, Beginning of year - as restated				13,171,213	8,058,306	21,229,519
Net position - end of year				$ 15,040,109	$ 8,756,199	$ 23,796,308

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

CITY OF WHITEHOUSE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	AMERICAN RESCUE PLAN FUND	2022 CITY IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
ASSETS							
Cash and investments	2,956,937	$ -	$ -	$ -	$ 550,772	$ -	$ 3,507,709
Receivables:							
Property taxes	43,786	50,574	-	-	-	-	94,360
Fines	35,092	-	-	-	-	-	35,092
Sales taxes	275,495	-	-	-	-	-	275,495
Lease receivable	106,500						106,500
Charges for services (net)	167,597	-	-	-	-	-	167,597
Restricted Assets:							
Temporarily restricted							
Cash and cash equivalents	-	-	2,078,044	10,080,008	956,400	-	13,114,452
Due from other funds	115,139	1,743,493	-	-	-	(94,894)	1,763,738
Total Assets	3,700,546	1,794,067	2,078,044	10,080,008	1,507,172	(94,894)	19,064,943
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
LIABILITIES:							
Accounts payable and accrued expenses	174,878	-	16,000	-	-	-	190,878
Due to other funds	-	175,430	-	-	-	(94,894)	80,536
Total Liabilities	174,878	175,430	16,000	-	-	(94,894)	271,414
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - property taxes	43,786	50,574	-	-	-	-	94,360
Unavailable revenue - grants	-	-	2,054,182	-	-	-	2,054,182
Unavailable revenue - leases	106,500	-	0	-	-	-	106,500
Unavailable revenue - fines	35,092	-	-	-	-	-	35,092
Total Deferred Inflows of Resources	185,378	50,574	2,054,182	-	-	-	2,290,134
Fund Balances:							
Restricted:							
Police forfeitures	-	-	-	-	7,533	-	7,533
Grant expenditures	-	-	7,862	-	-	-	7,862
Debt Service	-	1,568,063	-	-	-	-	1,568,063
Total Restricted	-	1,568,063	7,862	-	7,533	-	1,583,458
Assigned:							
Capital Projects	-	-	-	10,080,008	1,499,639	-	11,579,647
Unassigned	3,340,290	-	-	-	-	-	3,340,290
Total Fund Balances	3,340,290	1,568,063	7,862	10,080,008	1,507,172	-	16,503,395
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 3,700,546	$ 1,794,067	$ 2,078,044	$ 10,080,008	$ 1,507,172	$ -	

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

CITY OF WHITEHOUSE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

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)	$ 16,503,395
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.	15,167,234
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	271,298
Deferred outflows represent the consumption of net position that are applicable to a future reporting period.	61,696
Deferred inflows represent the consumption of net position that are applicable to a future reporting period.	(316,638)
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	(145,349)
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 liabilties of the internal service funds are included in governmental activites in the statement of net position.	31,921
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.	(16,533,448)
Net position of governmental activities	$ 15,040,109

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

EXHIBIT 4

CITY OF WHITEHOUSE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	AMERICAN RESCUE PLAN FUND	2022 CITY IMPROVEMENTS FUND	OTHER GOVERNMENTAL FUNDS	ELIMINATIONS	TOTAL GOVERNMENTAL FUNDS
REVENUES							
Current and delinquent taxes	1,920,513	$ 1,586,033	$ -	$ -	$ -	$ -	$ 3,506,546
Fines and forfeitures	296,714	-	-	-	-	-	296,714
Licenses and permits	100,960	-	-	-	58,570	-	159,530
Franchise taxes	303,841	-	-	-	-	-	303,841
Sales taxes - regular	965,917	-	-	-	114,696	-	1,080,613
Sales taxes - additional 1/2 cent	344,089	-	-	-	-	-	344,089
Sales tax fees	91,643	-	-	-	-	-	91,643
Solid waste collections	1,172,509	-	-	-	-	-	1,172,509
Intergovernmental revenue	111,986	-	-	-	-	-	111,986
Grant revenue	26,485	-	156,713	-	-	-	183,198
Street and maintenance fee	-	-	-	-	58,985	-	58,985
Interest and rent	37,700	16,406	7,827	74,821	11,568	-	148,322
Vehicle registration fees	196,935	-	-	-	-	-	196,935
Miscellaneous income	53,476	-	-	-	-	-	53,476
Total Revenues	5,622,768	1,602,439	164,540	74,821	243,819	-	7,708,387
EXPENDITURES							
Legislative	8,293	-	-	-	-	-	8,293
General administration	518,000	-	156,714	447	35,325	-	710,486
Treasury and financial	98,872	-	-	-	-	-	98,872
Tax appraisal and collections	57,004	-	-	-	-	-	57,004
Municipal court	382,909	-	-	-	-	-	382,909
Parks/recreation	191,921	-	-	-	-	-	191,921
Community development	93,699	-	-	-	-	-	93,699
Street and ground maintenance	182,427	-	-	-	13,333	-	195,760
Police	1,151,709	-	-	-	-	-	1,151,709
Fire	783,818	-	-	-	-	-	783,818
Sanitation	794,699	-	-	-	-	-	794,699
Debt service:							-
Bond principal	-	700,000	-	-	-	-	700,000
Note principal	-	154,238	-	-	-	-	154,238
Lease payments	159,423	-	-	-	-	-	159,423
Interest and fees	515	245,326	-	-	-	-	245,841
Capital outlay - leases	1,095,374						1,095,374
Capital outlay	947,081	-	-	-	147,521	-	1,094,602
Total Expenditures	6,465,744	1,099,564	156,714	447	196,179	-	7,918,648
Revenues Over (Under) Expenditures	(842,976)	502,875	7,826	74,374	47,640	-	(210,261)
OTHER FINANCING SOURCES (USES)							
Loan proceeds - Firetruck	675,666	-	-	-	-	-	675,666
Lease proceeds	1,095,374	-	-	-	-	-	1,095,374
Bond proceeds	-	-	-	10,105,810	-	-	10,105,810
Bond issuance costs	-	-	-	(100,176)	-	-	(100,176)
Transfers in	360,000	14,069	-	-	-	-	374,069
Transfers out	(238,871)	(345,574)	-	-	-	-	(584,445)
Total Other Financing Sources (Uses)	1,892,169	(331,505)	-	10,005,634	-	-	11,566,298
Net Change in Fund Balances	1,049,193	171,370	7,826	10,080,008	47,640	-	11,356,037
Fund Balance, October 1, 2021	2,291,097	1,396,693	36	-	1,459,532	-	5,147,358
Fund Balance, September 30, 2022	$ 3,340,290	$ 1,568,063	$ 7,862	$ 10,080,008	$ 1,507,172	$ -	$ 16,503,395

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

EXHIBIT 5

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, 2022

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

Net change in fund balances - total governmental funds	$	11,356,037
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.		1,352,670
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the government wide statements.		5,433
Internal service funds are used by management to charge the costs of certain activites, such as fleet management, to individual funds. The net revenue of the internal service fund is reported with governmental activites.		(5,583)
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.		(10,987,862)
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		148,201
Change in net position of governmental activities	$	1,868,896

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE/(NEGATIVE)
REVENUES				
Current and delinquent taxes	$ 1,635,511	$ 1,635,511	$ 1,920,513	$ 285,002
Fines and forfeitures	142,865	270,515	296,714	26,199
Licenses and permits	41,000	41,000	100,960	59,960
Franchise taxes	280,000	280,000	303,841	23,841
Sales taxes - regular	550,000	550,000	917,571	367,571
Sales taxes - additional 1/2 cent	206,250	206,250	344,089	137,839
Sales tax fees	72,000	72,000	84,616	12,616
Mixed beverage taxes	-	-	7,027	7,027
Solid waste collections	1,100,000	1,100,000	1,169,293	69,293
Zoning and platting fees	350	350	1,800	1,450
Intergovernmental revenue	135,500	135,500	111,986	(23,514)
Sale of assets	2,500	2,500	-	(2,500)
Contributions and donations	500	35,970	35,970	-
Grant revenue	22,698	22,698	26,485	3,787
Interest and rent	19,200	19,200	37,700	18,500
Vehicle registration fees	170,000	194,000	196,935	2,935
Miscellaneous income	2,815	2,815	15,704	12,889
Total Revenues	4,381,189	4,568,309	5,571,204	1,002,895
EXPENDITURES				
Legislative	7,500	7,500	8,293	(793)
General administration	636,846	782,342	819,722	(37,380)
Treasury and financial	105,161	97,450	101,839	(4,389)
Tax appraisal and collections	57,205	57,205	57,004	201
Municipal court	273,547	395,897	389,931	5,966
Parks/recreation	192,470	224,342	215,840	8,502
Community development	77,900	95,897	93,699	2,198
Street and ground maintenance	203,175	209,183	214,151	(4,968)
Police	1,483,981	1,526,079	1,500,784	25,295
Fire	790,123	1,451,499	1,513,813	(62,314)
Sanitation	765,000	765,000	790,385	(25,385)
Total Expenditures	4,592,908	5,612,394	5,705,461	(93,067)
Revenues Over (Under) Expenditures	(211,719)	(1,044,085)	(134,257)	909,828
OTHER FINANCING SOURCES (USES)				
Loan proceeds	-	675,666	675,666	-
Transfers in	360,000	360,000	360,000	-
Transfers out	(14,817)	(14,817)	-	14,817
Total Other Financing Sources (Uses)	345,183	1,020,849	1,035,666	14,817
Revenues and Other Sources Over (Under) Expenditures and Other Uses - Budget Basis	133,464	(23,236)	901,409	924,645
Budget Basis to GAAP Basis Adjustments (Note A)	-	-	147,784	147,784
Revenues and Other Sources Over (Under) Expenditures and Other Uses - GAAP Basis	133,464	(23,236)	1,049,193	1,072,429
Fund Balance, October 1, 2021	2,291,097	2,291,097	2,291,097	-
Fund Balance, September 30, 2022	$ 2,424,561	$ 2,267,861	$ 3,340,290	$ 1,072,429

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, 2022

Note A - Explanation of Differences Between Budget Basis Presentation and GAAP		
Basis Presentation:		
Sources/Inflows of Resources:		
Differences - Budget to GAAP		
Lease proceeds from adoption of GASB 87		1,095,374
Increase in revenues recognized for non-exchange transactions occurring during current year but received in following year		51,562
Uses/Outflows of Resources:		
Differences - Budget to GAAP		
Capital outlay from adoption of GASB 87		(1,095,374)
Decrease in accrued expenses		96,222
Net Change in Budget Basis Presentation and GAAP Basis Presentation	$	147,784

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, 2022

	UTILITY FUND	INTERNAL SERVICE FUND
Current Assets:		
Cash and certificates of deposit	$ 3,205,399	$ 37,462
Accounts receivable (Net)	531,876	-
Total Current Assets	3,737,275	37,462
Restricted Current Assets:		
Temporarily Restricted		
Customer deposits	384,715	-
Total Restricted Current Assets	384,715	-
Noncurrent Assets:		
Water rights - Lake Columbia	230,000	-
Net pension liability	35,424	-
Total Noncurrent Assets	265,424	-
Capital Assets:		
Land	25,000	-
Easements	7,800	-
Buildings	369,844	-
Water and sewer system	26,249,979	-
Machinery & equipment	839,876	-
Right-of-use asset	-	560,186
Less: Accumulated depreciation/ amortization	(12,178,004)	(142,130)
Total Capital Assets Net of Accumulated Depreciation	15,314,495	418,056
Total Noncurrent Assets:	15,579,919	418,056
Total Assets	19,701,909	455,518
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge on refunding (net of amortization)	243,050	-
Deferred charge on other post employment benefits	5,976	-
Deferred charge on TMRS pension	10,788	-
Total Deferred Outflows of Resources	259,814	-

