

CITY OF WHITE HOUSE, TENNESSEE

FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORTS

JUNE 30, 2021

CITY OF WHITE HOUSE, TENNESSEE

FINANCIAL STATEMENTS,  
REQUIRED SUPPLEMENTARY INFORMATION  
AND  
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JUNE 30, 2021

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**INTRODUCTORY SECTION**

CITY OF WHITE HOUSE, TENNESSEE

DIRECTORY OF OFFICIALS

Mayor	Mike Arnold
Alderman - Vice Mayor	Farris H. Bibb, Jr.
Alderman	John Decker
Alderman	Clif Hutson
Alderman	John Corbitt
City Administrator	Gerald Herman
City Attorney	Valerie Webb
City Judge	Joseph Zanger
City Recorder	Derek Watson
Chief of Fire Department	Patrick McLaughlin
Chief of Police Department	Pat Brady
Director of Finance	Jason Barnes, CMFO
Director of Human Resources	Amanda Burns
Director of Library	Elizabeth Kozlowski
Director of Parks and Recreation	Kevin Whittaker
Director of Planning and Codes	Ceagus Clark
Director of Public Services	Andy Cieslak

**FINANCIAL SECTION**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Mayor and Aldermen  
City of White House, Tennessee

### REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White House, Tennessee (the "City") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



## OPINIONS

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of White House, Tennessee, as of June 30, 2021 and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison schedule for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## OTHER MATTERS

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11, and the schedules of changes in net pension liability (asset) and related ratios, contributions based on participation in the public employee pension plan of TCRS, changes in total other post-employment benefit liability and related ratios and of contributions and assumptions based on participation in other post-employment benefit on pages 57 through 60 be presented to supplement the basic financial statements.

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of White House, Tennessee's basic financial statements. The introductory section on page i, combining and individual nonmajor fund financial statements and schedules on pages 61 through 83, and the information listed as other supplementary schedules on pages 86 through 87 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal and state awards on pages 84 through 85 is presented for purposes of additional analysis as required by the State of Tennessee *Audit Manual* and are also not a required part of the basic financial statements.

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

The introductory section and the other supplementary schedules on pages 86 - 87 marked “unaudited” have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated December 21, 2021 on our consideration of the City of White House, Tennessee’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City’s internal control over financial reporting and compliance.

Handwritten signature in black ink that reads "Knapf CPAs PLLC". The signature is written in a cursive, slightly slanted style.

Nashville, Tennessee  
December 21, 2021

## CITY OF WHITE HOUSE, TENNESSEE

### MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the City of White House, Tennessee's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the City's financial statements, which begin on page 12.

#### FINANCIAL HIGHLIGHTS

The City's governmental activities total assets increased by \$7,185,000 in 2021 or 15.6%, while business-type activities total assets increased by \$2,188,000 or 7.1%, resulting in an increase in total primary government assets of \$9,373,000 or 12.2%. Governmental activities total revenues for the City increased by \$1,285,000 or 10.6%, while business-type total revenues increased by \$1,678,000 or 26.9%, resulting in an increase in total primary government revenues of \$2,963,000, or 16.1%. The City's governmental activities total program costs for 2021 increased \$1,339,000 or 13.0%, while business-type activities total program costs increased by \$226,000 or 4.4%, resulting in an increase in total primary government program costs of \$1,565,000 or 10.2%. With respect to the City's governmental activities, program costs increased greater than revenues increased, but there was a transfer of liability pertaining to the other post-employment benefits to the business-type activities which resulted in an increase in the change in net position of \$9,000 compared to the prior fiscal year.

#### USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The statement of net position and the statement of activities provide information about the activities of the City of White House, Tennessee as a whole and present a longer-term view of the City's finances. Fund financial statements start on page 14. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds.

#### REPORTING THE CITY AS A WHOLE

For an analysis of the City's financial operation as a whole, we must examine the statement of net position and the statement of activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting method used by most companies in the private sector. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. In reviewing these financial statements, we must ask, "Is the City of White House as a whole financially better or worse as a result of this year's activities?"

One way to answer this question of the City's financial position and stability is to review the City's statements of net position (the difference between assets and liabilities) and the changes in net position over time. Tables 1 and 2 of this discussion and analysis offer this information in a comparative format, which provides an excellent opportunity to evaluate the City's financial health.

In reviewing these statements, you will also need to consider other non-financial factors, such as changes in the City's property and sales tax base and the condition of the City's infrastructure facilities and equipment.

Table 1  
Net Position  
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2021	2020	2021	2020	2021	2020	Change
Current and other assets	\$ 12,929	\$ 11,558	\$ 7,955	\$ 5,173	\$ 20,884	\$ 16,731	\$ 4,153
Capital assets	40,403	34,589	24,949	25,543	65,352	60,132	5,220
Total assets	<u>53,332</u>	<u>46,147</u>	<u>32,904</u>	<u>30,716</u>	<u>86,236</u>	<u>76,863</u>	<u>9,373</u>
Deferred outflows of resources	1,698	1,008	299	181	1,997	1,189	808
Long-term liabilities	10,278	6,247	5,734	6,060	16,012	12,307	3,705
Other liabilities	2,112	1,187	951	839	3,063	2,026	1,037
Total liabilities	<u>12,390</u>	<u>7,434</u>	<u>6,685</u>	<u>6,899</u>	<u>19,075</u>	<u>14,333</u>	<u>4,742</u>
Deferred inflows of resources	5,024	3,971	17	40	5,041	4,011	1,030
Net position:							
Net investment in capital assets	32,573	30,074	19,743	19,205	52,316	49,279	3,037
Restricted	3,899	2,696	137	-	4,036	2,696	1,340
Unrestricted	1,144	2,980	6,621	4,753	7,765	7,733	32
Total net position	<u>\$ 37,616</u>	<u>\$ 35,750</u>	<u>\$ 26,501</u>	<u>\$ 23,958</u>	<u>\$ 64,117</u>	<u>\$ 59,708</u>	<u>\$ 4,409</u>

The significant elements and causes for the changes in the City's governmental activities total assets in 2021 were: (1) Capital assets, net increased by \$5,814,000; (2) Current and other assets increased by \$1,371,000. This includes additions of \$7,635,000 and depreciation expense of \$1,831,000. Major capital asset events affecting governmental activities during the current fiscal year included the following:

- Community Event Center began construction for an addition of \$3,196,000
- Byrum Family Park Land purchase for an addition of \$2,759,000
- Street resurfacing and paving continued for an addition of \$580,000
- Visitors' Center expansion for an addition of \$107,000

The significant aspects of the increase in the City's business-type activities total assets in 2021 were: (1) current and other assets increased by \$2,782,000; (2) capital assets decreased by \$594,000. The net decrease in capital assets is the result of an increase in machinery and equipment of \$435,000, an increase in utility plant in service of \$44,000, an increase in infrastructure of \$153,000, an increase in construction in progress of \$320,000, and depreciation expense of \$1,540,000. Major capital asset events affecting business-type activities during the current fiscal year included the following:

- Wastewater system pump replacement program continued for an addition of \$379,000
- WWTP expansion continued for an addition of \$176,000
- SR76/Pleasant Grove Rd. Drainage Improvements completed for an addition of \$128,000
- Southern Force Main improvements continued for an addition of \$109,000

As shown in Table 1, total liabilities of the City's governmental activities increased by \$4,956,000 or 66.7% to \$12,390,000 in 2021 from \$7,434,000 in 2020. The significant elements and causes for the changes in the City's governmental activities liabilities in 2021 were: (1) long-term liabilities increased by \$4,031,000, and (2) other liabilities increased by \$925,000.

Table 1 also shows total liabilities of the City's business-type activities decreased by \$214,000 or -3.1% to \$6,685,000 in 2021 from \$6,899,000 in 2020. The most significant aspect of the change in the City's business-type activities liabilities in 2021 was the sum of payments on long-term debt in the amount of \$562,000.

Therefore, total net position of the City's governmental activities increased to \$37,616,000 in 2021 from \$35,750,000 in 2020 representing an increase of \$1,866,000 or 5.2%, and total net position of the City's business-type activities increased to \$26,501,000 in 2021 from \$23,958,000 in 2020, representing an increase of \$2,543,000 or 10.6%.

The significant elements and causes for the increase in the City's governmental activities net position are: (1) net investment in capital assets increased by \$2,499,000; (2) restricted net position increased by \$1,203,000; and (3) unrestricted net position decreased by \$1,836,000. The increase in the City's business-type activities net position was due to: (1) net investment in capital assets increased by \$538,000; (2) restricted net position increased by \$137,000; and (3) unrestricted net position increased by \$1,868,000.

Table 2 illustrates the changes in net position. As stated earlier, the changes in net position over time provide an excellent opportunity to evaluate the financial health of the City. Revenues for the City's governmental activities increased to \$13,436,000 in 2021 from \$12,151,000 in 2020, representing an increase of \$1,285,000 or 10.6%. Revenues for the City's business-type activities increased to \$7,911,000 in 2021 from \$6,233,000 in 2020, representing an increase of \$1,678,000 or 26.9%.

The change in revenues of the City's governmental activities for 2021 as compared to 2020 was primarily due to an increase in intergovernmental revenues.

The change in revenues of the City's business-type activities was primarily due to an increase in charges for services.

Table 2 shows that program expenditures for the City's governmental activities increased to \$11,634,000 in 2021 from \$10,295,000 in 2020, representing an increase of \$1,339,000 or 13.0%. Program expenses for the City's business-type activities increased to \$5,305,000 in 2021 from \$5,079,000 in 2020, representing an increase of \$226,000 or 4.4%.

The increase in program expenditures for the City's governmental activities was primarily due to increased costs in general government, public safety, streets, and interest and issuance costs on long-term debt.

The increase in program expenses for the City's business-type activities was primarily due to increased costs in the Wastewater Department, Sanitation Department and Stormwater Department.

The increase in the net position of the City's governmental activities in 2021 was \$1,865,000, as compared to the increase in net position in 2020 of \$1,856,000. This \$9,000 increase is primarily due to the transfer of liability pertaining to the other post-employment benefits to the business-type activities caused by an increase in the number of employees assigned to business-type activities.

Table 2  
Changes in Net Position  
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 925	\$ 717	\$ 7,683	\$ 6,164	\$ 8,608	\$ 6,881
Operating grants and contributions	662	596	196	-	858	596
Capital grants and contributions	211	850	-	-	211	850
General revenues:						
Property taxes	3,918	3,686	-	-	3,918	3,686
Park sales tax	835	705	-	-	835	705
Impact fees	856	264	-	-	856	264
Intergovernmental revenues	5,895	5,251	-	-	5,895	5,251
Interest and investment earnings	10	69	7	61	17	130
Other revenues	124	13	25	8	149	21
Total revenues	13,436	12,151	7,911	6,233	21,347	18,384
<b>PROGRAM EXPENDITURES:</b>						
General government	3,430	2,730	-	-	3,430	2,730
Public safety	4,646	4,364	-	-	4,646	4,364
Streets	792	680	-	-	792	680
Cemetery and maintenance	26	24	-	-	26	24
Library	641	628	-	-	641	628
Parks and recreation	1,396	1,353	-	-	1,396	1,353
Planning and zoning	349	335	-	-	349	335
Miscellaneous	1	1	-	-	1	1
Interest and issuance costs on long-term debt	353	180	-	-	353	180
Wastewater department	-	-	3,641	3,558	3,641	3,558
Sanitation department	-	-	1,040	955	1,040	955
Stormwater department	-	-	624	566	624	566
Total expenses	11,634	10,295	5,305	5,079	16,939	15,374
Excess before transfers	1,802	1,856	2,606	1,154	4,408	3,010
<b>CHANGE IN NET POSITION</b>	1,865	1,856	2,543	1,154	4,408	3,010
<b>NET POSITION, BEGINNING OF YEAR</b>	35,751	33,894	23,958	22,804	59,709	56,698
<b>NET POSITION, END OF YEAR</b>	\$ 37,616	\$ 35,750	\$ 26,501	\$ 23,958	\$ 64,117	\$ 59,708

## BUDGETARY HIGHLIGHTS

### Governmental Activities

The City's fiscal operating year is the 12-month period beginning each July 1. An annual operating budget is submitted to the Board of Mayor and Aldermen prior to the commencement of the related fiscal year, and a budget ordinance for the year is subsequently adopted. Any revisions or amendments require Board action. All annual appropriations that are not expended lapse at fiscal year-end. The budgetary appropriations constitute maximum expenditure authorizations during the fiscal year and cannot legally be exceeded unless subsequently amended by the Board of Mayor and Aldermen.

Some of the significant components of the City's budget for the General Fund for the year ended June 30, 2021 are as follows:

- The original budgeted revenue totaled \$15,766,000.
- Final budgeted revenues for the period were the same as the original budgeted revenues totals. Final actual revenues for the period amounted to \$11,508,000. The primary reason for the difference of actual to budget performance was that debt proceeds were lower anticipated.
- The original budgeted expenditures for the period totaled \$17,548,000.
- Final budgeted expenditures for the period were the same as the original budgeted expenditures totals. Final actual expenditures for the period totaled \$12,984,000. The primary reason for the difference of actual to budget performance was due to capital projects that did not incur the anticipated expenditures during the budget year.
- Therefore, the City realized an actual net decrease in fund balance of \$1,476,000.

### Business-type Activities

The Wastewater, Sanitation and Stormwater Departments adopt an operating budget to assist in planning and forecasting for the fiscal year. The budget is approved and is in effect for the entire fiscal year. Management uses the budget as a planning tool for the coming year.

## CAPITAL ASSETS

Table 3 provides a comparative view of the capital assets of the governmental and business-type activities in six major categories: land, buildings and improvements, machinery and equipment, utility plant in service, infrastructure and construction in progress. Also noted are the amounts of accumulated depreciation applicable to these capital assets.