(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, 2022

	UTILITY FUND	INTERNAL SERVICE FUND
LIABILITIES		
Current Liabilities:		
Accounts payable	$ 147,583	$ -
Compensated absences	2,077	-
Capital leases	-	-
Due to other funds	1,683,203	-
Total Current Liabilities	1,832,863	-
Current liabilities payable from restricted assets:		
Customer deposits	384,715	-
Accrued interest	84,209	-
Notes payable	12,336	-
Lease liability - current portion	-	166,114
Revenue bonds payable	1,128,000	-
Total current liabilities payable from restricted assets	1,609,260	166,114
Noncurrent Liabilities:		
Revenue bonds payable	7,570,536	-
Notes payable	26,320	-
Lease liability	-	257,483
Compensated absences	18,705	-
Other post employment benefits	38,188	-
Total Noncurrent Liabilities	7,653,749	257,483
Total Liabilities	11,095,872	423,597
DEFERRED INFLOWS OF RESOURCES		
Deferred charge on other postemployment benefits	41,952	-
Deferred charge on TMRS pension	67,700	-
Total Deferred Inflows of Resources	109,652	-
NET POSITION		
Net investment in capital assets	6,577,303	-
Unrestricted	2,178,896	31,921
Total Net Position	$ 8,756,199	$ 31,921

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, 2022

	UTILITY FUND	INTERNAL SERVICE FUND
OPERATING REVENUES		
Water sales	$ 2,466,696	$ -
Sewer charges	924,416	-
Property taxes	639,550	-
Charges for other services	247,103	-
Total Operating Revenues	4,277,765	-
OPERATING EXPENSES		
Utility administration	583,497	-
Customer service	120,818	-
Water operations	861,782	-
Sewer operations	534,515	-
Water supply	478,228	-
Fuel	-	86,742
Maintenance	-	120,640
Amortization of leases	-	142,130
Depreciation	592,798	-
Total Operating Expenses	3,171,638	349,512
Operating Income	1,106,127	(349,512)
NON-OPERATING REVENUES (EXPENSES)		
Interest and fiscal charge expense	(276,920)	(6,116)
Sale of assets	-	23,400
Revenue reimbursement for claims	-	4,164
Bond issue costs	(74,860)	-
Interest income	55,651	-
Total non-operating revenue (expenses)	(296,129)	21,448
Income before transfers	809,998	(328,064)
Transfers in	1,527,043	322,481
Transfers out	(1,639,148)	-
Total Transfers	(112,105)	322,481
Change in Net Position	697,893	(5,583)
Net Position, October 1, 2021 - as orginally stated	8,058,306	194,189
Prior period adjustment	-	(156,685)
Net Position, October 1, 2021 as restated	8,058,306	37,504
Net Position, September 30, 2022	$ 8,756,199	$ 31,921

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, 2022

	UTILITY FUND	INTERNAL SERVICE FUND
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	$ 4,261,043	$ -
Cash paid to suppliers for goods and services	(1,797,386)	(200,632)
Cash paid to employees for services	(764,469)	-
Net cash provided by (used in) operating activities	1,699,188	(200,632)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers in	1,401,259	322,481
Transfers out	(1,639,148)	-
Net cash provided by non-capital financing activities	(237,889)	322,481
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchases or construction of capital assets	(93,468)	-
Grant proceeds	-	-
Proceeds on sale of assets	-	23,400
Proceeds from claims		4,164
Principal paid on notes	(16,827)	-
Interest paid	(151,378)	(12,866)
Bond issuance costs	(74,860)	-
Principal paid on leases	-	(136,589)
Principal paid on bonds	(6,532,000)	-
Net cash used in capital and related financing activities	(6,868,533)	(121,891)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest earned on investments	55,651	-
Net cash provided by investing activities	55,651	-
Net increase in cash	319,927	(42)
Cash, beginning of period	3,270,187	37,504
Cash, end of period	$ 3,590,114	$ 37,462
Reconciliation of cash to Exhibit 7:		
Cash - current asset	$ 3,205,399	$ 37,462
Cash - restricted current asset	384,715	-
Total cash, end of period	$ 3,590,114	$ 37,462
Summary on non-cash investing and financing activities:		
Vehicle fleet acquired through lease agreements	$ -	$ 560,186

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, 2021

	UTILITY FUND	INTERNAL SERVICE FUND
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:		
Operating income	$ 1,106,127	$ (342,762)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation/amortixation expense	592,798	142,130
Insurance proceeds	-	-
Decrease in deferred outflows of resources	35,408	-
Decrease in accounts payable	75,761	-
Increase in accounts receivable	(34,582)	-
Increase in net pension liability	(155,233)	-
Increase in other post employee benefit liability	1,010	-
Decrease in compensated absences	-	-
Increase in customer deposits	20,860	-
Total adjustments	593,061	142,130
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,699,188	$ (200,632)

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

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.

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

> The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
>
> The Debt Service Fund accounts for the repayment of the City's general obligation debt.
>
> American Rescue Program Fund is used to account for the expenditures of the funds received in response to the American Rescue Program Act in March of 2021.
>
> 2022 City Improvements Capital Project Fund is used to account for the expenditures of funds from the 2022 series certificates of Obligations for city improvements.

The City reports the following major proprietary funds:

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

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

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services, or privileges provided and (2) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivery goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system.

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.

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:

Assets	Years
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.

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, 2021. The deferred outflow shows the difference in contributions to the TMRS retirement plan that occurred between December 31, 2021 and September 30, 2022.

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.

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

14. Tax Abatements – The City adopted GASB Statement No. 77, Tax Abatement Disclosures. The City has evaluated the total tax abatements issued for the year and has determined that the amount is not material to the financial statements.

15. Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

16. Pensions – For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

17. Other Postemployment Benefits – For purposes of measuring the other postemployment benefit liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined on the same basis as they are reported by TMRS. Benefit payments are treated as being equal to the City's yearly contributions for retirees.

18. Implementation of New Standards

    In June 2017, the GASB issued Statement No. 87, Leases, which will increase the usefulness of governments' financial statements by requiring reporting of certain lease liabilities that currently are not reported. It will enhance comparability of financial statements among governments by requiring lessees and lessors to report leases under a single model. This statement also will enhance the decision-usefulness of the information provided to financial statement users by requiring notes to financial statements related to the timing, significance and purpose of a government's leasing arrangements. This statement is effective for reporting periods beginning after June 15, 2021. The City implemented this statement as applicable for the fiscal year ending September 30, 2022.

    In June 2018 GASB issued Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period which will (1) enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement establishes accounting requirements for interest cost incurred before the end of a construction period by requiring that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the cost of a capital asset reported in a business-type activity or enterprise fund. This statement is effective for reporting periods beginning after December 15, 2020. The City has implemented this statement as applicable for the year ended September 30, 2021.

    In August 2018 GASB issued Statement No. 90 Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61 which will improve the consistency and comparability of reporting the government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for reporting periods beginning after December 15, 2019. The City adopted this guidance as of the year ended September 30, 2022. The change did not have a material effect on the City's financial statements.

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

19. Future Implementation of New Standards

In May 2019 GASB issued Statement No. 91 Conduit debt Obligations which has the objectives of providing a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement is effective for reporting periods beginning after December 15, 2021. The provisions of this statement are not expected to have a material effect on the City's financial statements.

In May 2020, GASB issued Statement No. 96 *Subscription-Based Information Technology Arrangements* which provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). SBITAs are defined as a non-cancellable right to use technology for a period of time. Under the new standard a government will recognize a right of use asset and a corresponding liability. The requirements of this statement are effective for reporting periods beginning after June 15, 2022. The City is evaluating the impact of this statement on its financial statements.

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

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

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

An element of that reconciliation states that "Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet." The details of this 15,167,234 difference are as follows:

Capital assets, October 1, 2021, net of accumulated depreciation	$	13,814,564
Capital asset additions, net of retirements		2,154,096
Depreciation of capital assets, net of retirements		(801,426)
	$	15,167,234

Another element states that "Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds." The details of this $271,298 difference are as follows:

Allowance account for uncollectible property taxes	$	(40,153)
Unavailable revenue - property taxes		94,360
Net Pension Asset		181,999
Unavailable revenue - fines		35,092
	$	271,298

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

Also, another element states that "Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds balance sheet." The details of this $(16,553,446) difference are as follows:

Long-term liabilities, October 1, 2021	$	(5,782,365)
Principal paid on debt in current year		1,016,211
Debt incurred during current year		(11,876,850)
Amortization of bond premium		25,812
Increase in other postemployment benefit liability		(3,089)
Decrease in net pension liability		116,722
Change in compensated absences		(29,887)
	$	(16,533,446)

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 $1,352,670 was related to fixed asset additions exceeding current year depreciation expense as follows:

Capital outlay, asset additons	$	2,154,096
Depreciation expense		(801,426)
	$	1,352,670

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 $5,433 are as follows:

Change in allowance for uncollectible taxes	$	(4,531)
Change in deferred revenue		9,964
	$	5,433

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 $(10,987,862) difference are as follows:

Principal payments on debt	$	1,016,211
Debt issued during current year	$	(11,876,850)
Change in accrued interest		(123,148)
Amortization on bond premium		25,812
Change in compensated absences		(29,887)
	$	(10,987,862)

NOTE 3 — STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

1. The budget for the General Fund and Water and Sewer Fund are adopted essentially on the cash basis. The budgetary comparisons for these funds are on this non-GAAP budgetary basis.

2. Appropriations lapse at year end.

3. Encumbrance accounting is not used.

NOTE 4 — DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

Cash and investments as of September 30, 2022 consist of and are classified in the accompanying financial statements as follows:

Statement of net position:		
Primary Government		
Cash and cash equivalents	$	6,750,570
Restricted cash and cash equivalents		13,499,167
Total Cash and cash equivalents	$	20,249,737
Cash on hand	$	1,300
Savings and checking accounts		20,248,437
Total Cash and Investments	$	20,249,737

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:

Interest Rate Risk – This is the risk that changes in market risk rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City's investment policy allows for investments to be made in order to achieve the highest return of interest on excess funds after consideration is given to safety and liquidity provisions of the policy. At year-end, the City was not exposed to interest rate risk.

Credit Rate Risk – In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require that all deposits in financial institutions be fully collateralized by U.S. Government obligations or its agencies and instrumentalities or direct obligations of Texas or its agencies and instrumentalities that have a fair value of not less than the principal amount of deposits. At year-end, the City was not exposed to interest rate risk.

Custodial Rate 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 agency. At September 30, 2022, the carrying value of the City's bank deposits was $20,249,737 while the bank balance was $19,624,548. 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. At year-end, the City was not exposed to custodial credit risk.

A. Deposits and Investments - Continued

Foreign Currency Risk – This is the risk that exchange rates will adversely affect the fair value of an investment. At year-end, the City was not exposed to foreign currency risk.