Table 3  
Capital Assets at Year-End  
(in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2021	2020	2021	2020	2021	2020	Change
Land	\$ 11,528	\$ 8,758	\$ 793	\$ 793	\$ 12,321	\$ 9,551	\$ 2,770
Buildings and improvements	16,454	15,997	2,881	2,881	19,335	18,878	457
Machinery and equipment	5,827	5,109	3,895	3,460	9,722	8,569	1,153
Utility plant in service	-	-	24,902	24,858	24,902	24,858	44
Infrastructure	19,717	19,042	7,057	6,904	26,774	25,946	828
Construction in progress	<u>3,853</u>	<u>851</u>	<u>1,636</u>	<u>1,316</u>	<u>5,489</u>	<u>2,167</u>	<u>3,322</u>
Total capital assets	57,379	49,757	41,164	40,212	98,543	89,969	8,574
Accumulated depreciation	<u>(16,976)</u>	<u>(15,168)</u>	<u>(16,215)</u>	<u>(14,669)</u>	<u>(33,191)</u>	<u>(29,837)</u>	<u>(3,354)</u>
Net capital assets	<u>\$ 40,403</u>	<u>\$ 34,589</u>	<u>\$ 24,949</u>	<u>\$ 25,543</u>	<u>\$ 65,352</u>	<u>\$ 60,132</u>	<u>\$ 5,220</u>

### Governmental Activities

In June 2020, the City's governmental activities had \$34,589,000 (net of accumulated depreciation) invested in a broad range of capital assets, including police and fire equipment, municipal buildings, park facilities, roads, and various other capital assets.

In June 2021 capital assets, were \$40,403,000 (net of accumulated depreciation), representing a net increase of \$5,814,000 or 16.8%. The increase in capital assets was comprised of five significant components: land increase of \$2,770,000, building and improvements increase of \$457,000, machinery and equipment increase of \$718,000, infrastructure increase of \$675,000, and construction in progress increase of \$3,002,000. Capital asset additions in 2021 consisted primarily of Community Event Center construction, Byrum Family Park land purchase, Visitors' Center expansion, various new equipment for public safety and public works and infrastructure improvements on various streets.

### Business-type Activities

In June 2020, the City's business-type activities, consisting of the Wastewater, Sanitation and Stormwater Departments, had \$25,543,000 (net of accumulated depreciation) invested in land, machinery and equipment (which is the largest component of the Sanitation and Stormwater Department's capital assets) and utility plant in service which is by far the most significant component of the Wastewater Department's capital assets.

In June 2021 capital assets were \$24,949,000 (net of accumulated depreciation), representing a net decrease of \$594,000 or -2.3% from 2020. The net decrease included depreciation of \$1,540,000, net of the following: an increase in machinery & equipment of \$435,000, an increase in utility plant in service of \$44,000, an increase in infrastructure of \$153,000, and an increase in construction in progress of \$320,000.

## DEBT ADMINISTRATION

Table 4 provides a comparative view of the various types of long-term debt utilized by the City's governmental and business-type activities in 2021 and 2020:



Table 4  
 Outstanding Debt at Year-End  
 (in Thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		
	2021	2020	2021	2020	2021	2020	Change
General obligation bonds	\$ 4,450	\$ 4,575	\$ 575	\$ 785	\$ 5,025	\$ 5,360	\$ (335)
Total general obligation bonds	<u>4,450</u>	<u>4,575</u>	<u>575</u>	<u>785</u>	<u>5,025</u>	<u>5,360</u>	<u>(335)</u>
Local Government Loan Program Bond	2,625	323	-	-	2,625	323	2,302
Capital outlay notes	1,458	83	-	-	1,458	83	1,375
State wastewater facility revolving loan	-	-	5,200	5,552	5,200	5,552	(352)
Total notes from direct borrowings and direct placements	<u>4,083</u>	<u>406</u>	<u>5,200</u>	<u>5,552</u>	<u>9,283</u>	<u>5,958</u>	<u>3,325</u>
Total bonds and loans payable	8,533	4,981	5,775	6,337	14,308	11,318	2,990
Premium on bonds	139	87	2	2	141	89	52
Total long-term debt	<u>\$ 8,672</u>	<u>\$ 5,068</u>	<u>\$ 5,777</u>	<u>\$ 6,339</u>	<u>\$ 14,449</u>	<u>\$ 11,407</u>	<u>\$ 3,042</u>

Governmental Activities

At the end of the current fiscal year, the City’s governmental activities had outstanding long-term debt of \$8,672,000. The prior year long-term debt amounted to \$5,068,000; consequently, long-term debt increased during the year by \$3,604,000 or 71.1%.

Business-type Activities

At the end of the current fiscal year, the City’s business-type activities had outstanding long-term debt of \$5,777,000 related entirely to the Wastewater Department. The prior year long-term debt amounted to \$6,339,000; consequently, long-term debt decreased during the year by \$562,000 or -8.9%.

The Wastewater Department has outstanding Notes Payable to the State of Tennessee, Revolving Loan Fund due in monthly installments through fiscal year 2037. Also outstanding is a portion of the General Obligation Refunding Bond, Series 2012 due annually through 2024. These are all direct obligations of the City and are backed by the full faith and credit of the City and secured by a lien upon and pledge of the net revenues of the Wastewater system. In addition, the City has pledged to levy and collect additional taxes, to the extent necessary, to meet the debt service obligations under these agreements. In addition, the City has pledged to assign its state shared taxes to the State of Tennessee to secure the payment of the City’s obligations to the State Revolving Loan Fund. The amount due as of June 30, 2021 on the business-type obligations totaled \$5,777,000.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The following economic factors currently affect the City of White House and were considered in developing the 2021-2022 fiscal year budget:

- As of August 2021, the Sumner County’s unemployment rate was at 3.4%. Robertson County’s unemployment rate was at 3.3%. Both counties are at least 1.5% lower than the same time last year which was high primarily due the COVID-19 pandemic economic impact. The unemployment rate for the state of Tennessee during this same time period was 4.6% and the United States was 4.6%.

- Refuse collection fee rates increased \$1 per unit effective July 1, 2021.
- Wastewater rates increased 3% effective July 1, 2021.
- Stormwater utility fee rates have not changed since July 1, 2017.
- The property tax rate for the 2021 tax year (2022 fiscal year) increased from the prior year to \$1.2862 per \$100 for both sections of the City (Robertson and Sumner counties).
- Over the past couple of years, the City has averaged approximately 250 new homes per year in the City. There is reason to believe this average will at least maintain the current level and likely increase due to potential developments currently being built and others being planned.
- During the current fiscal year, the unassigned fund balance in the general fund was \$2,382,706. The City budgeted for this balance to increase by \$219,098 during the 2021-2022 fiscal year.

## COVID-19 PANDEMIC

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 11, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus included restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. Tennessee governor, Bill Lee, declared a state of emergency to facilitate the treatment and containment of COVID-19 on March 12, 2020.

The City is classified by the Department of Homeland Security as part of the nation’s critical infrastructure and continued to provide service to customers. The City took measures to ensure the safety of employees and customers, while continuing to provide library, parks & recreation, public safety, refuse collection, stormwater, and sewer services. The City authorized remote work for many employees and adjusted schedules of others to minimize the number of people on site. Expectations for good hygiene practices and social distancing were communicated and employees were directed not to come to work if they were sick. Employees were provided hand sanitizer, disinfectant wipes, disinfectant sprays, gloves, and masks. Work areas were cleaned daily and high-touch areas cleaned several times per day.

The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries including the geographical area in which the City operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the City, management is continuing to evaluate the evolving situation and will implement appropriate measures as needed.

## REQUESTS FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City of White House’s finances and to show the City’s accountability for the money it receives. If you have any questions about this report or need any additional financial information, please contact the Finance Director at the City of White House, 105 College Street, White House, Tennessee 37188, or (615) 672-4350.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF NET POSITION

JUNE 30, 2021

	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b>ASSETS</b>			
Cash and cash equivalents	\$ 6,395,224	\$ 6,590,888	\$ 12,986,112
Receivables, net	6,359,039	113,317	6,472,356
Unbilled receivables	-	1,085,602	1,085,602
Inventories	-	106,501	106,501
Other current assets	174,622	58,840	233,462
Capital assets:			
Land and construction in progress	15,381,441	2,428,071	17,809,512
Other capital assets, net	<u>25,021,970</u>	<u>22,520,677</u>	<u>47,542,647</u>
<b>TOTAL ASSETS</b>	<u>53,332,296</u>	<u>32,903,896</u>	<u>86,236,192</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on advance refunding	379,884	-	379,884
Deferred outflows related to pensions	746,217	166,369	912,586
Deferred outflows related to other post-employment benefits	<u>571,469</u>	<u>132,900</u>	<u>704,369</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>1,697,570</u>	<u>299,269</u>	<u>1,996,839</u>
<b>LIABILITIES</b>			
Accounts payable	963,958	163,470	1,127,428
Accrued liabilities	159,425	155,837	315,262
Accrued interest	17,981	3,894	21,875
Due within one year	733,676	571,064	1,304,740
Compensated absences	237,101	57,115	294,216
Noncurrent liabilities:			
Compensated absences	41,430	-	41,430
Net pension liability	583,979	130,027	714,006
Net other post-employment benefits	1,714,015	398,608	2,112,623
Due in more than one year	<u>7,938,876</u>	<u>5,205,514</u>	<u>13,144,390</u>
<b>TOTAL LIABILITIES</b>	<u>12,390,441</u>	<u>6,685,529</u>	<u>19,075,970</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Assessed and unlevied property taxes	4,972,000	-	4,972,000
Deferred inflows related to pensions	<u>51,938</u>	<u>16,789</u>	<u>68,727</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>5,023,938</u>	<u>16,789</u>	<u>5,040,727</u>
<b>NET POSITION</b>			
Net investment in capital assets	32,573,009	19,743,234	52,316,243
Restricted for:			
Cemetery	256,103	-	256,103
Parks and recreation	1,609,110	-	1,609,110
Public works	589,328	-	589,328
Other	1,444,128	136,607	1,580,735
Unrestricted	<u>1,143,809</u>	<u>6,621,006</u>	<u>7,764,815</u>
<b>TOTAL NET POSITION</b>	<u>\$ 37,615,487</u>	<u>\$ 26,500,847</u>	<u>\$ 64,116,334</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>GOVERNMENTAL ACTIVITIES:</b>							
General government	\$ 3,429,359	\$ 399,241	\$ 187,105	\$ 211,265	\$ (2,631,748)	\$ -	\$ (2,631,748)
Public safety	4,646,251	9,205	28,800	-	(4,608,246)	-	(4,608,246)
Public works	791,502	-	442,828	-	(348,674)	-	(348,674)
Library	640,725	2,945	809	-	(636,971)	-	(636,971)
Parks and recreation	1,396,139	73,484	2,000	-	(1,320,655)	-	(1,320,655)
Planning and zoning	348,905	369,327	-	-	20,422	-	20,422
Cemetery and maintenance	25,696	71,022	-	-	45,326	-	45,326
Miscellaneous	1,371	-	-	-	(1,371)	-	(1,371)
Interest and other debt service	353,077	-	-	-	(353,077)	-	(353,077)
	<u>11,633,025</u>	<u>925,224</u>	<u>661,542</u>	<u>211,265</u>	<u>(9,834,994)</u>	<u>-</u>	<u>(9,834,994)</u>
<b>BUSINESS-TYPE ACTIVITIES:</b>							
Wastewater Department	3,640,797	5,733,384	195,832	-	-	2,288,419	2,288,419
Solid Waste Department	1,040,164	998,362	-	-	-	(41,802)	(41,802)
Stormwater Department	623,881	951,598	-	-	-	327,717	327,717
	<u>5,304,842</u>	<u>7,683,344</u>	<u>195,832</u>	<u>-</u>	<u>-</u>	<u>2,574,334</u>	<u>2,574,334</u>
<b>TOTAL GOVERNMENT</b>	<b>\$ 16,937,867</b>	<b>\$ 8,608,568</b>	<b>\$ 857,374</b>	<b>\$ 211,265</b>	<b>(9,834,994)</b>	<b>2,574,334</b>	<b>(7,260,660)</b>
<b>GENERAL REVENUES</b>							
Property taxes					3,917,821	-	3,917,821
Intergovernmental revenues					5,894,707	-	5,894,707
Impact fees					855,682	-	855,682
Park sales tax					835,246	-	835,246
Interest and investment earnings					10,126	7,133	17,259
Other revenue					123,666	24,609	148,275
Transfers					62,608	(62,608)	-
					<u>11,699,856</u>	<u>(30,866)</u>	<u>11,668,990</u>
<b>CHANGE IN NET POSITION</b>					<u>1,864,862</u>	<u>2,543,468</u>	<u>4,408,330</u>
<b>NET POSITION - BEGINNING OF YEAR</b>					<u>35,750,625</u>	<u>23,957,379</u>	<u>59,708,004</u>
<b>NET POSITION - END OF YEAR</b>					<u>\$ 37,615,487</u>	<u>\$ 26,500,847</u>	<u>\$ 64,116,334</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2021

	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Parks</u> <u>Sales Tax</u> <u>Fund</u>	<u>Nonmajor</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,844,771	\$ 546,617	\$ 1,185,635	\$ 1,590,190	\$ 6,167,213
Receivables:					
Property taxes	5,129,917	-	-	-	5,129,917
Grant	12,810	-	-	-	12,810
Other taxes	734,591	232,014	150,548	99,159	1,216,312
Prepaid expenses	<u>174,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,615</u>
<b>TOTAL ASSETS</b>	<u>\$ 8,896,704</u>	<u>\$ 778,631</u>	<u>\$ 1,336,183</u>	<u>\$ 1,689,349</u>	<u>\$ 12,700,867</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 947,407	\$ -	\$ 217	\$ 15,433	\$ 963,057
Accrued liabilities	<u>160,319</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,319</u>
<b>TOTAL LIABILITIES</b>	<u>1,107,726</u>	<u>-</u>	<u>217</u>	<u>15,433</u>	<u>1,123,376</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>5,121,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,121,501</u>
<b>FUND BALANCE</b>					
Nonspendable	174,615	-	-	-	174,615
Restricted	110,156	778,631	1,335,966	1,673,916	3,898,669
Unassigned	<u>2,382,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,382,706</u>
<b>TOTAL FUND BALANCES</b>	<u>2,667,477</u>	<u>778,631</u>	<u>1,335,966</u>	<u>1,673,916</u>	<u>6,455,990</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<u>\$ 8,896,704</u>	<u>\$ 778,631</u>	<u>\$ 1,336,183</u>	<u>\$ 1,689,349</u>	<u>\$ 12,700,867</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

RECONCILIATION OF BALANCE SHEET TO STATEMENT OF  
NET POSITION OF GOVERNMENTAL ACTIVITIES

JUNE 30, 2021

TOTAL GOVERNMENTAL FUND BALANCES	\$ 6,455,990
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds Balance Sheet	40,403,411
Long-term liabilities for compensated absences are not due and payable in the current period and therefore are not reported in the governmental funds Balance Sheet	(278,531)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the governmental funds:	
Bonds and notes payable	(8,533,286)
Less: deferred charges on advance refundings	379,884
Add: bond premium	(139,266)
In the Statement of Activities, interest is accrued on outstanding debt, whereas in governmental funds, interest expenditures are reported when due	(17,981)
Net pension liability in governmental activities is not due and payable in the current period and therefore is not reported in the governmental funds Balance Sheet	(583,979)
Employer pension contributions made since the measurement date are deferred outflows of resources in governmental activities but have been expensed in governmental funds Balance Sheet	217,068
Deferred inflows and outflows of resources that are not due and payable in the current period and therefore are not reported in the governmental funds Balance Sheet:	
Deferred outflows related to pensions	529,149
Deferred inflows related to pensions	(51,938)
Deferred outflows related to other post-employment benefits	571,469
Net other post-employment benefit liability in governmental activities is not due and payable in the current period and therefore is not reported in the governmental funds Balance Sheet	(1,714,015)
Certain deferred inflows relating to property taxes in the governmental fund statements is recognized as revenue in the government-wide Statement of Net Position	149,501
Internal service fund is used for charging the costs of certain activities to other funds. The assets and liabilities of the internal service fund are included in governmental activities in the Statement of Net Position	<u>228,011</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 37,615,487</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Debt</u>	<u>Parks</u>	<u>Nonmajor</u>	<u>Total</u>
	<u>Fund</u>	<u>Service</u>	<u>Sales Tax</u>	<u>Governmental</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
REVENUES					
Taxes	\$ 3,910,267	\$ -	\$ 835,246	\$ -	\$ 4,745,513
Intergovernmental revenues	4,921,510	1,368,259	-	491,310	6,781,079
Charges for services	97,911	-	-	74,818	172,729
Licenses and permits	664,514	-	-	855,682	1,520,196
Fines and forfeitures	65,174	-	-	9,205	74,379
Interest revenue	6,394	490	1,578	1,664	10,126
Miscellaneous	<u>121,770</u>	<u>1,933</u>	<u>-</u>	<u>-</u>	<u>123,703</u>
TOTAL REVENUES	<u>9,787,540</u>	<u>1,370,682</u>	<u>836,824</u>	<u>1,432,679</u>	<u>13,427,725</u>
EXPENDITURES					
Current operations:					
General government	5,852,931	-	-	162,636	6,015,567
Public safety	4,462,450	-	-	135,072	4,597,522
Public works	759,060	-	-	555,409	1,314,469
Cemetery and maintenance	-	-	-	36,884	36,884
Library	516,728	-	-	-	516,728
Parks and recreation	1,022,514	-	2,942,425	11,517	3,976,456
Planning and zoning	369,912	-	-	-	369,912
Miscellaneous	-	1,371	-	-	1,371
Debt service					
Principal	-	945,000	281,000	-	1,226,000
Interest	-	136,558	73,665	-	210,223
Bond issuance costs	<u>-</u>	<u>105,542</u>	<u>16,500</u>	<u>-</u>	<u>122,042</u>
TOTAL EXPENDITURES	<u>12,983,595</u>	<u>1,188,471</u>	<u>3,313,590</u>	<u>901,518</u>	<u>18,387,174</u>
REVENUES OVER (UNDER) EXPENDITURES	(3,196,055)	182,211	(2,476,766)	531,161	(4,959,449)
OTHER FINANCING SOURCES					
Bonds issued	120,000	2,730,000	2,750,000	-	5,600,000
Capital outlay note issued	1,600,000	-	-	-	1,600,000
Premium on refunding bonds issued	-	87,973	-	-	87,973
Payments to refunding bond escrow agent	<u>-</u>	<u>(2,712,431)</u>	<u>-</u>	<u>-</u>	<u>(2,712,431)</u>
TOTAL OTHER FINANCING SOURCES	1,720,000	105,542	2,750,000	-	4,575,542
NET CHANGE IN FUND BALANCES	(1,476,055)	287,753	273,234	531,161	(383,907)
FUND BALANCES - BEGINNING OF YEAR	<u>4,143,532</u>	<u>490,878</u>	<u>1,062,732</u>	<u>1,142,755</u>	<u>6,839,897</u>
FUND BALANCES - END OF YEAR	<u>\$ 2,667,477</u>	<u>\$ 778,631</u>	<u>\$ 1,335,966</u>	<u>\$ 1,673,916</u>	<u>\$ 6,455,990</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

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

YEAR ENDED JUNE 30, 2021

NET CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS	\$ (383,907)
Amounts reported for governmental activities in the Statement of Activities are different from amounts reported for governmental funds in the Statement of Revenues, Expenditures and Changes in Fund Balances because:	
Governmental funds report capital outlays as expenditures. However, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense for governmental activities:	
Acquisition of capital assets	7,634,655
Depreciation expense	(1,830,884)
Capital assets transferred from business type activities to governmental activities	11,014
Repayment of bond principal is an expenditure in the governmental funds, but reduces long-term liabilities for governmental activities	1,226,000
Proceeds from new debt is reported as other financing sources (uses) in governmental fund statements but increase long-term liabilities in the government-wide statements:	
Issuance of bonds	(7,203,286)
Payment to bond escrow agent	2,712,431
Governmental funds report the effects of bond premiums when debt is issued, whereas these amounts are deferred and amortized over the life of the bonds with deferred charges as a result of advance refunding:	
Bond premiums received	(87,973)
Amortization of bond premiums	11,720
Amortization of deferred charges	(27,095)
Interest is accrued on the outstanding bonds in the Statement of Activities, whereas in the governmental funds, an interest expenditure is reported when due:	
Accrued interest on debt obligations at June 30, 2021	(17,981)
Accrued interest on debt obligations at June 30, 2020	15,830
Payments to the pension after the measurement date are treated as a deferred outflow of resources in the Statement of Net Position, whereas in the governmental funds, expenses are reported when due	217,068
Expenses reported for governmental activities do not require the use of current financial resources and are not reported as expenditures in the governmental funds:	
Changes in compensated absences	(34,987)
Actuarially determined pension expense	(289,548)
Net recognized differences in other post-employment benefit expense	(134,330)
Delinquent property taxes do not provide current financial resources and are not reported as revenues for governmental funds	7,554
The net revenue (expense) of the internal service fund is reported with governmental activities.	(24,027)
Other post-employment benefit expenses transferred from business-type activities	<u>62,608</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,864,862</u>

See accompanying notes to financial statements.



CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON STATEMENT

GENERAL FUND

YEAR ENDED JUNE 30, 2021

	Original Budget	Final Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>				
Taxes	\$ 3,644,000	\$ 3,644,000	\$ 3,910,267	\$ 266,267
Intergovernmental revenues	4,034,130	4,034,130	4,921,510	887,380
Charges for services	102,000	102,000	97,911	(4,089)
Licenses and permits	456,090	456,090	664,514	208,424
Fines and forfeitures	73,000	73,000	65,174	(7,826)
Interest revenue	29,400	29,400	6,394	(23,006)
Miscellaneous	55,570	55,570	121,770	66,200
<b>TOTAL REVENUES</b>	<b>8,394,190</b>	<b>8,394,190</b>	<b>9,787,540</b>	<b>1,393,350</b>
<b>EXPENDITURES</b>				
Current operations:				
General government	9,418,739	9,418,739	5,852,931	3,565,808
Public safety	5,041,863	5,041,863	4,462,450	579,413
Public works	876,555	876,555	759,060	117,495
Library	528,672	528,672	516,728	11,944
Parks and recreation	1,267,941	1,267,941	1,022,514	245,427
Planning and zoning	414,644	414,644	369,912	44,732
<b>TOTAL EXPENDITURES</b>	<b>17,548,414</b>	<b>17,548,414</b>	<b>12,983,595</b>	<b>4,564,819</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(9,154,224)</b>	<b>(9,154,224)</b>	<b>(3,196,055)</b>	<b>5,958,169</b>
<b>OTHER FINANCING SOURCES</b>				
Bonds issued	5,772,000	5,772,000	120,000	5,652,000
Capital outlay note issued	1,600,000	1,600,000	1,600,000	-
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (1,782,224)</b>	<b>\$ (1,782,224)</b>	<b>(1,476,055)</b>	<b>\$ 11,610,169</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			4,143,532	
<b>FUND BALANCE - END OF YEAR</b>			<b>\$ 2,667,477</b>	

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activity -</u>
		<u>Nonmajor</u>		<u>Internal</u>
	<u>Wastewater</u>	<u>Enterprise</u>	<u>Total</u>	<u>Service Fund</u>
	<u>Fund</u>	<u>Funds</u>		<u>Dental Care Fund</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,997,280	\$ 1,593,608	\$ 6,590,888	\$ 228,011
Accounts receivable, net	76,286	37,031	113,317	-
Unbilled receivables	744,707	340,895	1,085,602	-
Inventories	106,501	-	106,501	-
Other current assets	47,545	11,295	58,840	-
Total current assets	5,972,319	1,982,829	7,955,148	228,011
Capital assets, net	24,129,856	818,892	24,948,748	-
<b>TOTAL ASSETS</b>	<u>30,102,175</u>	<u>2,801,721</u>	<u>32,903,896</u>	<u>228,011</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>				
Deferred outflows related to pensions	101,584	64,785	166,369	-
Deferred outflows related to other post-employment benefits	86,385	46,515	132,900	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>187,969</u>	<u>111,300</u>	<u>299,269</u>	<u>-</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Accounts payable	95,895	67,575	163,470	-
Accrued liabilities	141,679	14,158	155,837	-
Accrued interest	3,894	-	3,894	-
Compensated absences	35,020	22,095	57,115	-
Current maturities of long-term liabilities	571,064	-	571,064	-
Total current liabilities	847,552	103,828	951,380	-
<b>Long-term liabilities</b>				
Long-term liabilities, less current maturities	5,205,514	-	5,205,514	-
Other post-employment benefits liability	259,095	139,513	398,608	-
Net pension liability	77,022	53,005	130,027	-
Total long-term liabilities	5,541,631	192,518	5,734,149	-
<b>TOTAL LIABILITIES</b>	<u>6,389,183</u>	<u>296,346</u>	<u>6,685,529</u>	<u>-</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflows related to pensions	12,493	4,296	16,789	-
<b>NET POSITION</b>				
Net investment in capital assets	18,924,342	818,892	19,743,234	-
Restricted	136,607	-	136,607	-
Unrestricted	4,827,519	1,793,487	6,621,006	228,011
<b>TOTAL NET POSITION</b>	<u>\$ 23,888,468</u>	<u>\$ 2,612,379</u>	<u>\$ 26,500,847</u>	<u>\$ 228,011</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activity - Internal Service Fund Dental Care Fund</u>
	<u>Wastewater Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>OPERATING REVENUES</b>				
Intergovernmental revenues	\$ 195,832	\$ -	\$ 195,832	\$ -
Charges for services	5,733,384	1,949,960	7,683,344	39,623
Licenses and permits	-	8,500	8,500	-
Other operating revenues	1,883	14,226	16,109	-
<b>TOTAL REVENUES</b>	<u>5,931,099</u>	<u>1,972,686</u>	<u>7,903,785</u>	<u>39,623</u>
<b>OPERATING EXPENSES</b>				
Personnel services	974,536	558,297	1,532,833	-
Supplies	271,660	98,650	370,310	-
Utilities	245,553	3,715	249,268	-
Other operating expenses	623,209	921,667	1,544,876	8,329
Depreciation	1,458,708	81,716	1,540,424	-
Claims, net of insurance proceeds	-	-	-	55,691
<b>TOTAL EXPENSES</b>	<u>3,573,666</u>	<u>1,664,045</u>	<u>5,237,711</u>	<u>64,020</u>
<b>OPERATING INCOME (LOSS)</b>	<u>2,357,433</u>	<u>308,641</u>	<u>2,666,074</u>	<u>(24,397)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest income	5,057	2,076	7,133	370
Interest expense	(67,131)	-	(67,131)	-
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>(62,074)</u>	<u>2,076</u>	<u>(59,998)</u>	<u>370</u>
<b>INCOME (LOSS) BEFORE CAPITAL GRANTS, CONTRIBUTIONS AND TRANSFERS</b>	2,295,359	310,717	2,606,076	(24,027)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out, net	(33,423)	(29,185)	(62,608)	-
<b>CHANGE IN NET POSITION</b>	2,261,936	281,532	2,543,468	(24,027)
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>21,626,532</u>	<u>2,330,847</u>	<u>23,957,379</u>	<u>252,038</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 23,888,468</u>	<u>\$ 2,612,379</u>	<u>\$ 26,500,847</u>	<u>\$ 228,011</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activity - Internal Service Fund</u>
	<u>Wastewater Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 5,848,893	\$ 1,932,453	\$ 7,781,346	\$ -
Receipts from internal services provided	-	-	-	39,623
Payments to suppliers	(1,075,945)	(1,023,448)	(2,099,393)	-
Payments to or on behalf of employees	(899,932)	(502,068)	(1,402,000)	-
Claims paid, net of insurance recoveries	-	-	-	(56,433)
Premiums paid	-	-	-	(8,329)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>3,873,016</u>	<u>406,937</u>	<u>4,279,953</u>	<u>(25,139)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to other funds	(33,423)	(29,185)	(62,608)	-
<b>NET CASH USED IN NONCAPITAL FINANCING ACTIVITIES</b>	<u>(33,423)</u>	<u>(29,185)</u>	<u>(62,608)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	(813,235)	(143,517)	(956,752)	-
Proceeds on sale of asset	11,014	-	11,014	-
Payments on long-term debt	(562,319)	-	(562,319)	-
Interest paid	(69,177)	-	(69,177)	-
<b>NET CASH USED IN CAPITAL AND RELATED ACTIVITIES</b>	<u>(1,433,717)</u>	<u>(143,517)</u>	<u>(1,577,234)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest received	5,057	2,076	7,133	370
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>5,057</u>	<u>2,076</u>	<u>7,133</u>	<u>370</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,410,933	236,311	2,647,244	(24,769)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>2,586,347</u>	<u>1,357,297</u>	<u>3,943,644</u>	<u>252,780</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,997,280</u>	<u>\$ 1,593,608</u>	<u>\$ 6,590,888</u>	<u>\$ 228,011</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental Activity - Internal Service Fund</u>
	<u>Wastewater Fund</u>	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	<u>\$ 2,357,433</u>	<u>\$ 308,641</u>	<u>\$ 2,666,074</u>	<u>\$ (24,397)</u>
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation	1,458,708	81,716	1,540,424	-
Net pension adjustment	10,519	6,729	17,248	-
Net other post-employment benefit adjustment	53,729	40,118	93,847	-
Changes in operating assets and liabilities				
Receivables, net	(7,790)	(6,340)	(14,130)	-
Unbilled receivables	(74,416)	(33,893)	(108,309)	-
Inventories	(15,206)	-	(15,206)	-
Other current assets	657	2,328	2,985	-
Accounts payable	62,726	(1,744)	60,982	(742)
Accrued liabilities	<u>26,656</u>	<u>9,382</u>	<u>36,038</u>	<u>-</u>
TOTAL ADJUSTMENTS	<u>1,515,583</u>	<u>98,296</u>	<u>1,613,879</u>	<u>(742)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 3,873,016</u>	<u>\$ 406,937</u>	<u>\$ 4,279,953</u>	<u>\$ (25,139)</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of White House, Tennessee (“City”) was incorporated January 30, 1971, under Section 6-101 through 6-134, *Tennessee Code Annotated*. The City provides public safety, public works, sanitation, recreation, planning and zoning, wastewater and stormwater services to residents and businesses of the City. The City is governed by a mayor and four aldermen.