B. 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	$ 319,281	$ 50,574	$ -	$ -	$ 369,855
Assessments	-	-	-	45,223	45,223
Grant	-	-	-	-	-
Accounts (services)	273,142	-	-	547,329	820,471
Leases	106,500	-	-	-	106,500
Gross receivables	698,923	50,574	-	592,552	1,342,049
Less: Allowance for Uncollectibles	(110,604)	-	-	(60,676)	(171,280)
Net Receivables	$ 588,319	$ 50,574	$ -	$ 531,876	$ 1,170,769

B. Capital Assets

Capital asset activity for the year ended September 30, 2022 was as follows:

PRIMARY GOVERNMENT	BEGINNING BALANCE	INCREASES	DECREASES	ENDING BALANCE
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 190,184	$ -	$ -	$ 190,184
Construction in Process	-	149,554	(106,972)	42,582
Total Capital Assets, Not Being Depreciated	190,184	149,554	(106,972)	232,766
Capital Assets, Being Depreciated				
Buildings and Improvements	3,673,779	223,714	-	3,897,493
Parks	2,571,986	-	-	2,571,986
Infrastructure	12,711,871	147,521	-	12,859,392
Machinery and Equipment	2,873,797	680,785	(621,018)	2,933,564
Right of Use Asset	-	1,655,560	-	1,655,560
Total Capital Assets, Being Depreciated	21,831,433	2,707,580	(621,018)	23,917,995
Less Accumulated Depreciation For:				
Buildings and Improvements	(1,285,632)	(95,957)	-	(1,381,589)
Parks	(468,232)	(72,487)	-	(540,719)
Infrastructure	(4,031,882)	(318,012)	-	(4,349,894)
Machinery and Equipment	(1,921,209)	(155,559)	111,053	(1,965,715)
Right of Use Asset	-	(327,554)	-	(327,554)
Total Accumulated Depreciation	(7,706,955)	(969,569)	111,053	(8,565,471)
Net Total Assets Being Depreciated	14,124,478	1,738,011	(509,965)	15,352,524
Governmental Activities Capital Assets, Net	$14,314,662	$ 1,887,565	$ (616,937)	$15,585,290
Business-Type Activities:				
Capital Assets, Not Being Depreciated:				
Land	$ 25,000	$ -	$ -	$ 25,000
Easements	7,800	-	-	7,800
Total Capital Assets, Not Being Depreciated	32,800	-	-	32,800
Capital Assets, Being Depreciated				
Water and Sewer System	26,164,111	93,468	-	26,257,579
Buildings	379,264	-	-	379,264
Machinery and Equipment	822,856	-	-	822,856
Total Capital Assets, Being Depreciated	27,366,231	93,468	-	27,459,699
Less Accumulated Depreciation For:				
Water and Sewer System	(10,555,150)	(573,006)	-	(11,128,156)
Buildings	(289,268)	(4,817)	-	(294,085)
Machinery and Equipment	(740,788)	(14,975)	-	(755,763)
Total Accumulated Depreciation	(11,585,206)	(592,798)	-	(12,178,004)
Net Total Assets Being Depreciated	15,781,025	(499,330)	-	15,281,695
Business-Type Activities Capital Assets, Net	$15,813,825	$ (499,330)	$ -	$15,314,495

C. Capital Assets – Continued

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. This recognition is new for the current fiscal year due to the implementation of GASB 87.

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

Governmental Activities:	
General Government	$ 275,233
Public Safety	144,852
Community Development	317,068
Transportation Fleet (ISF)	142,130
Parks and Recreation	90,286
Total depreciation expense, governmental activities	$ 969,569
Business-Type Activities:	
Water and Sewer Operations	$ 592,798

The City has the following construction projects as of September 30, 2022:

Project	Spent To-Date	Estimated Remaining Construction
110 E Main Street Remodel	$ 42,582	$ 6,246,400
	$ 42,582	$ 6,246,400

D. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of September 30, 2022 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Utility Operating fund	$ 993
General Fund	Utility Debt Service Fund	19,253
Debt Service Fund	Utility Operating fund	38,692
Debt Service Fund	Utility Debt Service Fund	1,624,265
		$ 1,683,203

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

D. Interfund Receivables, Payables, and Transfers

The composition of interfund transfers as of September 30, 2022, is as follows:

	Transfers In					
Transfers Out:	Utility Operating Fund	Utility Debt Service Fund	Debt Service Fund	General Fund	Other Governmental Funds	Internal Service Fund
Utility Operating Fund		$ 431,370	$ 14,069	$ 360,000	$ -	$ 83,610
Utility Debt Service Fund	1,110,253	63,574	-	-	-	-
General Fund	-	-	-	-	-	238,871
Debt Service Fund	-	345,574	-	-	-	-
Total transfers out /in	$ 1,110,253	$ 840,518	$ 14,069	$ 360,000	$ -	$ 322,481

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, 2022:

	GENERAL OBLIGATION	REVENUE	TOTAL
Bonds payable - October 1, 2021	$ 5,415,405	$ 9,792,000	$ 15,207,405
Additions	10,105,810	5,754,254	15,860,064
Retirements	(725,812)	(6,847,718)	(7,573,530)
Bonds payable - September 30, 2022	$ 14,795,403	$ 8,698,536	$ 23,493,939

Outstanding bonds at September 30, 2022 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%.	$ 850,000
$5,190,000 Series 2018 Combination Tax and Revenue Certificates of Obligation; maturing annually in varying amounts beginning 2-15-19 through 8-15-38. Interest at 3.0% to 3.12%.	3,852,140
$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%.	10,093,263
Total Governmental Bonded Debt	$ 14,795,403

E. Long-term Debt – Continued

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%.	$ 770,000
$4,359,000 Series 2007 Tax Refunding; maturing annually in varying amounts through 2-15-27 at 4.52%.	954,000
$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%.	675,000
$9,730,000 Series 2012 Limited Tax Refunding Bonds; maturing annually in varying amounts beginning 2-15-13 through 2-15-28. Interest rates varying from 0.06% to 2.75%.	-
$635,000 series 2020 Tax Note; maturing serially in varying amounts through 8-15-2035 at 1.51%.	561,000
$5,575,000 series 2022 Refunding Bonds; maturing serially in varying amounts through beginning 2-15-23 through 2-15-28 at 2%	5,738,536
Total Business-Type Bonded Debt	$ 8,698,536

The funding requirements to amortize all bonds outstanding as of September 30, 2022, including interest, are as follows:

	GOVERNMENTAL		BUSINESS-TYPE		
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2023	$ 720,000	$ 446,226	$ 1,128,000	$ 201,652	$ 2,495,878
2024	745,000	323,875	1,158,000	162,555	2,389,430
2025	755,000	298,900	1,312,000	129,126	2,495,026
2026	775,000	272,962	1,345,000	93,465	2,486,427
2027	430,000	246,750	1,619,000	56,699	2,352,449
2028-2032	8,305,000	830,600	1,834,000	36,640	11,006,240
2033-2037	2,640,000	107,675	139,000	4,214	2,890,889
2038	150,000	4,688	-	-	154,688
	$ 14,520,000	$ 2,531,676	$ 8,535,000	$ 684,351	$ 26,271,027

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.

E. Long-term Debt – Continued

The bond ordinances also require that the following information concerning insurance coverage as of September 30, 2022 be disclosed.

		Limit of Liability			
INSURER	POLICY	Each Occurrence	Annual Aggregate	Deductible	COVERAGE DATE
Texas Municipal League	General Liability	1,000,000	2,000,000	$ -	10/1/2021 to 10/01/2022
	Law Enforcement	1,000,000	2,000,000	$ 2,500	10/1/2021 to 10/01/2022
	Errors & Ommissions	1,000,000	2,000,000	$ 5,000	10/1/2021 to 10/01/2022
	Auto Liability	1,000,000	n/a	$ -	10/1/2021 to 10/01/2022
	Auto Physical Damage	per schedule & endorsements	n/a	$500/$10,000	10/1/2021 to 10/01/2022
Texas Municipal League	Information Security & Privacy Liability	10,000	1,000,000	$ -	10/1/2021 to 10/01/2022
	Regulatory Defense & Penalties	-	25,000	$2,500/ $5,000	10/1/2021 to 10/01/2022
Texas Municipal League	Real & Personal Property	21,643,741	n/a	$ 1,000	10/1/2021 to 10/01/2022
	Mobile Equipment	559,451	n/a	$ 500	10/1/2021 to 10/01/2022
	Boiler & Machinery	100,000	n/a	$ 1,000	10/1/2021 to 10/01/2022
Texas Municipal League	Workers Comp	complies with state statutes	n/a		10/1/2021 to 10/01/2022
	TOTAL	$ 26,313,192			

The funding requirements to amortize all notes outstanding as of September 30, 2022, including interest, are as follows:

	GOVERNMENTAL		BUSINESS TYPE		
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	TOTAL
2023	$ 90,944	$ 14,737	$ 12,336	$ 1,762	$ 119,779
2024	93,215	12,465	12,865	1,204	119,749
2025	95,612	10,069	13,455	614	119,750
2026	98,035	7,645	-	-	105,680
2027	100,520	5,160	-	-	105,680
2028	103,061	2,619	-	-	105,680
	$ 581,387	$ 52,695	$ 38,656	$ 3,580	$ 676,318

E. Long-term Debt – Continued

Changes in long-term liabilities

Long term liability activity for the year ended September 30, 2022 was as follows:

	Beginning Balance 10/1/21	Additions	Reductions	Ending Balance 9/30/22	Due Within One Year
Governmental Activities:					
General Obligation Bonds	$ 5,340,000	$ 9,880,000	$ 700,000	$ 14,520,000	$ 720,000
Bond Premium	75,405	225,810	25,812	275,403	-
Notes Payable	62,509	675,666	156,788	581,387	90,944
Lease Liability	343,413	1,653,161	637,026	1,359,548	356,611
Net Pension Liability (Asset)	116,722	-	116,722	-	-
Other Postemployment Benefits	104,393	3,119	-	107,512	-
Compensated Absences	83,366	29,887	-	113,253	11,325
Governmental Activity Long-Term Liabilities	6,125,808	12,467,643	1,636,348	16,957,103	1,178,880
Business-type Activities:					
Revenue Bonds	9,792,000	5,575,000	6,832,000	8,535,000	1,128,000
Bond Premium	-	179,254	15,718	163,536	-
Notes Payable	55,483	-	16,827	38,656	12,336
Net Pension Liability (Asset)	116,809	-	116,809	-	-
Other Postemployment Benefits	37,178	1,010	-	38,188	-
Compensated Absences	20,782	-	-	20,782	2,077
Business-type Activity Long-Term Liabilities	$ 10,022,252	$ 5,755,264	$ 6,981,354	$ 8,796,162	$ 1,142,413

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

Some of the City's notes payable are secured with collateral. As of September 30, 2022, the City had the following outstanding notes have the following collateral:

	Borrowing Amount	Collateral Description
Governmental activities:		
2022 Note Payable	$ 581,387	Fire Truck Compressor
Total Governmental activities	581,387	
Total	$ 581,387	

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. With this implementation, a respective receivable or payable is recognized. As a result of the implementation of GASB 87, the City recorded a prior period adjustment to the Vehicle Service Fund in the amount of $156,685.

Lessor Leases Receivables

The City has entered into a lease agreement to lease a building and land to UT Health EMS. Lease receivables additions for the year ended September 30, 2022 were $126,000 and lease revenue for the year then ended was $19,500 during the year. No new leases were entered into during the year. Annual payments are $18,000, interest free. Future annual lease receivables as of September 30, 2022, are as follows:

Year	Principal	Interest	Total Receipts
2023	16,500	-	16,500
2024	18,000	-	18,000
2025	18,000	-	18,000
2026	18,000	-	18,000
2027	18,000		18,000
2028	18,000	-	18,000
Total Future Receipts	106,500	-	106,500

Lessee Leases Payable

The City has entered into several leases for office equipment and vehicles. Lease payables additions for the year ended September 30, 2022 were $1,653,161 and lease payments for the year then ended were $637,026. No leases were entered into during the year. 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, 2022 are as follows:

Year	Principal	Interest	Total Payments
2023	356,611	13,740	370,351
2024	304,614	9,040	313,654
2025	289,915	4,183	294,098
2026	219,443	491	219,934
2027	188,965	43	189,008
Total Future Payments	1,359,548	27,497	1,387,045

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, 2022, $5,675,000 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	$5,675,000
Total Bonds Defeased (Refunded)		$5,675,000

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, 2022, the City had $531,876 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.