The accounting and reporting policies of the City in its basic financial statements conform to U.S. generally accepted accounting principles applicable to state and local governments, as promulgated by the Governmental Accounting Standards Board (“GASB”).

Reporting Entity

The City’s basic financial statements include the accounts of all City operations. The criteria for including organizations as component units within the City’s reporting entity, include whether:

- The organization is legally separate (can sue and be sued in their own name)
- The City holds the corporate powers of the organization
- The City appoints a voting majority of the organization’s board
- The City is able to impose its will on the organization
- The organization has the potential to impose a financial benefit/burden on the City
- There is a fiscal dependency by the organization on the City

Based on the aforementioned criteria, management has determined the City has no component units.

The City’s Board of Mayor and Aldermen is responsible for appointing the members of the White House Industrial Development Corporation Board (the “Corporation”) of White House, Tennessee. The Corporation provides industrial development bonds for private enterprises after approval by the City’s Board. The bonds do not constitute debt of the City and are secured solely by revenues received from the commercial organizations on whose behalf the bonds are issued. The City’s accountability for this organization does not extend beyond making the appointments.

Basic Financial Statements

Government-wide 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 nonfiduciary activities of the primary government and its component units (if any). *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

*Government-wide financial statements (continued)*

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

*Fund financial statements*

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental and proprietary - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following governmental funds:

The *general fund* is the government's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted, committed, or assigned for the payment of principal and interest on long-term obligations of governmental funds.

*Special revenue funds* are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The special revenue funds of the City consist of the Hillcrest Cemetery Fund, Police Drug Fund, Impact Fee Fund, Parks Impact Fee Fund, Police Impact Fee Fund, Fire Impact Fee Fund, Road Impact Fee Fund, Industrial Development Fund and State Street Aid Fund. Each of these funds is considered a nonmajor fund. The Parks Sales Tax Fund is also a special revenue fund which is considered a major fund.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basic Financial Statements (continued)

*Fund financial statements (continued)*

The City reports the following enterprise fund as a major fund:

The *Wastewater Fund*, which accounts for the operation of the City's wastewater service.

The City reports the following enterprise funds as nonmajor funds:

The *Solid Waste Fund*, which accounts for solid waste collection services.

The *Stormwater Fund*, which accounts for costs associated with stormwater management.

Additionally, the government reports the following fund types:

An *internal service* fund - the Dental Care Fund is used to report self-funded dental insurance provided to employees of the City.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. 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 (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, 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.



CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources or economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. 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.

The 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Fund Balance Classification

In the governmental fund financial statements, the City has established and will maintain reservations of fund balance, as described below. This policy shall only apply to the City's governmental funds. Fund balance shall be composed of the following fund types:

- *Non-spendable* fund balances are amounts that cannot be spent because they are either in a (a) non-spendable form, including items not expected to be converted to cash (i.e. inventories, prepaid amounts, long-term portion of loans and notes receivable and property acquired for resale), or (b) legally or contractually required to be maintained intact (i.e. the principal of a permanent fund).
- *Restricted* fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by external parties such as creditors or grantors or by law through constitutional provisions or enabling legislation.
- *Committed* fund balances are amounts that can only be used for specific purposes pursuant to constraints imposed by formal legislative action of the Board of Mayor and Alderman and cannot be used for any other purpose unless the Board of Mayor and Alderman remove or change these commitments by taking the same action it employed to impose the commitment.
- *Assigned* fund balances are amounts intended to be used for specific purposes as designated by management of the City.
- *Unassigned* fund balance is the residual classification for the General Fund and negative fund balances in other governmental funds.

Authority to assign certain amounts is granted by the Board of Mayor and Alderman in the annual budget ordinance. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance are available, the City considers restricted amounts to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance amounts are available, the City considers committed fund balance to have been spent first, followed by assigned, then unassigned.

Cash and Cash Equivalents

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and highly liquid investments purchased with maturities of 90 days or less from the date of acquisition.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Receivables

In the government-wide financial statements, receivables consist of all revenues earned at year-end and not yet received. Receivable balances for the governmental activities include property taxes of \$5,129,917, intergovernmental revenues of \$1,216,312 and grants of \$12,810. Receivable balances for the business-type activities consist of billed charges to wastewater, sanitation and stormwater. Allowances for uncollectible accounts receivable are based upon historical trends and the periodic aging of accounts receivable. There was no allowance for uncollectible accounts at June 30, 2021 for the business-type activities.

In the government-wide and governmental funds financial statements, property taxes for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations, have been recorded as deferred inflows. In the governmental funds financial statements, receivables that will not be collected within the available period have also been reported as deferred inflows.

Unbilled revenues for the Wastewater Fund, Solid Waste Fund and Stormwater Fund represent the estimated receivable amount for services provided that have not been billed to customers at the balance sheet date. The amounts are a result of a timing difference between the end of the financial statement cycle (month end) and the billing cycle (two months delayed for wastewater, solid waste and stormwater).

Internal Balances

Any residual receivable or payable balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as “internal balances.”

Inventories

Inventories in the proprietary funds Statement of Net Position consist of materials and supplies used in the operation of wastewater services. Materials and supplies are stated at cost or net realizable value determined by the first-in, first-out (FIFO) method.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

The accounting treatment for property, plant and equipment and infrastructure assets (e.g. roads, bridges, sidewalks and similar items) (capital assets) depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements. In the government-wide financial statements, capital assets used in governmental activities with a cost over \$5,000 and a useful life of three (3) years or more are capitalized at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at their estimated fair value at the date of donation.

Capital assets in the proprietary funds with a cost over \$5,000 and a useful life of three (3) years or more are capitalized at the original cost of construction or acquisition, which includes the cost of contracted services, direct labor, materials and overhead items. Maintenance and repairs, including the renewal of minor items of plant, are charged to the appropriate maintenance or other expense accounts. Depreciation of capital assets is computed and recorded in the statement of activities with accumulated depreciation reflected in the statement of net position.

Depreciation is provided over the assets' estimated useful lives using the straight-line method. The cost of assets under capital leases are depreciated (amortized) over the lesser of the terms of the related leases or the estimated useful lives of the leased assets. Amortization of assets under capital leases is included in depreciation expense. The range of estimated useful lives by type of asset is as follows:

Depreciable Life

Governmental activities:

Buildings and improvements	5 - 40 years
Infrastructure assets	15 - 50 years
Machinery and equipment	3 - 20 years

Business-type activities:

Buildings and improvements	5 - 40 years
Infrastructure assets	15 - 50 years
Machinery and equipment	3 - 15 years
Wastewater plant	5 - 50 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital expenditures of the governmental fund upon acquisition. Capital assets used in the proprietary fund operations are accounted for the same as in the government-wide statements.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows of Resources

Deferred outflows of resources arise when resources are used pertaining to a future reporting period and will not be recognized as an outflow of resource (expense/expenditure) until then. Deferred outflows at June 30, 2021 consist of deferred charges on advance refunding of debt and certain amounts related to pensions and other post-employment benefits (“OPEB”).

Compensated Absences

The City’s policies permit police and fire department employees to accumulate earned, but unused vacation leave up to a maximum of 210 and 264 hours, respectively. Other employees may accumulate up to a maximum of 200 hours. Employees are paid their unused vacation hours upon termination provided the employees provide a two-week notice. At regular retirement, employees that have unused accrued sick hours will be reported to Tennessee Consolidated Retirement System (“TCRS”) for consideration of retirement credits. The liability for compensated absences is recorded as a long-term obligation in the government-wide statements for government and business-type activities. The current portion of the compensated absences is estimated based on historical trends. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources. For governmental and business-type activities, compensated absences are generally liquidated by the fund in which the employees’ time is charged, typically General Fund for governmental activities and Wastewater Fund, Solid Waste Fund or Stormwater Fund for business-type activities.

Long-Term Obligations

The City reports long-term debt and other long-term obligations in the applicable activities in the government-wide financial statements and the proprietary fund financial statements. 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.

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 City’s participation in the Public Employee Retirement Plan of TCRS, and additions to/deductions from the City’s fiduciary net position have been determined on the same basis as they are reported by the TCRS for the Public Employee Retirement Plan. For this purpose, benefits (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms of the Public Employee Retirement Plan of TCRS. Investments are reported at fair value. Current period expense for pension contributions is recorded in the individual fund where the employee’s salary is recorded.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Other Post-Employment Benefits (“OPEB”)

The City provides post-employment health insurance benefits to eligible retirees. The City pays a portion of eligible retiree current year premiums based on length of service but does not fund the plan for future retirements. The balance shown as a liability for OPEB represents the actuarially determined total liability representing the present value of projected benefit payments to be provided to current, active and inactive employees past periods of service.

Deferred Inflows of Resources

Deferred inflows of resources arise when assets are recognized before revenue recognition criteria have been satisfied. The *unavailable revenue* reported in the balance sheet, which arises under a modified accrual basis of accounting, represents amounts that are deferred and recognized as an inflow of resources in the periods that the amounts become available. The *assessed and unlevied property taxes* reported in the statement of net position, arise from imposed nonexchange revenues (property taxes) which are assessed prior to the end of the fiscal year but levied in the subsequent year. Differences between expected and actual experience related to pensions and difference between projected and actual pension plan investment are also included in deferred inflows.

Property Taxes

Property taxes include amounts levied against all real property and tangible personal property used in businesses located in the City. Property taxes are levied (based on the assessed valuation as of January 1) and become due and payable from October 1 through the end of February of each year. Taxes not paid by March 1 of the following year are considered delinquent. The lien for taxes levied each year attaches on the first day of January and continues until such taxes and any penalties, interest or other charges accruing thereon are paid. Assessed values are established by the State of Tennessee at the following rates of appraised value:

Real property:	
Public utility property	55%
Industrial and commercial property	40%
Residential property	25%
Farming and agricultural property	25%
Personal property:	
Public utility property	55%
Industrial and commercial property	30%

A revaluation of all property is required to be completed every five years for Sumner County, Tennessee and every six years for Robertson County, Tennessee. The last revaluation was completed in 2019 for Sumner County and 2018 for Robertson County. The City’s tax rate applicable to 2020 and 2019 was \$1.0362 for both Sumner County and Robertson County on each \$100 of tax valuation.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimates

Estimates used in the preparation of financial statements require management to make assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications have no effect on the change in net position or fund balance as previously presented.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Control

The City's fiscal operating year is the 12-month period beginning each July 1. An annual operating budget is submitted to the Board of Mayor and Aldermen prior to the commencement of the related fiscal year, and a budget resolution for the year is subsequently adopted. Any revisions or amendments require Board action. All annual appropriations not expended lapse at fiscal year-end. The budgetary appropriations constitute maximum expenditure authorizations during the fiscal year and cannot legally be exceeded unless subsequently amended by the Board of Mayor and Aldermen. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level for the General Fund, the account level for the Drug Fund and the fund level for all other funds.