Plan provisions for the City were as follows:

	Plan Year 2021	Plan Year 2020
Employee deposit rate	5.0%	5.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Year required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating	100% Repeating
Annuity Increase (to retirees)	70% of CPI	70% of CPI

Employees covered by benefit terms

At the December 31, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2020	12/31/2020
Inactive employees or beneficiaries currently receiving benefits	21	22
Inactive emplyees entitled to but not yet receiving benefits	47	46
Active employees	48	45
	116	113

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 8.31% and 8.49% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2022, were $207,844, and exceeded the required contributions by $7,097.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2021, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants

and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Actuarial assumptions (continued)

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 2022 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	100.00%	

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 (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at 12/31/2020	$ 6,125,352	$ 5,891,821	$ 233,531
Changes for the year:			
Service cost	259,479	-	259,479
Interest	416,090	-	416,090
Change of benefit terms	-	-	-
Difference between expected and actual experience	(66,195)	-	(66,195)
Changes of assumptions	-	-	-
Contributions - employer	-	186,738	(186,738)
Contributions - employee	-	108,570	(108,570)
Net investment income	-	768,550	(768,550)
Benefit payments, including refunds of employee contributions	(181,581)	(181,581)	-
Administrative expense	-	(3,554)	3,554
Other changes	-	24	(24)
Net changes	427,793	878,747	(450,954)
Balance at 12/31/2021	$ 6,553,145	$ 6,770,568	$ (217,423)

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 Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 884,692	$ (217,423)	$ (1,102,811)

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.tmrs.com*.

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

For the year ended September 30, 2022, the City recognized pension expense of $7,891.

At September 30, 2022, 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	$ -	$ 128,053
Changes in actuarial assumptions	845	-
Difference between projected and actual investment earnings	-	393,253
Contributions subsequent to the measurement date	158,581	-
Total	$ 159,426	$ 521,306

The City had $158,581 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, 2022. 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	
2022	$ (127,828)
2023	(211,371)
2024	(102,911)
2025	(78,351)
2026	-
Thereafter	-
	$ (520,461)

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*.

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, 2021 valuation and measurement date, the following employees were covered by the benefit terms:

	12/31/2021	12/31/2020
Inactive employees or beneficiaries currently receiving benefits	14	16
Inactive emplyees entitled to but not yet receiving benefits	10	9
Active employees	48	45
	72	70

Contributions

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

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

For calendar year 2021, the total SDB contribution rate for the City of Whitehouse was 0.17% while the retiree portion of the SDB contribution was 0.05%. The City's contributions for the year ended September 30, 2022, were $2,835 for the retiree portion and $4,617 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, 2021 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Net OPEB Liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50%
Overall payroll growth	3.50% to 11.50% including inflation
Discount rate*	2.00%
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	2019Municipal Retirees of TexasMortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis 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, 2020.

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.

Changes in the Net OPEB Liability

	Increase (Decrease) Total OPEB Liability
Balance at 12/31/2020	$ 141,571
Changes for the year:	
Service cost	10,640
Interest	2,903
Change of benefit terms	-
Difference between expected and actual experience	(10,808)
Changes of assumptions	4,868
Benefit payments, including refunds of employee contributions	(3,474)
Net changes	4,129
Balance at 12/31/2021	$ 145,700

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 1.84%, would be if it were calculated using a discount rate that is 1-percentage-point lower (0.84%) or 1-percentage-point higher (2.84%) than the current rate:

	1% Decrease in Discount Rate (0.84%)	Discount Rate (1.84%)	1% Increase in Discount Rate (2.84%)
City's total OPEB liability	$ 181,690	$ 145,700	$ 118,412

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

For the year ended September 30, 2022, the City recognized OPEB expense of $20,930.

At September 30, 2022, 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	$ -	$ 16,817
Changes in actuarial assumptions	28,283	-
Difference between projected and actual investment earnings	-	-
Contributions subsequent to the measurement date	2,582	-
Total	$ 30,865	$ 16,817

The City had $2,582 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, 2022.

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		
2022	$	3,890
2023		3,717
2024		2,780
2025		2,149
2026		(302)
Thereafter		(768)
	$	11,466

NOTE 9 – DEFICIT NET POSITION OR FUND BALANCE

At September 30, 2022, the Enterprise Debt Service Fund had a deficit net position of $134,896.

NOTE 10 – COMMITMENTS

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

In January 1996, the City signed a Water Collection and Resource Recovery Agreement with the Angelina and Neches River Authority. The services provided include collection of wood waste, grinding of wood waste, disposal of wood waste, and dewatering of sludge. The rate for fiscal year ending September 30, 2022 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, 2022, 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 for another year through September 30, 2022.

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, 2021, the City paid Smith County $85,264 under the agreement.

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, 2022, the City did not have any liability for unpaid claims or adjustments under policies carried with TML. During the year ended September 30, 2022, there was no reduction in insurance coverage from the prior year.

NOTE 12 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

For the year ended September 30, 2022, expenditures exceeded appropriations in the following departments of the General Fund: Municipal Court, Parks/Recreation Services, 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 February 15, 2023, 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, 2022

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

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

CITY OF WHITEHOUSE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

NOTES TO SCHEDULE OF CONTRIBUTIONS

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study for the period 2014 - 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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 available.

CITY OF WHITEHOUSE, TEXAS
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

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

NOTES TO SCHEDULE

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

Methods and Assumptions Used to Determine Rates:

Actuarial Cost Method	Entry Age Normal
Supplemental Death Benefit	Contribution rate is equal to the expected benefit payments during the upcoming year divided by the annualized pay of current active members and is calculated separately for actives and retirees.
Retiree's share of benefit-related costs	$0.00
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Discount Rate	1.84%
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates - Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates - Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

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

ADDITIONAL SUPPLEMENTARY INFORMATION

SCHEDULE 1

CITY OF WHITEHOUSE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2022

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	FORESTDALE DEVELOPMENT FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
ASSETS							
Cash and investments	$ 207,957	$ -	$ -	$ 255,676	$ 87,139	$ -	$ 550,772
Restricted Assets:							
Temporarily restricted							
Cash and cash equivalents	-	106,146	7,533	-	-	842,721	956,400
Total Assets	$ 207,957	$ 106,146	$ 7,533	$ 255,676	$ 87,139	$ 842,721	$ 1,507,172
LIABILITIES AND FUND BALANCES							
Fund Balances:							
Restricted:							
Police forfeitures	-	-	7,533	-	-	-	7,533
Assigned:							
Capital Projects	207,957	106,146	-	255,676	87,139	842,721	1,499,639
Total Fund Balances	207,957	106,146	7,533	255,676	87,139	842,721	1,507,172
Total Liabilities and Fund Balances	$ 207,957	$ 106,146	$ 7,533	$ 255,676	$ 87,139	$ 842,721	$ 1,507,172
			-				

SCHEDULE 2

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	STORMWATER MAINTENANCE FUND	2018 STREET CONSTRUCTION FUND	POLICE FORFEITURE FUNDS	ECONOMIC DEVELOPMENT FUND	FORESTDALE DEVELOPMENT FUND	2018 STORMWATER CONSTRUCTION FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES							
Maintenance fees	$ 58,985	$ -	$ -	$ -	$ -	$ -	$ 58,985
Sales and use tax	-	-	-	114,696	-	-	114,696
Miscellaneous	-	-	-	-	-	-	-
Building/inspection permits	-	-	-	-	58,570	-	58,570
Interest	1,280	817	42	1,827	634	6,968	11,568
Total Revenues	60,265	817	42	116,523	59,204	6,968	243,819
EXPENDITURES							
Administration	3,000		-	32,325	-	-	35,325
Capital outlay	-	-	-	-	-	147,521	147,521
Streets and grounds	11,180	-	-	-	-	2,153	13,333
Total Expenditures	14,180	-	-	32,325	-	149,674	196,179
Excess (deficiency) of revenues over (under) expenditures	46,085	817	42	84,198	59,204	(142,706)	47,640
Net change in fund balances	46,085	817	42	84,198	59,204	(142,706)	47,640
Fund Balance - October 1, 2021	161,872	105,329	7,491	171,478	27,935	985,427	1,459,532
Fund Balance - September 30, 2022	$ 207,957	$ 106,146	$ 7,533	$ 255,676	$ 87,139	$ 842,721	$ 1,507,172

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
LEGISLATIVE				
PERSONNEL SERVICES:				
Special projects	$ 5,000	$ 5,000	$ 5,294	$ (294)
Total Personnel Services	5,000	5,000	5,294	(294)
SUPPLIES AND MATERIALS:				
Educational and training	2,500	2,500	2,999	(499)
Total Supplies and Materials	2,500	2,500	2,999	(499)
TOTAL LEGISLATIVE	7,500	7,500	8,293	(793)
GENERAL/ADMINISTRATION				
PERSONNEL SERVICES:				
Administration	56,650	56,650	56,650	-
Clerical	61,222	61,222	75,534	(14,312)
Operations and Maintenance	51,500	51,500	51,500	-
Uniforms and Clothing	420	420	-	420
Workers compensation	587	587	560	27
Unemployment compensation	450	450	459	(9)
Employee retirement	14,956	14,956	17,262	(2,306)
Employee insurance	18,923	18,923	21,272	(2,349)
Retiree insurance	600	600	600	-
Payroll taxes	12,957	12,957	14,259	(1,302)
Total Personnel Services	218,265	218,265	238,096	(19,831)
SUPPLIES AND MATERIALS:				
Office supplies	4,800	4,800	5,451	(651)
Website and IT	408	408	408	-
Postage and delivery	1,000	1,000	1,094	(94)
Minor tools	150	150	-	150
Educational and training	6,750	6,750	8,134	(1,384)
Other supplies	1,500	1,500	2,654	(1,154)
Total Supplies and Materials	14,608	14,608	17,741	(3,133)
MAINTENANCE OF BUILDING/GROUNDS:				
Building and grounds	2,500	2,500	6,291	(3,791)
Total Maintenance of Building/Grounds	2,500	2,500	6,291	(3,791)
MAINTENANCE OF EQUIPMENT/MACHINERY:				
HVAC equipment	383	383	798	(415)
Communication equipment	100	100	-	100
Total Maintenance of Equipment/ Machinery	483	483	798	(315)
CONTRACTUAL SERVICES:				
Communication services	5,000	5,000	4,072	928
Insurance	6,272	6,272	6,754	(482)
Advertising	4,000	4,000	6,356	(2,356)
Legal fees	50,000	12,000	10,003	1,997
Contractual and fee base services	121,128	121,128	123,332	(2,204)
Utility services	71,500	86,657	86,657	-
Online & credit card fees	-	-	3,766	(3,766)
Transfer to vehicle replacement fund	14,817	14,817	16,603	(1,786)
Codification	2,000	2,000	2,215	(215)
Miscellaneous expense	-	232,607	231,907	700
Memberships/subscriptions	7,048	7,048	6,737	311
Total Contractual Services	281,765	491,529	498,402	(6,873)
CAPITAL OUTLAY				
Buildings	106,850	42,582	42,582	-
Office equipment	4,875	4,875	5,118	(243)
Other equipment	7,500	7,500	10,694	(3,194)
Total Capital Outlay	119,225	54,957	58,394	(3,437)
TOTAL GENERAL ADMINISTRATION	636,846	782,342	819,722	(37,380)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TREASURY AND FINANCIAL				
PERSONNEL SERVICES:				
Administration	$ 37,240	$ 37,240	$ 41,284	$ (4,044)
Uniforms	60	60	-	60
Workers compensation	96	96	67	29
Unemployment compensation	90	90	136	(46)
Employee retirement	3,288	3,288	3,792	(504)
Employee insurance	3,479	3,479	3,571	(92)
Payroll taxes	2,849	2,849	3,205	(356)
Total Personnel Services	47,102	47,102	52,055	(4,953)
SUPPLIES AND MATERIALS:				
Website & IT	204	204	204	-
Educational and training	1,000	1,000	1,153	(153)
Total Supplies and Materials	1,204	1,204	1,357	(153)
CONTRACTUAL SERVICES:				
Communication Services	600	600	900	(300)
Memberships and Subscriptions	644	644	474	170
Employee Banquet	2,500	2,500	1,653	847
Contractual/fee services	53,111	45,400	45,400	-
Total Contractual Services	56,855	49,144	48,427	717
TOTAL TREASURY AND FINANCIAL	105,161	97,450	101,839	(4,389)
TAX APPRAISAL AND COLLECTIONS				
CONTRACTUAL SERVICES:				
Contractual/Fee Services	57,205	57,205	57,004	201
Total Contractual Services	57,205	57,205	57,004	201
TOTAL TAX APPRAISAL AND COLLECTIONS	57,205	57,205	57,004	201
MUNICIPAL COURT				
PERSONNEL SERVICES:				
Clerical	32,650	32,650	32,109	541
Overtime	-	-	319	(319)
Uniforms	60	60	-	60
Workers compensation	84	84	138	(54)
Unemployment compensation	180	180	191	(11)
Employee retirement	2,883	2,883	2,921	(38)
Employee insurance	8,028	8,028	6,566	1,462
Payroll taxes	2,498	2,498	2,411	87
Total Personnel Services	46,383	46,383	44,655	1,728
SUPPLIES AND MATERIALS:				
Postage and delivery	500	500	290	210
Lab supplies	-	-	2	(2)
Educational and training	1,000	1,000	-	1,000
Total Supplies and Materials	1,500	1,500	292	1,208
MAINTENANCE OF EQUIPMENT				
Office equipment	450	450	447	3
Total Maintenance of Equipment	450	450	447	3
CONTRACTUAL SERVICES:				
Contractual/fee services	13,114	13,114	11,133	1,981
Utility services	-	-	600	(600)
Collection agency fees	6,000	6,000	3,922	2,078
State Fee	55,000	131,000	130,241	759
Omni base fee	1,100	1,100	450	650
Online & credit card fees	-	350	342	8
Vehicle registration	150,000	196,000	197,849	(1,849)
Total Contractual Services	225,214	347,564	344,537	3,027
TOTAL MUNICIPAL COURT	273,547	395,897	389,931	5,966