Excess Expenditures

For the year ended June 30, 2021 expenditures did not exceed appropriations in any fund.

Interfund Transactions

Interfund transactions were used to account for debt service expenditures, payroll expenditures, state street aid revenues and park sales tax revenues received by one fund, but not yet transferred to the correct fund, and other miscellaneous expenditures and revenues. At June 30, 2021, there were no unliquidated interfund receivables (payables).

The Wastewater Fund made payments totaling \$121,265 to the General Fund during the current year for payments in lieu of tax which have been reported as intergovernmental revenue in the general fund and other operating expenses in the Wastewater Fund.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 3 - DEPOSITS AND INVESTMENTS

The City is authorized by state statute to invest idle funds in obligations of the U.S. Government and nonconvertible debt securities of the Federal Home Loan Bank, Federal National Mortgage Association, Federal Farm Credit Bank, and Federal Home Loan Mortgage Corporation and other obligations that are guaranteed as to principal and interest by the U.S. Government or any of its agencies, providing that such securities are rated in the highest category by at least two nationally recognized rating services. The City is also authorized to invest in secured certificates of deposit and other evidences of deposit at state and federal chartered banks and savings and loan associations if those deposits are insured or otherwise collateralized. Finally, the City may invest in the local government investment pool established by Title 9, Chapter 4, Part 7 of *Tennessee Code Annotated*.

Additionally, the state statutes require the City's investments to have a final maturity date not to exceed 48 months, unless the state director of local finance approves an investment maturity in excess of 48 months. The City has no formal policies that further restrict credit risk and interest rate risk beyond the requirements of state statutes. Also, the City has no formal policy regarding the management of custodial risk and no formal policy to limit the amount the City may invest in any one issuer.

At June 30, 2021, all deposits were insured or collateralized, as required by state statute. At June 30, 2021, the City's investments consist of the Tennessee Local Government Investment Pool ("LGIP") (a cash equivalent), an unrated external investment pool that operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. The City's amounts included in the Tennessee Local Government Investment Pool are reported at the fair value of its position in the Pool, which approximates the value of the Pool shares at amortized cost. For purposes of disclosing interest rate risk on the deposits held by LGIP, interest rate risk is based on the dollar weighted days to maturity considering the approved maturity shortening features was forty-four days. The Pool does not have a credit rating. The City's investment in the Tennessee Local Government Investment Pool totaled \$214,790 at June 30, 2021.



CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 4 - CAPITAL ASSETS

Capital assets activity for governmental activities for the year was as follows:

Governmental Activities	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<u>Capital assets not being depreciated:</u>					
Land	\$ 8,757,553	\$ 2,759,387	\$ -	\$ 11,500	\$ 11,528,440
Construction in progress	851,181	3,335,966	-	(334,146)	3,853,001
Total capital assets not being depreciated	<u>9,608,734</u>	<u>6,095,353</u>	<u>-</u>	<u>(322,646)</u>	<u>15,381,441</u>
<u>Capital assets being depreciated:</u>					
Buildings and improvements	15,997,282	167,111	-	290,030	16,454,423
Machinery and equipment	5,108,668	714,780	(16,051)	19,895	5,827,292
Infrastructure assets	19,041,609	657,411	-	17,700	19,716,720
Total capital assets being depreciated	<u>40,147,559</u>	<u>1,539,302</u>	<u>(16,051)</u>	<u>327,625</u>	<u>41,998,435</u>
<u>Less accumulated depreciation:</u>					
Buildings, improvements, machinery and equipment	(10,179,478)	(953,609)	16,051	6,035	(11,111,001)
Infrastructure assets	(4,988,189)	(877,275)	-	-	(5,865,464)
Total accumulated depreciation	<u>(15,167,667)</u>	<u>(1,830,884)</u>	<u>16,051</u>	<u>6,035</u>	<u>(16,976,465)</u>
Governmental activities capital assets, net	<u>\$ 34,588,626</u>	<u>\$ 5,803,771</u>	<u>\$ -</u>	<u>\$ 11,014</u>	<u>\$ 40,403,411</u>

Depreciation was charged to governmental activities as follows:

General government	\$ 655,001
Public safety	347,518
Public works	198,624
Cemetery and maintenance	5,312
Library	138,482
Parks and recreation	478,486
Planning and zoning	7,461
	<u>\$ 1,830,884</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 4 - CAPITAL ASSETS (CONTINUED)

Capital assets activity for business-type activities for the year was as follows:

Business-Type Activities	Balance July 1, 2020	Additions	Retirements	Transfers	Balance June 30, 2021
<u>Capital assets not being depreciated:</u>					
Land	\$ 792,760	\$ -	\$ -	\$ -	\$ 792,760
Construction in progress	1,317,137	343,939	-	(25,765)	1,635,311
Total capital assets not being depreciated	<u>2,109,897</u>	<u>343,939</u>	<u>-</u>	<u>(25,765)</u>	<u>2,428,071</u>
<u>Capital assets being depreciated:</u>					
Wastewater plant	24,857,701	44,757	-	-	24,902,458
Building and improvements	2,880,628	-	-	-	2,880,628
Machinery and equipment	3,460,163	440,173	-	(4,978)	3,895,358
Infrastructure assets	6,903,743	127,883	-	25,765	7,057,391
Total capital assets being depreciated	<u>38,102,235</u>	<u>612,813</u>	<u>-</u>	<u>20,787</u>	<u>38,735,835</u>
<u>Less accumulated depreciation:</u>					
Wastewater plant	(11,529,331)	(647,283)	-	-	(12,176,614)
Building and improvements	(315,429)	(95,301)	-	-	(410,730)
Machinery and equipment	(1,343,508)	(449,362)	-	(6,036)	(1,798,906)
Infrastructure assets	(1,480,430)	(348,478)	-	-	(1,828,908)
Total accumulated depreciation	<u>(14,668,698)</u>	<u>(1,540,424)</u>	<u>-</u>	<u>(6,036)</u>	<u>(16,215,158)</u>
Business-type activities capital assets, net	<u>\$ 25,543,434</u>	<u>\$ (583,672)</u>	<u>\$ -</u>	<u>\$ (11,014)</u>	<u>\$ 24,948,748</u>

Depreciation was charged to the following funds within business-type activities:

Wastewater	\$ 1,458,708
Solid Waste	18,697
Stormwater	<u>63,019</u>
	<u>\$ 1,540,424</u>

Construction in progress consists of multiple projects to improve buildings, sidewalks and roads and are estimated to be completed during the year ending June 30, 2022. Total commitments on these projects as of June 30, 2021 are approximately \$31,497,000 (see Note 10).

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE

The City's long-term debt is segregated between the amounts to be repaid from governmental activities and amounts to be repaid from business-type activities.

The Debt Service Fund and Parks Sales Tax Fund have been used to liquidate governmental activities long-term debt.

The following table summarizes the changes in the City's governmental activity long-term liabilities for the year:

Governmental Activities	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Refunding Bonds	\$ 1,915,000	\$ 2,730,000	\$ (355,000)	\$ 4,290,000	\$ 340,000
General Obligation Public Improvement Bonds	<u>2,660,000</u>	<u>-</u>	<u>(2,500,000)</u>	<u>160,000</u>	<u>80,000</u>
Total general obligation bonds	<u>4,575,000</u>	<u>2,730,000</u>	<u>(2,855,000)</u>	<u>4,450,000</u>	<u>420,000</u>
Capital Outlay Note	83,000	1,600,000	(225,000)	1,458,000	146,000
Local Government Loan Program Bond	<u>323,000</u>	<u>2,873,286</u>	<u>(571,000)</u>	<u>2,625,286</u>	<u>155,000</u>
Total notes from direct borrowings and direct placements	<u>406,000</u>	<u>4,473,286</u>	<u>(796,000)</u>	<u>4,083,286</u>	<u>301,000</u>
Total long-term debt before premiums	4,981,000	7,203,286	(3,651,000)	8,533,286	721,000
Plus: unamortized premium on bonds	<u>86,828</u>	<u>87,973</u>	<u>(35,535)</u>	<u>139,266</u>	<u>12,676</u>
Total long-term debt	<u>\$ 5,067,828</u>	<u>\$ 7,291,259</u>	<u>\$ (3,686,535)</u>	<u>\$ 8,672,552</u>	<u>\$ 733,676</u>
Accrued compensated absences	\$ 243,544	\$ 302,858	\$ (267,871)	\$ 278,531	\$ 237,101
Net pension liability	362,543	221,436	-	583,979	-
Net OPEB liability	<u>1,240,431</u>	<u>473,584</u>	<u>-</u>	<u>1,714,015</u>	<u>-</u>
Total other obligations payable	<u>\$ 1,846,518</u>	<u>\$ 997,878</u>	<u>\$ (267,871)</u>	<u>\$ 2,576,525</u>	<u>\$ 237,101</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

Following is a summary of changes in business-type activity long-term debt for the year:

Business-Type Activities	Balance July 1, 2020	Increases	Decreases	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Refunding Bonds	\$ 785,000	\$ -	\$ (210,000)	\$ 575,000	\$ 215,000
Total general obligation bonds	<u>785,000</u>	<u>-</u>	<u>(210,000)</u>	<u>575,000</u>	<u>215,000</u>
Notes payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund	5,551,734	-	(351,730)	5,200,004	355,475
Total notes from direct placement	<u>5,551,734</u>	<u>-</u>	<u>(351,730)</u>	<u>5,200,004</u>	<u>355,475</u>
Total long-term debt before premiums	6,336,734	-	(561,730)	5,775,004	570,475
Plus: unamortized premium on bonds	<u>2,163</u>	<u>-</u>	<u>(589)</u>	<u>1,574</u>	<u>589</u>
Total long-term debt	<u>\$ 6,338,897</u>	<u>\$ -</u>	<u>\$ (562,319)</u>	<u>\$ 5,776,578</u>	<u>\$ 571,064</u>
Accrued compensated absences	\$ 46,307	\$ 72,400	\$ (61,592)	\$ 57,115	\$ 57,115
Net pension liability	77,330	52,697	-	130,027	-
Net OPEB liability	<u>199,082</u>	<u>199,526</u>	<u>-</u>	<u>398,608</u>	<u>-</u>
Total other obligations payable	<u>\$ 322,719</u>	<u>\$ 324,623</u>	<u>\$ (61,592)</u>	<u>\$ 585,750</u>	<u>\$ 57,115</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

Details of the City's long-term liabilities are as follows:

Governmental Activities:

General Obligation Public Improvement Bonds, Series 2013, due in increasing installments through June 2043, at fixed rates ranging from 2.00% to 4.25%; interest payable semiannually on June 1 and December 1 and principal payable annually on June 1 of each year. A portion of this bond was refunded during fiscal year 2021.	\$ 160,000
General Obligation Refunding Bonds, Series 2015, due in varying installments through June 2028, at fixed interest rates ranging from 2.00% to 2.45%; interest payable semiannually on December 1 and June 1 and principal payable annually on June 1 of each year.	1,600,000
General Obligation Refunding Bonds, Series 2020, due in varying installments through June 2043, at fixed interest rates ranging from 1.70% to 3.00%; interest payable semiannually on December 1 and June 1 and principal payable annually on June 1 of each year.	<u>2,690,000</u>
Total general obligation bonds	<u>4,450,000</u>
General Obligation Water Line Capital Outlay Note, Series 2020, due in varying installments through June 2030, at a fixed rate of 2.55%; interest payable semiannually on December 1 and June 1 and principal payable annually on June 1 of each year.	1,458,000
Local Government Loan Program Bond, Series 2020, City of White House Community Event Center Loan, due in varying installments through August 2022, at a fixed rate of 2.75%; interest payable semiannually on December 1 and June 1 and principal payable annually on June 1 of each year.	26,286
Local Government Loan Program Bond, Series 2020, City of White House Loan, due in varying installments through June 2035, at a fixed rate of 2.71%; interest payable semiannually on December 1 and June 1 and principal payable annually on June 1 of each year.	<u>2,599,000</u>
Total notes from direct borrowings and direct placements	<u>4,083,286</u>
Total long-term debt before premiums	8,533,286
Plus: unamortized premium on bonds	<u>139,266</u>
Total long-term debt	<u>\$ 8,672,552</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

Business-type Activities:

General Obligation Refunding Bond

General Obligation Refunding Bond, Series 2012, due in varying installments through June 2024, at fixed interest rates ranging from 1.00% to 2.00%; interest payable semiannually on June 1 and December 1 and principal payable annually on June 1 of each year.

\$ 575,000

Total general obligation bonds

575,000

State Revolving Loan Fund Debt:

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in monthly installments of \$2,970, including interest at 1.77%, through May 2031.

323,970

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in monthly installments of \$1,777, including interest at 1.74%, through April 2032.

210,440

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in equal monthly installments of \$16,556, including interest at 1.0%, through December 2034.

2,505,124

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in equal monthly installments of \$1,765, including interest at 1.00%, through March 2036.

290,300

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in equal monthly installments of \$7,181, including interest at 0.75%, through September 2033.

1,241,310

Note Payable to State of Tennessee, Wastewater Facility Revolving Loan Fund, due in equal monthly installments of \$3,719, including interest at 1.11%, through October 2036.

628,860

Notes from direct placements

5,200,004

Total long term debt before premiums

5,775,004

Plus: unamortized premium on bonds

1,574

Total long term debt

\$ 5,776,578

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

The principal and related interest on the General Obligation Refunding Bonds, Series 2015 and the General Obligation Refunding Bonds, Series 2020 are direct obligations of the City and are backed by the full faith and credit of the City. Also, the City pledges to levy and collect additional taxes, to the extent necessary, to meet the debt service obligations as they become due.

The General Obligation Refunding Bonds Series 2012 are backed by the full faith and credit of the City and are payable from and secured by a lien upon and pledge of the net revenues of the Wastewater system. Also, the City pledges to levy and collect additional taxes, to the extent necessary, to meet the debt service obligations under these agreements.

Debt Service Requirements

The annual debt service requirements to maturity, including principal and interest, for governmental activities long-term debt are as follows:

Year Ended June 30,	General Obligation Bonds		Notes from Direct Borrowings and Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 420,000	\$ 107,450	\$ 301,000	\$ 108,336	\$ 936,786
2023	280,000	95,250	335,286	99,862	810,398
2024	335,000	88,600	318,000	91,555	833,155
2025	330,000	80,275	325,000	83,183	818,458
2026	330,000	72,513	335,000	74,627	812,140
2027-2031	1,020,000	251,718	1,624,000	236,341	3,132,059
2032-2036	670,000	166,330	845,000	58,021	1,739,351
2037-2041	740,000	94,780	-	-	834,780
2042-2043	325,000	12,250	-	-	337,250
	<u>\$ 4,450,000</u>	<u>\$ 969,166</u>	<u>\$ 4,083,286</u>	<u>\$ 751,925</u>	<u>\$ 10,254,377</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

Debt Service Requirements (continued)

The annual debt service requirements to maturity, including principal and interest, for business-type activities long-term debt are as follows:

Year Ended June 30,	General Obligation Bonds		Notes from Direct Placements		Total
	Principal	Interest	Principal	Interest	
2022	\$ 215,000	\$ 10,743	\$ 355,475	\$ 51,918	\$ 633,136
2023	220,000	6,980	359,264	48,128	634,372
2024	140,000	2,800	363,088	44,305	550,193
2025	-	-	366,970	40,423	407,393
2026	-	-	370,873	36,520	407,393
2027-2031	-	-	1,911,848	122,138	2,033,986
2032-2036	-	-	1,436,312	30,699	1,467,011
2037	-	-	36,174	62	36,236
	<u>\$ 575,000</u>	<u>\$ 20,523</u>	<u>\$ 5,200,004</u>	<u>\$ 374,193</u>	<u>\$ 6,169,720</u>

Debt Issuance

On July 8, 2020, the City issued a \$2,750,000 Local Government Loan Program Bond, Series 2020, to purchase land for use as park and recreational facilities for the residents of the City. The bond has a fixed interest rate of 2.71%. Bond proceeds were recorded in the Parks Sales Tax Fund

On July 23, 2020, the City issued a \$1,600,000 General Obligation Water Line Capital Outlay Note, Series 2020, to finance a portion of the costs of the construction and installation of a water line for the new town center of the City and other related costs. The capital outlay note has a fixed interest rate of 2.55%.

On August 27, 2020, the City issued a \$11,000,000 Local Government Loan Program Bond, Series 2020, to refund the full amount due on the \$10,000,000 Local Government Loan Program Bond, Series 2019. The Series 2020 bond is to finance the costs of the design, construction and equipping of a new Community Event Center for the City, which will include an event center, senior center, and administrative offices, the costs of the demolition of the current facility (Civic Center) and the costs of the renovation of the current gymnasium. The new bond has a fixed interest rate of 2.75%.



CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 5 - LONG-TERM DEBT AND OTHER OBLIGATIONS PAYABLE (CONTINUED)

On September 11, 2020, the City issued a \$2,730,000 General Obligation Refunding Bonds, Series 2020, to refund a portion of the General Obligation Public Improvement Bonds, Series 2013. The new refunding bond has interest rates ranging from 1.70% to 3.00%. The remaining portion of the Series 2013 bond has interest rates from 2.30% to 2.50%.

On December 17, 2020, the City received a \$12,448,000 Clean Water State Revolving Fund loan for the Wastewater Treatment Upgrade/Expansion - Advanced Treatment Project. The revolving fund loan has a fixed interest rate of 0.91%.

Debt Issuance Subsequent to Year-End

On July 22, 2021, the City received an additional \$8,000,000 State Revolving Fund loan for the Wastewater Treatment Upgrade/Expansion - Advanced Treatment Project. The revolving fund loan has a fixed interest rate of 1.09%.

NOTE 6 - DEFERRED COMPENSATION PLAN

Effective August 1, 2016, the City joined the Tennessee State Employees Deferred Compensation Plan and Trust 457(b) and the State of Tennessee Deferred Compensation Plan II 401(k) plans administered by the Treasury Department. The Treasury Department issues a publicly available financial report that can be obtained at [www.treasury.tn.gov/treasurer/Annual\\_Reports](http://www.treasury.tn.gov/treasurer/Annual_Reports).

Employees are not required to contribute to the plan. Employees may contribute a portion of their gross salary, not to exceed the IRS guidelines, into the plan. The plan allows members to increase, decrease, stop and restart deferrals as often as they wish without penalties or fees. The City does not contribute to the plan. Total employee contributions for the year ended June 30, 2021 were \$6,351 to the 457(b) plan. For year ended June 30, 2021, total employee contributions were \$22,290 to the 401(k) plan.

NOTE 7 - PENSION PLAN

Plan Description

Employees of the City are provided a defined benefit pension plan through the Public Employee Retirement Plan, an agent multiple-employer pension plan administered by the TCRS. The TCRS was created by state statute under Tennessee Code Annotated Title 8, Chapters 34-37. The TCRS Board of Trustees is responsible for the proper operation and administration of the TCRS. The Tennessee Treasury Department, an agency in the legislative branch of state government, administers the plans of the TCRS. The TCRS issues a publicly available financial report that can be obtained at <http://treasury.tn.gov/Retirement/Boards-and-Governance/Reporting-and-Investment-Policies>.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Benefits Provided

Tennessee Code Annotated Title 8, Chapters 34-37 establishes the benefit terms and can be amended only by the Tennessee General Assembly. The chief legislative body may adopt the benefit terms permitted by statute. Members are eligible to retire with an unreduced benefit at age 60 with 5 years of service credit or after 30 years of service credit regardless of age. Benefits are determined by a formula using the member's highest five consecutive year average compensation and the member's years of service credit. Reduced benefits for early retirement are available at age 55 and vested. Members vest with five years of service credit. Service-related disability benefits are provided regardless of length of service. Five years of service is required for nonservice-related disability eligibility. The service-related and nonservice-related disability benefits are determined in the same manner as a service retirement benefit but are reduced 10 percent and include projected service credits. A variety of death benefits are available under various eligibility criteria.

Member and beneficiary annuitants are entitled to automatic cost of living adjustments ("COLA") after retirement. A COLA is granted each July for annuitants retired prior to the 2<sup>nd</sup> of July of the previous year. The COLA is based on the change in the consumer price index ("CPI") during the prior calendar year, capped at 3 percent, and applied to the current benefit. No COLA is granted if the change in the CPI is less than one-half percent. A one percent COLA is granted if the CPI change is between one-half percent and one percent. A member who leaves employment may withdraw their employee contributions, plus any accumulated interest.

Employees Covered by Benefit Terms

At the measurement date of June 30, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to but not yet receiving benefits	114
Active employees	<u>97</u>
	<u>247</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Contributions

Contributions for employees are established in the statutes governing the TCRS and may only be changed by the Tennessee General Assembly. Employees contribute 5 percent of salary. The City makes employer contributions at the rate set by the Board of Trustees as determined by an actuarial valuation. For the year ended June 30, 2021, the employer contributions for the City was \$271,191 based on a rate of 5.05% percent of covered payroll. By law, employer contributions are required to be paid. The TCRS may intercept the City's state shared taxes if required employer contributions are not remitted. The employer's ADC and member contributions are expected to finance the costs of benefits earned by members during the year, the cost of administration, as well as an amortized portion of any unfunded liability.

Net Pension Liability

The City's net pension liability (asset) was measured as of June 30, 2020, and the total pension liability used to calculate net pension liability (asset) was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total pension liability as of June 30, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of pension plan investment expenses, including inflation
Cost-of-living adjustment	2.25 percent

Mortality rates were based on actual experience including an adjustment for some anticipated improvement.

The actuarial assumptions used in the June 30, 2020 actuarial valuation were based on the results of an actuarial experience study performed for the period July 1, 2012 through June 30, 2016. The demographic assumptions were adjusted to more closely reflect actual and expected future experience.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Actuarial Assumptions (continued)

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees in conjunction with the June 30, 2016 actuarial experience study. A blend of future capital market projections and historical market returns was used in a building-block method in which a best-estimate of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) is developed for each major asset class. These best-estimates are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation of 2.50 percent. The best-estimates of geometric real rates of return and the TCRS investment policy target asset allocation for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>
U.S. equity	5.69 %	31 %
Developed market international equity	5.29 %	14 %
Emerging market international equity	6.36 %	4 %
Private equity and strategic lending	5.79 %	20 %
U.S. fixed income	2.01 %	20 %
Real estate	4.32 %	10 %
Short-term securities	0.00 %	1 %
		<u>100 %</u>

The long-term expected rate of return on pension plan investments was established by the TCRS Board of Trustees as 7.25 percent based on a blending of the factors described above.

Discount Rate

The discount rate used to measure the total pension liability was 7.25 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current rate and that contributions from the City will be made at the actuarially determined contribution rate pursuant to an actuarial valuation in accordance with the funding policy of the TCRS Board of Trustees and as required to be paid by state statute. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Asset)

	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability (Asset)</u>
	(a)	(b)	(a) – (b)
BALANCE AT JUNE 30, 2019	\$ 9,824,419	\$ 9,384,546	\$ 439,873
 CHANGES FOR THE YEAR:			
Service cost	389,320	-	389,320
Interest	731,560	-	731,560
Changes in benefit terms	-	-	-
Differences between expected and actual experience	93,838	-	93,838
Changes in assumptions	-	-	-
Contributions - employer	-	249,365	(249,365)
Contributions - employee	-	228,695	(228,695)
Net investment income	-	471,014	(471,014)
Benefit payments, including refunds of employee contributions	(246,501)	(246,501)	-
Administrative expense	-	(8,489)	8,489
Other changes	-	-	-
Net changes	<u>968,217</u>	<u>694,084</u>	<u>274,133</u>
BALANCE AT JUNE 30, 2020	<u>\$ 10,792,636</u>	<u>\$ 10,078,630</u>	<u>\$ 714,006</u>

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the net pension liability (asset) of the City, calculated using the discount rate of 7.25 percent, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.25 percent) or 1 percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>(6.25%)</u>	<u>(7.25%)</u>	<u>(8.25%)</u>
City's net pension liability (asset)	<u>\$ 2,484,331</u>	<u>\$ 714,006</u>	<u>\$ (710,253)</u>

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 7 - PENSION PLAN (CONTINUED)

Pension Expense

For the year ended June 30, 2021, the City recognized pension expense of \$358,455.

Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 467,542	\$ 68,727
Net difference between projected and actual earnings on pension plan investments	79,080	-
Changes in assumptions	94,773	-
Contributions subsequent to the measurement date of June 30, 2020	<u>271,191</u>	<u>-</u>
Total	<u>\$ 912,586</u>	<u>\$ 68,727</u>

The amount shown above for “Contributions subsequent to the measurement date of June 30, 2020” will be recognized as a reduction (increase) to net pension liability (asset) in the following measurement period.

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

<u>Year Ended June 30:</u>	
2022	\$ 84,249
2023	129,913
2024	147,521
2025	156,366
2026	41,205
Thereafter	13,405

In the table shown above, positive amounts will increase pension expense while negative amounts will decrease pension expense.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 8 - POST-EMPLOYMENT HEALTHCARE PLAN

Plan Description

The City administers the City of White House Post-Retirement Medical Insurance Plan. For accounting purposes, the plan is a single-employer OPEB plan. Benefits are established and amended by the Mayor and Board of Aldermen. Retirement for the purpose of receiving medical/dental benefits from the City is defined as follows: (a) either a minimum thirty (30) years of service with TCRS and a minimum of fifteen (15) years of service with the City or (b) age sixty (60) with a minimum of fifteen (15) years of service with the City. The plan does not issue a stand-alone report and is not held in a Trust.

Benefits Provided

The Retiree will pay the same percentage of the monthly premium as active employees for retiree only coverage and 100% of the spousal premium if chosen, and City will be required to pay the remainder premium. The City will pay 100% of the dental insurance premium for retiree only coverage and the retiree will pay 100% of the premium of the spousal premium if chosen. Retiree medical/dental benefits cease when the retiree or retiree's spouse becomes eligible for Medicare, whichever occurs later, or upon the retiree's death.

Employees Covered

At the measurement date of June 30, 2021, the following employees of the City were covered by the benefit terms:

Inactive employees currently receiving benefit payments	3
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	<u>102</u>
	<u>105</u>

As of June 30, 2021, there were three inactive employees currently receiving benefit payments.