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
PARKS/RECREATION SERVICES				
PERSONNEL SERVICES:				
Operations and Maintenance	$ 72,070	$ 72,070	$ 72,223	$ (153)
Overtime	1,000	1,000	276	724
Assignment pay	2,400	2,400	1,754	646
Uniforms and clothing	700	700	650	50
Workers compensation	1,635	1,635	1,675	(40)
Unemployment compensation	360	360	424	(64)
Employee retirement	6,364	6,364	6,730	(366)
Employee insurance	18,475	18,475	18,739	(264)
Payroll taxes	5,590	5,590	4,553	1,037
Total Personnel Services	108,594	108,594	107,024	1,570
SUPPLIES AND MATERIALS:				
Office supplies	500	500	314	186
Tires - flat repairs	700	700	251	449
Minor tools	-	-	86	(86)
Educational and training	1,000	1,000	445	555
Other supplies	2,500	2,500	2,813	(313)
Total Supplies and Materials	4,700	4,700	3,909	791
MAINTENANCE OF BUILDINGS/LAND				
Maintenance - ball parks	15,500	22,847	25,042	(2,195)
Maintenance - parks	3,500	7,302	7,302	-
Maintenance - The Rec	3,000	3,000	7,126	(4,126)
Maintenance - Splash Park	2,500	4,144	4,144	-
Maintenance - trails	3,500	3,500	299	3,201
Total Maintenance of Buildings/Land	28,000	40,793	43,913	(3,120)
MAINTENANCE OF EQUIPMENT/MACHINERY				
Machinery & Equipment	1,500	1,500	1,522	(22)
HVAC equipment	315	315	1,465	(1,150)
Tools	1,500	1,500	1,460	40
Playground equipment	1,000	3,069	3,069	-
Total Maintenance of Equipment/Machinery	4,315	6,384	7,516	(1,132)
CONTRACTUAL SERVICES				
Communication Services	395	395	394	1
Leases and rentals	500	500	100	400
Insurance	2,984	2,984	-	2,984
Contractual services	1,176	1,176	-	1,176
Utility Services	10,500	18,092	18,092	-
Miscellaneous	5,500	13,268	13,268	-
Transfer to vehicle replacement fund	19,806	21,456	21,456	-
Memberships and subscriptions	6,000	6,000	168	5,832
Total Contractual Services	46,861	63,871	53,478	10,393
TOTAL PARKS/RECREATION SERVICES	192,470	224,342	215,840	8,502
COMMUNITY DEVELOPMENT				
MAINTENANCE OF EQUIPMENT:				
Building and grounds	2,500	2,500	302	2,198
Total Maintenance of Building	2,500	2,500	302	2,198
CONTRACTUAL SERVICES:				
Contractual/fee services	70,400	88,397	88,397	-
Economic Development	5,000	5,000	5,000	-
Total Contractual Services	75,400	93,397	93,397	-
TOTAL COMMUNITY DEVELOPMENT	77,900	95,897	93,699	2,198

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
STREET AND GROUNDS MAINTENANCE				
PERSONNEL SERVICES:				
Operations and maintenance	$ 94,758	$ 94,758	$ 95,858	$ (1,100)
Overtime	3,000	3,000	2,042	958
Uniforms and clothing	1,200	1,200	762	438
Workers compensation	4,549	4,549	4,158	391
Unemployment compensation	360	360	483	(123)
Employee retirement	8,367	8,367	8,828	(461)
Employee insurance	16,180	16,180	16,181	(1)
Payroll taxes	7,479	7,479	6,945	534
Total Personnel Services	135,893	135,893	135,257	636
SUPPLIES AND MATERIALS:				
Minor tools	500	500	365	135
Chemical and mechanical	500	500	515	(15)
Tires - flat repairs	600	600	30	570
Safety supplies	100	100	153	(53)
Other supplies	100	100	-	100
Total Supplies and Materials	1,800	1,800	1,063	737
MAINTENANCE OF BUILDINGS/LAND:				
Streets and alleys	8,000	8,000	10,824	(2,824)
Total Maintenance of Buildings/Land	8,000	8,000	10,824	(2,824)
STREET AND GROUNDS MAINTENANCE (cont'd.)				
MAINTENANCE OF EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	5,000	5,000	8,150	(3,150)
Shop equipment	500	500	204	296
Minor tools and equipment	400	400	25	375
Signal and sign system	3,000	3,000	3,067	(67)
Total Maintenance of Equipment/Machinery	8,900	8,900	11,446	(2,546)
CONTRACTUAL SERVICES				
Communication services	395	395	389	6
Leases and rentals	500	500	0	500
Utility services	0	0	30	(30)
Transfer to vehicle replacement fund	22,455	28,463	28,463	-
Contractual services	22,980	22,980	24,721	(1,741)
Insurance	2,252	2,252	1,958	294
Total Contractual Services	48,582	54,590	55,561	(971)
TOTAL STREET AND GROUNDS MAINTENANCE	203,175	209,183	214,151	(4,968)
POLICE OPERATIONS				
PERSONNEL SERVICES:				
Administration	216,300	216,300	218,485	(2,185)
Operations and maintenance	581,563	581,563	574,817	6,746
Overtime	15,000	15,000	38,269	(23,269)
Certificate pay	8,000	8,000	8,920	(920)
Assignment pay	5,500	5,500	4,885	615
Uniforms and clothing	11,000	11,000	8,650	2,350
Workers compensation	22,412	22,412	19,879	2,533
Unemployment compensation	2,880	2,880	4,035	(1,155)
Employee retirement	75,662	75,662	75,965	(303)
Employee insurance	129,286	129,286	112,203	17,083
Payroll taxes	65,551	65,551	60,338	5,213
Total Personnel Services	1,133,154	1,133,154	1,126,446	6,708

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
POLICE OPERATIONS (Con't)				
SUPPLIES AND MATERIALS:				
Office supplies	$ 2,900	$ 2,900	$ 2,410	$ 490
Website & IT	194	194	204	(10)
Laboratory supplies	2,000	2,000	1,390	610
Postage and delivery	500	500	115	385
Emergency medical supplies	-	-	870	(870)
Minor tools	-	-	28	(28)
Safety supplies	1,000	1,000	426	574
Educational and training	7,000	7,000	7,029	(29)
K-9 Miscellaneous	-	-	75	(75)
LEOSE continuing education	1,500	1,500	660	840
Community resource supply	2,000	2,000	2,527	(527)
Evidence processing	1,000	1,000	1,039	(39)
CID supplies	500	500	556	(56)
Other supplies	5,300	5,300	6,486	(1,186)
Total Supplies and Materials	23,894	23,894	23,815	79
MAINTENANCE OF BUILDINGS/LAND:				
Buildings and grounds	11,000	11,000	13,306	(2,306)
Gun range	4,000	4,000	4,430	(430)
Total Maintenance of Buildings/Land	15,000	15,000	17,736	(2,736)
MAINTENANCE OF EQUIPMENT/MACHINERY:				
Office equipment	1,412	1,412	1,558	(146)
HVAC equipment	1,000	1,000	765	235
Tools	500	500	116	384
Technology equipment	16,848	16,848	13,578	3,270
Communication equipment	6,700	6,700	6,528	172
Total Maintenance of Equipment/Machinery	26,460	26,460	22,545	3,915
CONTRACTUAL SERVICES:				
Communication services	11,000	28,570	28,790	(220)
Insurance	15,542	15,542	10,284	5,258
Contractual/fee services	120,278	120,278	108,315	11,963
Utility services	6,000	6,000	5,142	858
Transfer to vehicle replacement fund	131,653	156,181	156,181	-
Memberships and subscriptions	1,000	1,000	1,530	(530)
Total Contractual Services	285,473	327,571	310,242	17,329
TOTAL POLICE OPERATIONS	1,483,981	1,526,079	1,500,784	25,295
FIRE OPERATIONS				
PERSONNEL SERVICES:				
Administration	82,481	82,481	90,149	(7,668)
Operations maintenance	412,810	412,810	443,846	(31,036)
Overtime	25,000	25,000	40,661	(15,661)
Community service	1,000	1,000	1,051	(51)
Certifcate pay	600	600	600	-
Uniforms and clothing	5,000	5,000	3,165	1,835
Workers compensation	15,457	15,457	16,445	(988)
Unemployment compensation	4,680	4,680	4,699	(19)
Employee retirement	35,909	35,909	44,701	(8,792)
Employee insurance	38,680	38,680	34,632	4,048
Payroll taxes	39,443	39,443	43,578	(4,135)
Total Personnel Services	661,060	661,060	723,527	(62,467)

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
FISCAL YEAR ENDED SEPTEMBER 30, 2022
GENERAL FUND