Actuarial Assumptions

The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless other specified:

Inflation	3.00 percent
Salary increases	3.00 percent
Healthcare cost trend rates	8.00 percent decreasing per year to an ultimate rate of 5.00 percent
Investment rate of return	Beginning of year 2.66 percent, end of year 2.18 percent
Retirees' share of benefit-related cost	3.00 percent of medical and dental premium for retiree, 100.00 percent of medical premium for dependent/family

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 8 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Actuarial Assumptions (continued)

Mortality tables are used to measure the probabilities of participants dying before and after retirement. The mortality rates employed in this valuation are taken from the RP-2006 Healthy Participant Mortality Table for Annuitants for non-disabled post-retirement mortality, with mortality improvement projected to all future years using Scale MP-2019.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.18 percent and 2.66 percent per annum at June 30, 2021 and June 30, 2020, respectively. This rate reflects the interest rate derived from yields on 20-year, tax-exempt general obligation municipal bonds, prevailing on the measurement date, with an average rating of AA/Aa as shown on the Fidelity 20-Year Municipal GO AA index.

Changes in the total OPEB liability for the year ended June 30, 2021 measured as of June 30, 2021 follows:

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
BALANCE AT JUNE 30, 2020	\$ 1,439,513
CHANGES FOR THE YEAR:	
Service cost	89,673
Interest	39,757
Changes in benefit terms	-
Differences between expected and actual experience	504,201
Changes in assumptions	88,796
Benefit payments	<u>(49,317)</u>
Net changes	<u>673,110</u>
BALANCE AT JUNE 30, 2021	<u>\$ 2,112,623</u>



CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 8 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.18%) or 1-percentage-point higher (3.18%) than the current discount rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>1.18%</u>	<u>2.18%</u>	<u>3.18%</u>
Total OPEB liability	<u>\$ 2,297,621</u>	<u>\$ 2,112,623</u>	<u>\$ 1,927,624</u>

Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the total OPEB liability, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (7.0% decreasing to 4.0%) or 1-percentage-point higher (9.0% decreasing to 6.0%) than the current healthcare cost trend rate.

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
	<u>(7.0% decreasing to 4.0%)</u>	<u>(8.0% decreasing to 5.0%)</u>	<u>(9.0% decreasing to 6.0%)</u>
Total OPEB liability	<u>\$ 1,894,005</u>	<u>\$ 2,112,623</u>	<u>\$ 2,372,355</u>

OPEB Expense

For the fiscal year ended June 30, 2021, the City recognized OPEB expense of \$165,569.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 8 - POST-EMPLOYMENT HEALTHCARE PLAN (CONTINUED)

Deferred Outflows of Resources

At June 30, 2021, the City reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflow of Resources</u>	<u>Deferred Inflow of Resources</u>
Differences between expected and actual experience	\$ 556,278	\$ -
Changes in assumptions	<u>148,091</u>	<u>-</u>
Total	<u>\$ 704,369</u>	<u>\$ -</u>

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

<u>Year Ended June 30:</u>	
2022	\$ 81,800
2023	81,800
2024	81,800
2025	81,800
2026	81,800
Thereafter	213,567

In the table above, positive amounts will increase OPEB expense while negative amounts will decrease OPEB expense.

NOTE 9 - 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; injuries to employees; and natural disasters. The City participates in Public Entity Partners (“PEP”) (formerly known as Tennessee Municipal League Risk Management Pool (“the Pool”)). PEP operates as a common risk-sharing pool by which governments pool risks and funds and share in the costs of losses. The City pays annual premiums to PEP for its general liability insurance coverage, law enforcement liability, errors and omissions liability, auto liability, workers’ compensation and property coverage. The City’s workers’ compensation coverage is retrospectively rated, whereby premiums are accrued based on the ultimate costs of the experience of the City. Claims arising are paid by PEP. PEP has the right to assess participants for loss experience in excess of premiums collected. The City’s settled claims have not exceeded insurance coverage in any of the past three fiscal years.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 9 - RISK MANAGEMENT (CONTINUED)

Through March 31, 2012, the City had a self-funded insurance plan for City employees and their covered dependents to minimize the total cost of medical, dental and prescription drug insurance to the City. Effective April 1, 2012, the City terminated the portion of the self-funded plan for medical and prescription drug insurance and has contracted with a commercial insurance carrier to provide employee medical and prescription drug insurance for the benefit of the City's employees. The City continues to maintain a self-funded plan for dental insurance, which is administered by a third party, and remains the only activity of the Dental Care Fund (Internal Service Fund).

Changes in the City's claims liability amount are as follows:

<u>Year Ended June 30,</u>	<u>Liability Beginning of Year</u>	<u>Incurred Claims</u>	<u>Claim Payments</u>	<u>Liability End of Year</u>
2021	\$ 742	\$ 54,949	\$ 55,691	\$ -
2020	1,163	43,096	43,517	742
2019	-	62,574	61,411	1,163

NOTE 10 - COMMITMENTS AND UNCERTAINTIES

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the Federal and State governments. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantors cannot be determined at this time although the City's management expects such amounts, if any, to be immaterial.

The City is subject to various claims and legal activities, which arise from time to time; however, the outcome of these claims and legal actions is not presently determinable. City management, in consultation with legal counsel, does not expect any possible liability to materially exceed the City's limits of insurance.

In July 2018, the City entered into an agreement with Jacobs Engineering for engineering services related the wastewater treatment plant expansion. As of June 30, 2021, the project was still in the planning phase and is not expected to be complete before June 30, 2022. The estimated cost to complete engineering for this project is \$340,000. The estimated cost for construction of this project is \$20,448,000. Therefore, the estimated total cost to complete this project is \$20,788,000.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 10 - COMMITMENTS AND UNCERTAINTIES (CONTINUED)

In September 2018, the City entered into an agreement with HFR Design for the design of the community event center. As of June 30, 2021, the design phase was still in progress, and the remaining commitment to HFR design was \$93,000. The construction phase began with R.G. Anderson. Remaining commitments to R.G. Anderson on June 30, 2021 are \$5,123,000. There are also outstanding commitments to Nashville Office Interiors of \$304,000 to furnish the building. Therefore, the estimated cost to complete this project is \$5,520,000. This project is expected to be completed by June 30, 2022.

In January 2021, the City entered into an agreement with HFR Design for the renovation of the parks civic center. As of June 30, 2021, the design phase was still in progress, and the remaining commitment to HFR design was \$157,000. The total of the cost to finish this project is unknown at this time. This project is not expected to be completed before June 30, 2022.

In October 2020, the city entered into an agreement with CSR Engineering for the Soccer complex. The remaining commitment to CSR Engineering at June 30, 2021 is \$177,920. The remaining commitment to Fuel Tank Maintenance Co at June 30 2021 is \$829,000. Therefore, remaining total commitments for this project are \$1,006,920. This project is expected to be completed by June 30 2022.

In April 2021, the City entered into an agreement with CSR Engineering for the tennis court facilities. Remaining commitments to CSR Engineering at June 30, 2021 are \$164,800. The estimated total to complete this project is \$1,000,000. This project is expected to be completed by June 30, 2022.

In August 2020, the City entered into an agreement with CSR Engineering for the N Palmers Chapel vacuum to gravity conversion project. The remaining commitments to L&G Construction to complete this project are \$529,176. This project is expected to be completed by June 30, 2022.

In May 2021, the city entered into an agreement with CSR Engineering for the project southern force main. The remaining commitments to CSR Engineering at June 30, 2021 were \$248,225. The total remaining to complete this project is estimated \$2,450,000. This project is expected to be completed by June 30, 2022.

In September 2020, the City entered into an agreement with TT of Ford Murfreesboro to purchase a fire brush truck. The total to be paid to TT of Ford Murfreesboro is \$46,251 and is expected to be completed after year-end.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 10 - COMMITMENTS AND UNCERTAINTIES (CONTINUED)

COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the City operates. While it is unknown how long these conditions will last and what the complete financial effect will be to the City, management is continuing to evaluate the evolving situation and will implement appropriate countermeasures as needed.

NOTE 11 - TAX ABATEMENT

The City enters into property tax abatement agreements with local businesses under the Tennessee Code Annotated Section 7-53-305, being a provision of the Tennessee Industrial Development Corporations Act (the “Act”). Under the Act, localities may grant property tax abatements of up to 100 percent of a business’ property tax bill for the purpose of attracting or retaining businesses within their jurisdictions. The abatement may be granted to any business located within or promising to relocate to the City.

For the fiscal year ended June 30, 2021, the City abated property taxes totaling \$9,255 under this program.

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS

In June 2017, GASB issued Statement No. 87, *Leases*, (GASB 87) which establishes single model for lease accounting based on the foundational principles that leases are financing and require lessee to recognize a lease liability and intangible right-to-use asset. The provisions in GASB 87 are effective for reporting periods beginning after June 15, 2021, in fiscal year 2022 for the City. The City is evaluating the effects of adoption of GASB 87 on its financial statements.

The GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, required for fiscal periods beginning after December 15, 2020, in fiscal year 2022 for the City. This Statement enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. The City is evaluating the impact that this standard may have on the financial statements and related disclosures.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

The GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*, the objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. The requirements of this Statement, except for paragraphs 13 and 14 are effective for reporting periods beginning after June 15, 2020, fiscal year 2021 for the City. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021, fiscal year 2023 for the City. The requirements in paragraphs 13 and 14 are effective for fiscal years periods beginning after June 15, 2021, fiscal year 2022 for the City, and all reporting periods thereafter.

The GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, the primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnerships agreements (PPPs). The requirements of this Statement are effective for fiscal beginning after June 15, 2022, fiscal year 2023 for the City, and all reporting periods thereafter.

The GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, this Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangement (SBITAs). The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, fiscal year 2023 for the City, and all reporting periods thereafter.

The 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*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement are effective as follows:

- The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately.
- The requirements in paragraphs 6 - 9 of this Statement are effective for fiscal years beginning after June 15, 2021, fiscal year 2022 for the City.
- All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021, fiscal year 2022 for the City.

CITY OF WHITE HOUSE, TENNESSEE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

JUNE 30, 2021

NOTE 12 - NEW ACCOUNTING PRONOUNCEMENTS (CONTINUED)

Earlier application is encouraged and is permitted by specific requirement as follows:

- Paragraph 4 of this Statement as it applies to arrangements other than defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans.
- Paragraphs 6 - 9 of this Statement and the supersession of the remaining requirements of Statement 32 (as detailed in paragraph 3 of this Statement).

Earlier application is encouraged if Statement 84, as amended, has been implemented.

REQUIRED SUPPLEMENTARY INFORMATION



CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET)  
AND RELATED RATIOS BASED ON PARTICIPATION IN THE PUBLIC EMPLOYEE PENSION  
PLAN OF TCRS

LAST FISCAL YEAR ENDING JUNE 30

	2014	2015	2016	2017	2018	2019	2020
<b>TOTAL PENSION LIABILITY</b>							
Service cost	\$ 254,580	\$ 278,351	\$ 289,785	\$ 305,365	\$ 370,545	\$ 406,948	\$ 389,320
Interest	394,172	438,848	482,007	525,791	602,645	654,586	731,560
Differences between actual & expected experience	50,987	(10,068)	(43,707)	383,813	(79,716)	264,358	93,838
Change of assumptions	-	-	-	189,549	-	-	-
Benefit payments, including refunds of employee contributions	(133,720)	(121,931)	(164,291)	(155,473)	(180,321)	(246,585)	(246,501)
<b>NET CHANGE IN TOTAL PENSION LIABILITY</b>	566,019	585,200	563,794	1,249,045	713,153	1,079,307	968,217
<b>TOTAL PENSION LIABILITY - BEGINNING</b>	5,067,901	5,633,920	6,219,120	6,782,914	8,031,959	8,745,112	9,824,419
<b>TOTAL PENSION LIABILITY - ENDING (A)</b>	5,633,920	6,219,120	6,782,914	8,031,959	8,745,112	9,824,419	10,792,636
<b>PLAN FIDUCIARY NET POSITION</b>							
Contributions - employer	186,991	189,806	199,188	220,223	170,562	251,260	249,365
Contributions - employee	179,767	166,038	173,811	204,761	203,380	226,597	228,695
Net investment income	821,461	183,990	169,078	769,325	645,877	642,635	471,014
Benefit payments, including refunds of employee contributions	(133,720)	(121,931)	(164,291)	(155,473)	(180,321)	(246,585)	(246,501)
Administrative expense	(3,061)	(4,191)	(6,466)	(7,946)	(8,729)	(8,791)	(8,489)
<b>NET CHANGE IN PLAN FIDUCIARY NET POSITION</b>	1,051,438	413,712	371,320	1,030,890	830,769	865,116	694,084
<b>PLAN FIDUCIARY NET POSITION - BEGINNING</b>	4,821,301	5,872,739	6,286,451	6,657,771	7,688,661	8,519,430	9,384,546
<b>PLAN FIDUCIARY NET POSITION - ENDING (B)</b>	5,872,739	6,286,451	6,657,771	7,688,661	8,519,430	9,384,546	10,078,630
<b>NET PENSION LIABILITY (ASSET) - ENDING (A)-(B)</b>	\$ (238,819)	\$ (67,331)	\$ 125,143	\$ 345,298	\$ 225,682	\$ 439,873	\$ 714,006
Plan fiduciary net position as a percentage of total pension liability	104.24 %	101.08 %	98.16 %	95.73 %	97.42 %	95.52 %	93.38 %
Covered-employee payroll	\$ 3,174,709	\$ 3,312,492	\$ 3,476,222	\$ 4,062,490	\$ 4,060,984	\$ 4,919,764	\$ 4,550,445
Net pension liability (asset) as a percentage of covered-employee payroll	(7.52) %	(2.03) %	3.60 %	8.45 %	5.56 %	8.94 %	15.69 %

**NOTES TO SCHEDULE:**  
*Changes of assumption:* In 2017, amounts reported as changes of assumption resulted from changes to the inflation rate, investment rate of return, cost-of-living adjustment, salary growth and mortality improvements

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CONTRIBUTIONS BASED ON PARTICIPATION IN THE PUBLIC  
EMPLOYEE PENSION PLAN OF TCRS  
LAST FISCAL YEAR ENDING JUNE 30

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarial determined contribution	\$ 186,991	\$ 189,806	\$ 199,188	\$ 220,223	\$ 170,562	\$ 251,260	\$ 249,365	\$ 271,191
Contributions in relation to the actuarial determined contribution	186,991	189,806	199,188	220,223	170,562	251,260	249,365	271,191
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 3,174,709	\$ 3,312,492	\$ 3,476,222	\$ 4,062,490	\$ 4,060,984	\$ 4,919,764	\$ 5,110,561	\$ 5,368,740
Contributions as a percentage covered employee payroll	5.89 %	5.73 %	5.73 %	5.42 %	4.20 %	5.11 %	4.88 %	5.05 %

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

NOTES TO SCHEDULE:

Valuation date: Actuarially determined contribution rates for fiscal year 2021 were calculated based on the June 30, 2019 actuarial valuation.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level dollar, closed (not to exceed 20 years)
Remaining amortization period	Varies by Year
Asset valuation	10-year smoothed within a 20 percent corridor to market value
Inflation	2.50 percent
Salary increases	Graded salary ranges from 8.72 to 3.44 percent based on age, including inflation, averaging 4.00 percent
Investment rate of return	7.25 percent, net of investment expense, including inflation
Retirement age	Pattern of retirement determined by experience study
Mortality	Customized table based on actual experience including an adjustment for some anticipated improvement
Cost of living adjustments	2.25 percent

Changes of assumptions: In 2017, the following assumptions were changed: decreased inflation rate from 3.00 percent to 2.50 percent; decreased the investment rate of return from 7.50 percent to 7.25 percent; decreased the cost-of-living adjustment from 2.50 percent to 2.25 percent; decreased salary growth graded ranges from an average of 4.25 percent to an average of 4.00 percent; and modified mortality assumptions.