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
FIRE OPERATIONS (Con't)				
SUPPLIES AND MATERIALS:				
Office supplies	$ 400	$ 400	$ 187	$ 213
Laboratory services	640	640	966	(326)
Postage & delivery supplies	100	100	-	100
Emergency medical supplies	3,900	3,900	2,688	1,212
Minor tools and apparatus	400	400	346	54
Janitorial supplies	1,200	1,200	1,369	(169)
FOAM	1,300	1,300	1,337	(37)
Safety supplies	1,800	1,800	1,767	33
Educational and training	6,000	6,000	5,323	677
Total Supplies and Materials	15,740	15,740	13,983	1,757
MAINTENANCE OF BUILDING:				
Building and grounds	6,000	6,000	4,211	1,789
Total Maintenance of Equipment/Machinery	6,000	6,000	4,211	1,789
MAINTENANCE OF EQUIPMENT/MACHINERY:				
Office equipment	1,140	1,140	1,645	(505)
HVAC equipment	180	180	180	-
Shop equipment	400	400	364	36
Safety and medical equipment	10,000	20,129	20,129	-
Tools	10,000	10,000	8,962	1,038
Outdoor Warning System	4,600	4,600	9,682	(5,082)
Communication equipment	10,400	10,400	4,328	6,072
Total Maintenance of Equipment/Machinery	36,720	46,849	45,290	1,559
CONTRACTUAL SERVICES:				
Communication services	17,296	17,296	21,124	(3,828)
Insurance	3,300	3,300	2,265	1,035
Contractual/fee services	2,800	2,800	3,014	(214)
Utility service	5,000	5,000	5,925	(925)
Memberships and subscriptions	600	600	1,198	(598)
Transfer to vehicle replacement fund	40,807	16,167	16,167	-
Miscellaneous expense	800	800	1,222	(422)
Total Contractual Services	70,603	45,963	50,915	(4,952)
CAPITAL OUTLAY:				
Motor vehicles	-	675,887	675,887	-
Total Capital Outlay	-	675,887	675,887	-
TOTAL FIRE OPERATIONS	790,123	1,451,499	1,513,813	(62,314)
SANITATION				
CONTRACTUAL SERVICES:				
Contractual/fee services	700,000	700,000	722,375	(22,375)
Sales tax	65,000	65,000	68,010	(3,010)
Total Contractual Services	765,000	765,000	790,385	(25,385)
TOTAL SANITATION	765,000	765,000	790,385	(25,385)
TOTAL EXPENDITURES - BUDGET BASIS	$ 4,592,908	$ 5,612,394	5,705,461	$ (93,067)
Financial Statement Adjustments:				
Capital outlay from adoption of GASB 87			1,095,374	
Decrease in accrued expenses			(96,222)	
TOTAL EXPENDITURES - GAAP BASIS			$ 6,704,613	

CITY OF WHITEHOUSE, TEXAS
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
SEPTEMBER 30, 2022

	TAX NOTE & GENERAL OBLIGATION NOTES	2006 SERIES REFUNDING FUND	2018 SERIES CERTIFICATES OF OBLIGATION	2022 SERIES CERTIFICATES OF OBLIGATION	TOTAL
ASSETS					
Receivables:	$ 50,574	$ -	$ -	$ -	$ 50,574
Due from other funds					
Due from General Fund	9,452	-	-	-	9,452
Due from Utility Fund	38,692	-	-	-	38,692
Due from Utility Debt Service Fund	1,695,349	-	-	-	1,695,349
TOTAL ASSETS	$ 1,794,067	$ -	$ -	$ -	$ 1,794,067
Operations and Maintenance					
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE					
LIABILITIES					
Due to General Fund	$ 104,346	$ -	$ -	$ -	$ 104,346
Due to Utility Debt Service Fund	71,084	-	-	-	71,084
Total Liabilities	175,430	-	-	-	175,430
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	50,574	-	-	-	50,574
FUND BALANCE					
Restricted:					
Debt Service	1,568,063	-	-	-	1,568,063
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 1,794,067	$ -	$ -	$ -	$ 1,794,067

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
DEBT SERVICE FUNDS
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	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	$ 656,843	$ 234,200	$ 639,550	55,440	$ 1,586,033
Interest income	16,406	-	-	-	16,406
Total Revenues	673,249	234,200	639,550	55,440	1,602,439
EXPENDITURES					
Debt Service:					
Bond principal	-	190,000	510,000	-	700,000
Note principal	154,238	-	-	-	154,238
Interest and fees	16,136	44,200	129,550	55,440	245,326
Total Expenditures	170,374	234,200	639,550	55,440	1,099,564
Revenues Over (Under) Expenditures	502,875	-	-	-	502,875
OTHER FINANCING SOURCES (USES)					
Transfers in	14,069	-	-	-	14,069
Transfers out	(345,574)	-	-	-	(345,574)
Total Other Financing Sources (Uses)	(331,505)	-	-	-	(331,505)
Revenues and Other Sources Over (Under) Expenditures and Other Uses	171,370	-	-	-	171,370
Fund Balance, October 1, 2021	1,396,693	-	-	-	1,396,693
Fund Balance, September 30, 2022	$ 1,568,063	$ -	$ -	$ -	$ 1,568,063

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF NET POSITION
UTILITY FUND
SEPTEMBER 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
ASSETS			
Current Assets:			
Cash and certificates of deposit	$ 1,612,567	1,592,832	$ 3,205,399
Accounts receivable (net)	531,876	-	531,876
Total Current Assets	2,144,443	1,592,832	3,737,275
Restricted Current Assets:			
Temporarily Restricted			
Customer deposits	384,715	-	384,715
Total Restricted Current Assets	384,715	-	384,715
Noncurrent Assets:			
Water rights - Lake Columbia	230,000	-	230,000
Net pension Asset	35,424	-	35,424
Capital Assets:			
Land	25,000	-	25,000
Easements	7,800	-	7,800
Buildings	369,844	-	369,844
Water and sewer system	26,249,979	-	26,249,979
Machinery & equipment	839,876	-	839,876
Less: Accumulated depreciation	(12,178,004)	-	(12,178,004)
Total Capital Assets (net of accumulated depreciation)	15,314,495	-	15,314,495
Total Noncurrent Assets:	15,579,919	-	15,579,919
Total Assets	18,109,077	1,592,832	19,701,909
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding (net of amortization)	243,050	-	243,050
Deferred charge on other post employment benefits	5,976	-	5,976
Deferred charge on TMRS pension	10,788	-	10,788
Total Deferred Outflows of Resources	259,814	-	259,814

(continued)

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF NET POSITION
UTILITY FUND
SEPTEMBER 30, 2022

	BUSINESS-TYPE ACTIVITIES		
	OPERATING FUND	DEBT SERVICE	TOTAL UTILITY FUND
LIABILITIES			
Current Liabilities:			
Accounts payable	$ 147,583	$ -	$ 147,583
Compensated absences	2,077	-	2,077
Due to other funds	39,684	1,643,519	1,683,203
Total Current Liabilities	189,344	1,643,519	1,832,863
Current liabilities payable from restricted assets:			
Customer deposits	384,715	-	384,715
Accrued interest	-	84,209	84,209
Notes payable	12,336	-	12,336
Revenue bonds payable	1,128,000	-	1,128,000
Revenue bonds premium	-	-	-
Total current liabilities payable from restricted assets	1,525,051	84,209	1,609,260
Noncurrent Liabilities:			
Revenue bonds payable	7,570,536	-	7,570,536
Notes payable	26,320	-	26,320
Compensated absences	18,705	-	18,705
Other post employment benefits	38,188	-	38,188
Total Noncurrent Liabilities	7,653,749	-	7,653,749
Total Liabilities	9,368,144	1,727,728	11,095,872
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on other post employment benefits	41,952	-	41,952
Deferred charge on TMRS pension	67,700	-	67,700
Total Deferred Inflows of Resources	109,652	-	109,652
NET POSITION			
Invested in capital assets, net of related debt	6,577,303	-	6,577,303
Unrestricted	2,313,792	(134,896)	2,178,896
Total Net Position	$ 8,891,095	$ (134,896)	$ 8,756,199

SCHEDULE 7

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
UTILITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUSINESS-TYPE ACTIVITIES			
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	TOTAL UTILITY FUND
OPERATING REVENUES				
Water sales	$ 2,466,696	$ -	$ -	$ 2,466,696
Sewer charges	924,416	-	-	924,416
Property taxes	-	639,550	-	639,550
Charges for other services	247,103	-	-	247,103
Total Operating Revenues	3,638,215	639,550	-	4,277,765
OPERATING EXPENSES				
Utility administration	583,497	-	-	583,497
Customer service	120,818	-	-	120,818
Water operations	861,782	-	-	861,782
Sewer operations	534,515	-	-	534,515
Water supply	478,228	-	-	478,228
Depreciation	592,798	-	-	592,798
Total Operating Expenses	3,171,638	-	-	3,171,638
Operating Income (Loss)	466,577	639,550	-	1,106,127
NON-OPERATING REVENUES (EXPENSES)				
Interest and fiscal charge expense	-	(276,920)	-	(276,920)
Bond issue costs	-	(74,860)	-	(74,860)
Interest income	55,651	-	-	55,651
Total Non-Operating Revenue (Expenses)	55,651	(351,780)	-	(296,129)
Income before transfers	522,228	287,770	-	809,998
Transfers in	1,110,253	840,518	(423,728)	1,527,043
Transfers out	(889,049)	(1,173,827)	423,728	(1,639,148)
Total Transfers	221,204	(333,309)	-	(112,105)
Change in Net Position	743,432	(45,539)	-	697,893
Net Position, October 1, 2021	8,147,663	(89,357)	-	8,058,306
Net Position, September 30, 2022	$ 8,891,095	$ (134,896)	-	$ 8,756,199

SCHEDULE 8

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
UTILITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS-TYPE ACTIVITIES			
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	TOTAL UTILITY FUND
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	$ 3,621,493	$ 639,550	$ -	$ 4,261,043
Cash paid to suppliers for goods and services	(1,797,386)	-	-	(1,797,386)
Cash paid to employees for services	(764,469)	-	-	(764,469)
Net cash provided by operating activities	1,059,638	639,550	-	1,699,188
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	984,469	840,518	(423,728)	1,401,259
Transfers out	(889,049)	(1,248,687)	423,728	(1,714,008)
Net cash provided by non-capital financing activities	95,420	(408,169)	-	(312,749)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchases or construction of capital assets	(93,468)	-	-	(93,468)
Principal paid on notes	(16,827)	-	-	(16,827)
Bond proceeds	5,575,000	-	-	5,575,000
Bond issue costs	-	(74,860)		(74,860)
Interest paid	-	(151,378)	-	(151,378)
Advances from other funds	-	171,370	-	171,370
Principal paid on bonds	(6,532,000)	-	-	(6,532,000)
Net cash used in capital and related financing activities	(1,067,295)	(54,868)	-	(1,122,163)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest earned on investments	55,651	-	-	55,651
Net cash provided by investing activities	55,651	-	-	55,651
Net increase in cash	143,414	176,513	-	319,927
Cash, beginning of period	1,853,868	1,416,319	-	3,270,187
Cash, end of period	$ 1,997,282	$ 1,592,832	$ -	$ 3,590,114
Reconciliation of cash to Schedule 6:				
Cash - current asset	$ 1,612,567	$ 1,592,832	$ -	$ 3,205,399
Cash - restricted current asset	384,715	-	-	384,715
Total cash, end of period	$ 1,997,282	$ 1,592,832	$ -	$ 3,590,114

SCHEDULE 8

CITY OF WHITEHOUSE, TEXAS
COMBINING STATEMENT OF CASH FLOWS
UTILITY FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

Increase (Decrease) in Cash and Cash Equivalents

	BUSINESS-TYPE ACTIVITIES			
	OPERATING FUND	DEBT SERVICE	ELIMINATIONS	TOTAL UTILITY FUND
Reconciliation of Operating Income (Loss) To Net Cash Provided By (Used In) Operating Activities:				
Operating income	$ 466,577	$ 639,550	$ -	$ 1,106,127
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation expense	592,798	-	-	592,798
Decrease in deferred outflows of resources	35,408	-	-	35,408
Increase in accounts payable	75,761	-	-	75,761
Increase in accounts receivable	(34,582)	-	-	(34,582)
Decrease in net pension liability/asset	(155,233)	-	-	(155,233)
Increase in deferred inflows of resources	57,039	-	-	57,039
Increase in other post employee benefit liability	1,010	-	-	1,010
Increase in compensated absences	-	-	-	-
Increase in customer deposits	20,860	-	-	20,860
Total adjustments	593,061	-	-	593,061
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 1,059,638	$ 639,550	$ -	$ 1,699,188

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Charges for services:				
Water sales	$ 2,087,060	$ 2,087,060	$ 2,448,068	$ 361,008
Sewer charges	891,602	891,602	924,416	32,814
Tap and connect fees	40,000	40,000	83,435	43,435
Miscellaneous revenue	-	37,440	37,451	11
Penalties	120,000	120,000	133,248	13,248
Insurance claims	-	20,963	21,963	1,000
Anra Compost Rebate	7,000	7,000	8,457	1,457
Interest and rent	1,000	1,000	18,200	17,200
TOTAL REVENUES AND OTHER FINANCING SOURCES - BUDGET BASIS	$ 3,146,662	$ 3,205,065	3,675,238	$ 470,173
Financial Statement Adjustments:				
Adjust accounts receivable for cut-off			18,628	
Debt Service Fund payment of principal and fees on bonds and note			1,110,253	
TOTAL REVENUES AND OTHER FINANCING SOURCES - GAAP BASIS			$ 4,804,119	

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
UTILITY ADMINISTRATION				
PERSONNEL SERVICES:				
Administration	$ 198,978	$ 198,978	$ 197,492	$ 1,486
Workers' compensation	3,222	3,222	469	2,753
Unemployment compensation	540	540	564	(24)
Employee retirement	17,570	17,570	17,624	(54)
Employee insurance	22,370	22,370	16,222	6,148
Payroll taxes	15,222	15,222	14,672	550
Total Personnel Services	257,902	257,902	247,043	10,859
SUPPLIES AND MATERIALS:				
Office supplies	2,000	2,000	5,082	(3,082)
Lab supplies	-	-	317	(317)
Postage and delivery service	12,000	12,000	15,477	(3,477)
Educational and training	4,750	4,750	4,149	601
Other supplies	500	500	1,179	(679)
Total Supplies and Materials	19,250	19,250	26,204	(6,954)
MAINTENANCE OF BUILDINGS/LAND:				
Buildings and grounds	2,000	2,000	9,055	(7,055)
Total Maintenance of Buildings/Land	2,000	2,000	9,055	(7,055)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Office equipment	3,237	3,237	2,478	759
HVAC equipment	257	257	514	(257)
Total Maintenance - Equipment/Machinery	3,494	3,494	2,992	502
CONTRACTUAL SERVICES:				
Communication services	1,500	1,500	1,133	367
Leases and Rentals	996	996	996	-
Advertising	250	250	827	(577)
Legal fees	2,500	2,500	-	2,500
Contractual and fee basis service	182,631	224,504	231,891	(7,387)
Utility services	15,000	15,000	8,340	6,660
Utility billing - dataprose	7,000	7,000	6,630	370
On-Line / credit card fees	24,000	42,838	42,838	-
Document shredding	450	450	490	(40)
Memberships and subscriptions	550	550	40	510
Miscellaneous	2,500	2,500	1,660	840
Total Contractual Services	237,377	298,088	294,845	3,243
CAPITAL OUTLAY:				
Buildings	6,850	6,850	-	6,850
Office equipment	4,875	4,875	5,118	(243)
Other equipment	7,500	7,500	6,861	639
Total Capital Outlay	19,225	19,225	11,979	7,246
TOTAL UTILITY ADMINISTRATION	539,248	599,959	592,118	7,841

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
CUSTOMER SERVICE				
PERSONNEL SERVICES:				
Clerical	$ 101,456	$ 101,456	$ 93,133	$ 8,323
Overtime	500	500	224	276
Uniforms and clothing	180	180	-	180
Worker's compensation	262	262	403	(141)
Unemployment compensation	540	540	620	(80)
Employee retirement	9,003	9,003	8,417	586
Employee insurance	22,854	22,854	19,581	3,273
Payroll taxes	7,800	7,800	6,640	1,160
Total Personnel Services	142,595	142,595	129,018	13,577
SUPPLIES AND MATERIALS:				
Lab supplies	500	500	5	495
Total Supplies and Materials	500	500	5	495
MAINTENANCE - EQUIPMENT/MACHINERY:				
Office equipment	-	-	9	(9)
Total Maintenance - Equipment/Machinery	-	-	9	(9)
TOTAL CUSTOMER SERVICE	143,095	143,095	129,032	14,063
WATER OPERATIONS				
PERSONNEL SERVICES:				
Operations and maintenance	165,200	165,200	173,496	(8,296)
Overtime	13,000	13,000	17,654	(4,654)
Certificate Pay	600	600	300	300
Uniforms and clothing	1,450	1,450	1,737	(287)
Workers' compensation	4,683	4,683	6,806	(2,123)
Unemployment compensation	720	720	1,000	(280)
Employee retirement	15,788	15,788	17,291	(1,503)
Employee insurance	27,278	27,278	27,168	110
Payroll taxes	13,678	13,678	14,626	(948)
Total Personnel Services	242,397	242,397	260,078	(17,681)
SUPPLIES AND MATERIALS:				
Laboratory supplies	-	-	163	(163)
Tires and tubes	1,200	1,200	15	1,185
Water meter supplies	10,000	10,000	15,370	(5,370)
Minor tools and apparatus	1,000	1,000	875	125
Janitorial supplies	-	-	65	(65)
Chemical and mechanical supplies	25,000	25,000	31,480	(6,480)
Safety Supplies	100	100	219	(119)
Educational and training	1,500	1,500	339	1,161
Other supplies	400	400	308	92
Total Supplies and Materials	39,200	39,200	48,834	(9,634)
MAINTENANCE - BUILDING/LAND:				
Buildings and grounds	4,000	4,000	1,124	2,876
Chlorination facilities	7,500	7,500	5,979	1,521
Water system	25,000	104,349	104,349	-
Meters and settings	10,000	87,813	87,813	-
Total Maintenance - Building/Land	46,500	203,662	199,265	4,397

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	$ 10,000	$ 10,000	$ 4,293	$ 5,707
Office equipment	-	-	167	(167)
Tools	-	-	103	(103)
Contingency	25,000	75,896	75,896	-
Safety and medical equipment	200	200	112	88
Total Maintenance - Equipment/Machinery	35,200	86,096	80,571	5,525
CONTRACTUAL SERVICES:				
Communication services	2,960	2,960	9,601	(6,641)
Leases and rentals	13,382	34,530	34,530	-
Insurance	13,397	13,397	16,588	(3,191)
Contractual and fee basis service	20,000	28,760	28,760	-
Utility services	135,000	171,262	171,262	-
Transfer to vehicle replacement fund	50,884	50,884	63,051	(12,167)
Regulatory inspection fee	7,500	7,500	6,813	687
Total Contractual Services	243,123	309,293	330,605	(21,312)
CAPITAL OUTLAY:				
Water system improvements	100,000	66,000	66,000	-
Total Capital Outlay	100,000	66,000	66,000	-
TOTAL WATER OPERATIONS	706,420	946,648	985,353	(38,705)
WASTEWATER OPERATIONS				
PERSONNEL SERVICES:				
Operations and maintenance	83,854	83,854	87,135	(3,281)
Overtime	6,500	6,500	7,822	(1,322)
Certificate Pay	600	600	-	600
Uniforms and clothing	1,000	1,000	762	238
Workers' compensation	2,377	2,377	3,646	(1,269)
Unemployment compensation	360	360	530	(170)
Employee retirement	7,404	7,404	8,572	(1,168)
Employee insurance	13,644	13,644	12,531	1,113
Payroll taxes	6,958	6,958	7,332	(374)
Total Personnel Services	122,697	122,697	128,330	(5,633)
SUPPLIES AND MATERIALS:				
Laboratory supplies	100	100	72	28
Tires and tubes	1,000	1,000	-	1,000
Minor tools and apparatus	750	750	708	42
Chemical and mechanical supplies	35,000	35,000	44,953	(9,953)
Safety supplies	1,000	1,000	1,182	(182)
Educational and training	1,200	1,200	260	940
Total Supplies and Materials	39,050	39,050	47,175	(8,125)
MAINTENANCE - BUILDING/LAND:				
Building and grounds	7,000	7,000	2,135	4,865
Sanitary sewers	25,000	25,000	22,375	2,625
Lift stations	38,000	57,715	62,101	(4,386)
Total Maintenance - Building/Land	70,000	89,715	86,611	3,104

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
MAINTENANCE - EQUIPMENT/MACHINERY:				
Machinery and heavy equipment	$ 10,000	$ 23,575	$ 23,575	$ -
Office equipment	-	-	167	(167)
Lab equipment	150	150	2,018	(1,868)
Contingency	25,000	25,000	3,345	21,655
Total Maintenance - Equipment/Machinery	35,150	48,725	29,105	19,620
CONTRACTUAL SERVICES:				
Communication services	1,400	1,400	3,488	(2,088)
Leases and rentals	200	200	0	200
Insurance	3,294	3,294	662	2,632
Contractual and fee basis service	110,000	110,000	109,110	890
Utility services	75,000	129,141	129,141	-
Transfer to vehicle replacement fund	21,800	21,800	20,560	1,240
Regulatory inspection fee	12,500	12,500	11,101	1,399
Total Contractual Services	224,194	278,335	274,062	4,273
TOTAL WASTEWATER OPERATIONS	491,091	578,522	565,283	13,239
WATER SUPPLY				
CONTRACTUAL SERVICES:				
Contractual and fee basis service	395,865	454,570	454,570	-
Total Contractual Services	395,865	454,570	454,570	-
TOTAL WATER SUPPLY	395,865	454,570	454,570	-
UTILITY DEBT SERVICE				
DEBT SERVICE:				
Revenue bonds principal	295,000	295,000	295,000	-
Revenue bonds interest	67,767	75,524	75,524	-
Installment notes principal	11,770	31,499	11,740	19,759
Installment notes interest	2,299	2,421	2,328	93
Hwy 110 Line/Blower principal	39,000	39,000	39,000	-
Hwy 110 Line/Blower interest	9,060	9,060	9,060	-
HVAC/key access principal	5,185	5,185	4,983	202
HVAC/key Access interest	166	166	161	5
Total Debt Service	430,247	457,855	437,796	20,059
TOTAL UTILITY DEBT SERVICE	430,247	457,855	437,796	20,059

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
UTILITY OPERATING FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
TRANSFERS				
Interfund transfers	$ 360,000	$ 360,000	$ 360,000	$ -
TOTAL TRANSFERS	360,000	360,000	360,000	-
TOTAL EXPENSES - BUDGET BASIS	$ 3,065,966	$ 3,540,649	$ 3,524,152	$ 16,497
Financial Statement Adjustments:				
Depreciation			592,798	
Record transfers to other funds			7,642	
TMRS pension adjustment			(62,186)	
OPEB adjustment			3,410	
Increase in accrued expenses			88,339	
Reclassify capital expenditures			(93,468)	
TOTAL EXPENSES AND TRANSFERS - GAAP BASIS			$ 4,060,687	

SCHEDULE 11

CITY OF WHITEHOUSE, TEXAS
DETAILED SCHEDULE OF REVENUES AND EXPENSES - BUDGET AND ACTUAL
(NON-GAAP BUDGET BASIS)
ENTERPRISE DEBT SERVICE FUND
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	BUDGET ORIGINAL	BUDGET FINAL	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES				
Property taxes	$ 639,550	$ 639,550	$ 639,550	$ -
Transfers in	423,728	423,728	423,728	-
TOTAL REVENUES - BUDGET BASIS	1,063,278	1,063,278	1,063,278	-
Record transfer in for bond defeasance			7,642	
Reclassify 2018 Certificates of Obligation payments			(639,550)	
Record transfer in for bond and note principal and interest paid in Governmental debt service fund			973,838	
Record bond issuance cost paid in Governmental debt service fund			74,860	
TOTAL REVENUES - GAAP BASIS			$ 1,480,068	-
EXPENSES				
Bond/Note principal:				
2006 Certificates of Obligation	175,000	175,000	175,000	-
2007 Certificates of Obligation	120,000	120,000	120,000	-
2018 Certificates of Obligation	510,000	510,000	510,000	-
Installment notes	39,000	39,000	39,000	
Bond/Note interest:				
2006 Certificates of Obligation	36,015	36,015	43,772	(7,757)
2007 Certificates of Obligation	31,752	31,752	31,752	-
2018 Certificates of Obligation	129,550	129,550	129,550	
Installment Notes	9,060	9,060	9,060	-
TOTAL EXPENSES - BUDGET BASIS	$ 1,050,377	$ 1,050,377	1,058,134	$ (7,757)
Record amotization of bond defeasance			7,642	
Reclassify 2018 Certificates of Obligation payments			(639,550)	
Bond and note principal and interest paid in Governmental debt service fund			973,838	
Bond issuance cost paid in Governmental debt service fund			74,860	
Decrease in accrued interest at September 30, 2022			50,683	
TOTAL EXPENSES - GAAP BASIS			$ 1,525,607	

OTHER SCHEDULES

SCHEDULE 12

CITY OF WHITEHOUSE, TEXAS
SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS - BY SOURCE
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	TOTAL	LAND	CONSTRUCTION IN PROCESS	BUILDINGS & IMPROVEMENTS	PARKS	INFRASTRUCTURE	RIGHT OF USE ASSET	MACHINERY & EQUIPMENT	
								AUTOS	OTHER EQUIPMENT
Governmental assets - October 1, 2021	$ 22,021,617	$ 190,184	$ -	$ 3,673,779	$ 2,571,986	$ 12,711,871	$ -	$ 876,804	$ 1,996,993
EXPENDITURES FROM GOVERNMENTAL FUNDS:									
GENERAL FUND									
Street Improvements	40,549	-	-	-	-	40,549	-	-	-
Right of Use Assets	1,655,560	-	-	-	-		1,655,560	-	-
Building Improvements	373,268	-	149,554	223,714	-	-	-	-	-
Community Development	5,117	-	-	-	-	-	-	-	5,117
Police	-	-	-	-	-	-	-	-	-
Fire Apparatus	675,666	-	-	-	-	-	-	675,666	-
Parks	-	-	-	-	-	-	-	-	
Police Vehicles									
RETIREMENTS FROM GOVERNMENTAL FUNDS:		-	-	-	-	-	-	-	-
GENERAL FUND		-	-	-	-	-	-	-	-
Police Vehicles	-	-	-	-	-	-	-	-	-
Machinery & Equipment	(621,016)	-	-	-	-	-	-	(621,016)	-
COMPLETION OF CAPITAL PROJECTS	-	-	(106,972)	-	-	106,972	-	-	-
GOVERNMENTAL ASSETS - SEPTEMBER 30, 2022	$ 24,150,761	$ 190,184	$ 42,582	$ 3,897,493	$ 2,571,986	$ 12,859,392	$ 1,655,560	$ 931,454	$ 2,002,110

SCHEDULE 13

CITY OF WHITEHOUSE, TEXAS
SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	TOTAL	BONDS PAYABLE 2006 SERIES	BONDS PAYABLE 2018 SERIES	BONDS PAYABLE 2022 SERIES	NOTES PAYABLE	LEASES	COMPENSATED ABSENCES	NET PENSION LIABILITY (ASSET)	OPEB LIABILITY
Governmental fund debt, October 1, 2021	$ 6,125,778	$ 1,040,000	$ 4,375,405	$ -	$ 62,509	$ 343,413	$ 83,366	$ 116,722	$ 104,393
ADDITIONS									
Compensated Absences	29,887	-	-	-	-	-	29,887	-	-
Lease Agreements	1,653,161	-	-	-	-	1,653,161			
2022 Combination Tax and Revenue Certificates of Obligation	10,105,810	-	-	10,105,810	-	-	-	-	-
Fire Truck	675,666	-	-	-	675,666	-	-	-	-
Other Post-Employment Benefits	3,119	-	-	-	-	-	-	-	3,119
Total Additions	12,467,643	-	-	10,105,810	675,666	1,653,161	29,887	-	3,119
RETIREMENTS									
Bond principal:									
2006 Limited Tax Refunding Bonds	190,000	190,000	-	-	-	-	-	-	-
2018 Certificates of Obligation	523,265	-	523,265	-	-	-	-	-	-
2022 Certificates of Obligation	12,547	-	-	12,547	-	-	-	-	-
Total Bond Retirements	725,812	190,000	523,265	12,547	-	-	-	-	-
Notes Payable:									
Austin Bank									
2018 Ford Explorers (Police Dept)	-	-	-	-		-	-	-	-
City Improvements	62,509	-	-	-	62,509	-	-	-	-
Fire Truck	94,279	-	-	-	94,279	-	-	-	-
Total Note Retirements	156,788	-	-	-	156,788	-	-	-	-
Capital Leases - Vehicle Fleet	637,026	-	-	-	-	637,026	-	-	-
Net Pension Liability (Asset)	298,721	-	-	-	-	-	-	298,721	-
Total Other Retirements	298,721	-	-	-	-	-	-	298,721	-
GOVERNMENTAL FUND DEBT, SEPTEMBER 30, 2022	$ 16,775,074	$ 850,000	$ 3,852,140	$ 10,093,263	$ 581,387	$ 1,359,548	$ 113,253	$ (181,999)	$ 107,512

SCHEDULE 14

CITY OF WHITEHOUSE, TEXAS
SCHEDULE OF REVENUE AND GENERAL OBLIGATION BONDS AND NOTES PAYABLE
FISCAL YEAR ENDED SEPTEMBER 30, 2022

	ISSUE DATE	MATURITY	BOND NUMBERS AND INTEREST RATE	BONDS AND NOTES ISSUED	BOND/NOTE PRINCIPAL BALANCE 10-1-21	BOND/NOTE PRINCIPAL ISSUED CURRENT YEAR	BOND/NOTE PRINCIPAL CURRENT YEAR RETIREMENTS	OUTSTANDING 9-30-22	BOND/NOTE PRINCIPAL AND INTEREST REQUIREMENTS YEAR ENDING 9-30-23 PRINCIPAL	INTEREST	TOTAL	BOND/NOTE INTEREST TO BE PROVIDED IN FUTURE YEARS
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	$ 945,000	$ -	$ 175,000	$ 770,000	$ 180,000	$ 28,560	$ 208,560	$ 37,800
2007 Tax Refunding Bonds	7/15/07	Payable serially in varying amounts to 2-15-27	4.52%	4,359,000	1,602,000	-	648,000	954,000	684,000	27,662	711,662	25,086
2007-Water & Sewer Certificates of Obligation	5/15/07	Payable serially in varying amounts to 2-15-26	4.32%	2,000,000	795,000	-	120,000	675,000	125,000	26,460	151,460	48,600
2012-Limited Tax Refunding Bonds	09/05/12	Payable serially in varying amounts to 2-15-28	Variable 0.6%-2.75%	9,730,000	5,850,000	-	5,850,000	-	-	-	-	-
2020 Water & Sewer Certificates of Obligation	04/08/20	Payable serially in varying amounts to 8-15-35	1.51%	635,000	600,000	-	39,000	561,000	39,000	8,470	47,470	52,563
2022 General Obligation Refunding Bonds	02/16/22	Payable serially in varying amounts to 2-15-28	2.00%	5,754,254	-	5,754,254	15,718	5,738,536	100,000	150,065	250,065	442,621
Total Business Type Activities Bonded Debt				25,278,254	9,792,000	5,754,254	6,847,718	8,698,536	1,128,000	241,217	1,369,217	606,670
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	1,040,000	-	190,000	850,000	200,000	36,125	236,125	55,887
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	4,375,405	-	523,265	3,852,140	520,000	114,250	634,250	572,763
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	-	10,105,810	12,547	10,093,263	-	321,293	321,293	1,644,621
Total Govertmental Fund Bonded Debt				18,435,810	5,415,405	10,105,810	725,812	14,795,403	720,000	471,668	1,191,668	2,273,271
Total Bonded Indebtedness				$ 43,714,064	$15,207,405	$ 15,860,064	$ 7,573,530	$ 23,493,939	$ 1,848,000	$ 712,885	$ 2,560,885	$ 2,879,941
BUSINESS TYPE ACTIVITIES DEBT												
NOTES PAYABLE												
Note Payable - Austin Bank		Maturing 02-15-2022	3.15%	$ 24,370	$ 5,087	$ -	$ 5,087	$ -	$ -	$ -	$ -	$ -
Note Payable - Austin Bank		Maturing 08-15-2025	4.50%	85,000	50,396	-	11,740	38,656	12,336	1,762	14,098	1,818
Total Business Type Activities Notes Payable				109,370	55,483	-	16,827	38,656	12,336	1,762	14,098	1,818
GOVERNMENTAL FUND:												
NOTES PAYABLE												
Note Payable - Austin Bank		Maturing 02-15-2022	3.15%	293,772	62,509	-	62,509	-	-	-	-	-
Note Payable - Austin Bank		Maturing 08-10-2028	2.50%	675,666	-	675,666	94,279	581,387	90,944	14,737	105,681	37,958
Total Governmental Fund Notes Payable				969,438	62,509	675,666	156,788	581,387	90,944	14,737	105,681	37,958
Total Notes Payable				$ 1,078,808	$ 117,992	$ 675,666	$ 173,615	$ 620,043	$ 103,280	$ 16,499	$ 119,779	$ 39,776
GOVERNMENTAL FUND:												
LEASES PAYABLE												
UT Health EMS		Maturing 09-30-2023	0.00%	$ 7,879	$ -	$ 7,879	$ 3,938	$ 3,941	$ 3,941	$ -	$ 3,941	$ -
Postage Meter		Maturing 07-31-2025	24.90%	2,495	-	2,495	485	2,010	556	42	598	1,454
City of Tyler IT Equipment		Maturing 09-30-2027	0.00%	1,085,000	-	1,085,000	155,000	930,000	186,000	-	186,000	744,000
Total Governmental Fund Leases Payable				1,095,374	-	1,095,374	159,423	935,951	190,497	42	190,539	745,454
INTERNAL SERVICE FUND												
LEASE PAYABLE												
Lease Payable - Enterprise Fleet Management		Maturing variably through 10-01-2027	0.10% to 6.39%	585,138	343,413	557,787	477,603	423,597	166,114	1,286	167,400	257,483
Total Leases Payable				$ 1,680,512	$ 343,413	$ 1,653,161	$ 637,026	$ 1,359,548	$ 356,611	$ 1,328	$ 357,939	$ 1,002,937

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, 2022, 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 February 15, 2023.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Gollob Morgan Peddy PC

Certified Public Accountants

Tyler, Texas
February 15, 2023