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY  
AND RELATED RATIOS

LAST FISCAL YEAR ENDING JUNE 30

	2018	2019	2020	2021
<u>TOTAL OPEB LIABILITY</u>				
Service cost	\$ 184,183	\$ 214,377	\$ 81,653	\$ 89,673
Interest	72,960	72,908	35,555	39,757
Changes in benefit terms	-	(1,535,993)	-	-
Differences between actual & expected experience	59,105	66,991	51,002	504,201
Change of assumptions	-	27,143	27,301	88,796
Benefit payments	(7,272)	(10,770)	(42,623)	(49,317)
	<u>308,976</u>	<u>(1,165,344)</u>	<u>152,888</u>	<u>673,110</u>
NET CHANGE IN TOTAL OPEB LIABILITY				
TOTAL OPEB LIABILITY - BEGINNING	2,142,993	2,451,969	1,286,625	1,439,513
TOTAL OPEB LIABILITY - ENDING	\$ 2,451,969	\$ 1,286,625	\$ 1,439,513	\$ 2,112,623
Covered-employee payroll	\$ 4,371,261	\$ 4,737,166	\$ 4,625,906	\$ 5,229,300
Net OPEB liability as a percentage of covered-employee payroll	56.09 %	27.16 %	31.12 %	40.40 %

This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CONTRIBUTIONS AND ASSUMPTIONS BASED  
ON PARTICIPATION IN OTHER POST-EMPLOYMENT BENEFIT

LAST FISCAL YEAR ENDING JUNE 30

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarial determined contribution [SC + 20 year amortization NOL]	\$ 257,143	\$ 378,883	\$ 166,622	\$ 183,284
Contributions in relating to the actuarially determined contribution	<u>7,272</u>	<u>10,770</u>	<u>42,623</u>	<u>49,317</u>
Contribution deficiency (excess)	<u>\$ 249,871</u>	<u>\$ 368,113</u>	<u>\$ 123,999</u>	<u>\$ 133,967</u>
Covered-employee payroll	\$ 4,371,361	\$ 4,737,166	\$ 4,625,906	\$ 5,229,300
Contributions as a percentage covered employee payroll	0.17 %	0.23 %	0.92 %	0.94 %

NOTES TO SCHEDULE:

Valuation date:	6/30/2017	6/30/2018	6/30/2019	7/1/2020
Census date:	6/30/2018	6/30/2018	6/30/2018	6/30/2021
Investment rate of return:	2.98 %	2.81 %	2.66 %	2.18 %

*Methods and assumptions used to determine contribution rates:*

Actuarial cost method	Entry Age Normal
Amortization method	N/A
Amortization period	N/A
Asset valuation	Market
Inflation	3.00 percent
Discount rate	2.66 percent per annum at 06/30/2020 2.18 percent per annum at 06/30/2021 (1.18% and 3.18% are illustrated for Sensitivity)
Healthcare cost trend rates	8.00 percent decrease to 5.00 percent ultimate
Salary increases	3.00 percent per annum for EAN
Retirement age	Rates from age 60
Mortality	RP-2006 mortality table with MP-2019 projection
Withdrawal:	Sarasson T-5 Table
Marital - actives	Wife is assumed to be same age as the husband. 70% of males and 50% of females are assumed married No longer applicable; only the three retirees on 06/30/2019 are eligible for spousal coverage.
Participation rate:	100% of eligible retirees expected to participate

\* Reflective of published municipal bond indices; the S&P Municipal Bond 20-year High Grade Rate Index as of 06/30/2021 was 2.18%. Since the plan is not pre-funded, the Index will apply.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

CITY OF WHITE HOUSE, TENNESSEE

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2021

	Industrial Development Fund	State Street Aid Fund	Parks Impact Fee Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Roads Impact Fee Fund	Police Drug Fund	Hillcrest Cemetery Fund	Total Nonmajor Governmental Funds
ASSETS									
Cash and cash equivalents	\$ 61,324	\$ 172,452	\$ 273,144	\$ 268,438	\$ 179,704	\$ 348,032	\$ 30,993	\$ 256,103	\$ 1,590,190
Receivables									
Other taxes	21,856	77,303	-	-	-	-	-	-	99,159
Total assets	\$ 83,180	\$ 249,755	\$ 273,144	\$ 268,438	\$ 179,704	\$ 348,032	\$ 30,993	\$ 256,103	\$ 1,689,349
LIABILITIES									
Accounts payable	\$ 6,974	\$ 8,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,433
Total liabilities	6,974	8,459	-	-	-	-	-	-	15,433
FUND BALANCES									
Restricted	76,206	241,296	273,144	268,438	179,704	348,032	30,993	256,103	1,673,916
Total fund balances	76,206	241,296	273,144	268,438	179,704	348,032	30,993	256,103	1,673,916
Total liabilities and fund balances	\$ 83,180	\$ 249,755	\$ 273,144	\$ 268,438	\$ 179,704	\$ 348,032	\$ 30,993	\$ 256,103	\$ 1,689,349

CITY OF WHITE HOUSE, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	Industrial Development Fund	State Street Aid Fund	Parks Impact Fee Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Roads Impact Fee Fund	Police Drug Fund	Hillcrest Cemetery Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>									
Intergovernmental revenues									
State and county revenue	\$ 71,312	\$ -	\$ -	\$ -	\$ -	\$ -	200	\$ -	71,512
Gasoline and motor fuel tax	-	215,529	-	-	-	-	-	-	215,529
Gas 1989	-	33,602	-	-	-	-	-	-	33,602
Gas 3 cent	-	62,261	-	-	-	-	-	-	62,261
Gas 2017 tax	-	108,406	-	-	-	-	-	-	108,406
Charges for services									
Cemetery and maintenance	-	-	-	-	-	-	-	74,818	74,818
Licenses and permits									
Impact fees	-	-	189,114	210,020	138,585	317,963	-	-	855,682
Fines and forfeitures									
Drug related fines and forfeitures	-	-	-	-	-	-	9,205	-	9,205
Interest revenue	165	373	196	205	119	222	39	345	1,664
<b>Total revenues</b>	<b>71,477</b>	<b>420,171</b>	<b>189,310</b>	<b>210,225</b>	<b>138,704</b>	<b>318,185</b>	<b>9,444</b>	<b>75,163</b>	<b>1,432,679</b>
<b>EXPENDITURES</b>									
General government									
Supplies	988	-	-	-	-	-	-	-	988
Other operating expenses	54,386	-	-	-	-	-	-	-	54,386
Capital outlay	107,262	-	-	-	-	-	-	-	107,262
Public safety									
Supplies	-	-	-	-	-	-	331	-	331
Other operating expenses	-	-	-	-	-	-	1,999	-	1,999
Capital outlay	-	-	-	65,000	67,742	-	-	-	132,742
Public works									
Supplies	-	20,939	-	-	-	-	-	-	20,939
Other operating expenses	-	16,739	-	-	-	-	-	-	16,739
Capital outlay	-	457,731	-	-	-	60,000	-	-	517,731
Cemetery and maintenance									
Supplies	-	-	-	-	-	-	-	2,000	2,000
Utilities	-	-	-	-	-	-	-	1,138	1,138
Other operating expenses	-	-	-	-	-	-	-	17,246	17,246
Capital outlay	-	-	-	-	-	-	-	16,500	16,500

(continued on next page)

CITY OF WHITE HOUSE, TENNESSEE

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES (CONTINUED)

NONMAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	Industrial Development Fund	State Street Aid Fund	Parks Impact Fee Fund	Police Impact Fee Fund	Fire Impact Fee Fund	Roads Impact Fee Fund	Police Drug Fund	Hillcrest Cemetery Fund	Total Nonmajor Governmental Funds
EXPENDITURES (CONTINUED)									
Parks and recreation	\$ -	\$ -	\$ 11,517	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,517
Capital outlay									
Total expenditures	162,636	495,409	11,517	65,000	67,742	60,000	2,330	36,884	901,518
REVENUES OVER (UNDER)									
EXPENDITURES - NET CHANGE IN FUND BALANCE	(91,159)	(75,238)	177,793	145,225	70,962	258,185	7,114	38,279	531,161
FUND BALANCES - BEGINNING OF YEAR	167,365	316,534	95,351	123,213	108,742	89,847	23,879	217,824	1,142,755
FUND BALANCES - END OF YEAR	\$ 76,206	\$ 241,296	\$ 273,144	\$ 268,438	\$ 179,704	\$ 348,032	\$ 30,993	\$ 256,103	\$ 1,673,916



CITY OF WHITE HOUSE, TENNESSEE  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS

JUNE 30, 2021

	<u>Solid Waste Fund</u>	<u>Stormwater Fund</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 504,314	\$ 1,089,294	\$ 1,593,608
Accounts receivable, net	23,805	13,226	37,031
Unbilled receivables	177,309	163,586	340,895
Other current assets	<u>4,037</u>	<u>7,258</u>	<u>11,295</u>
Total current assets	709,465	1,273,364	1,982,829
Capital assets, net	<u>60,457</u>	<u>758,435</u>	<u>818,892</u>
<b>TOTAL ASSETS</b>	<u>769,922</u>	<u>2,031,799</u>	<u>2,801,721</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>			
Deferred outflows related to pensions	25,123	39,662	64,785
Deferred outflows related to other post-employment benefits	<u>13,290</u>	<u>33,225</u>	<u>46,515</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>38,413</u>	<u>72,887</u>	<u>111,300</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	66,294	1,281	67,575
Accrued liabilities	4,710	9,448	14,158
Compensated absences	<u>7,422</u>	<u>14,673</u>	<u>22,095</u>
Total current liabilities	<u>78,426</u>	<u>25,402</u>	<u>103,828</u>
<b>Long-term liabilities</b>			
Other post-employment benefits liability	39,861	99,652	139,513
Net pension liability	<u>17,617</u>	<u>35,388</u>	<u>53,005</u>
Total long-term liabilities	<u>57,478</u>	<u>135,040</u>	<u>192,518</u>
<b>TOTAL LIABILITIES</b>	<u>135,904</u>	<u>160,442</u>	<u>296,346</u>
<b>DEFERRED INFLOW OF RESOURCES</b>			
Deferred inflows related to pensions	<u>2,970</u>	<u>1,326</u>	<u>4,296</u>
<b>NET POSITION</b>			
Net investment in capital assets	60,457	758,435	818,892
Unrestricted	<u>609,004</u>	<u>1,184,483</u>	<u>1,793,487</u>
<b>TOTAL NET POSITION</b>	<u>\$ 669,461</u>	<u>\$ 1,942,918</u>	<u>\$ 2,612,379</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE  
COMBINING STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN NET POSITION

NONMAJOR PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2021

	<u>Solid Waste</u> <u>Fund</u>	<u>Stormwater</u> <u>Fund</u>	<u>Total</u> <u>Nonmajor</u> <u>Enterprise</u> <u>Funds</u>
OPERATING REVENUES			
Charges for services	\$ 998,362	\$ 951,598	\$ 1,949,960
Licenses and permits	-	8,500	8,500
Other operating revenues	<u>7,477</u>	<u>6,749</u>	<u>14,226</u>
TOTAL REVENUES	<u>1,005,839</u>	<u>966,847</u>	<u>1,972,686</u>
OPERATING EXPENSES			
Personnel services	172,896	385,401	558,297
Supplies	20,790	77,860	98,650
Utilities	864	2,851	3,715
Other operating expenses	826,917	94,750	921,667
Depreciation	<u>18,697</u>	<u>63,019</u>	<u>81,716</u>
TOTAL EXPENSES	<u>1,040,164</u>	<u>623,881</u>	<u>1,664,045</u>
OPERATING INCOME (LOSS)	<u>(34,325)</u>	<u>342,966</u>	<u>308,641</u>
NONOPERATING REVENUES (EXPENSES)			
Interest income	<u>744</u>	<u>1,332</u>	<u>2,076</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>744</u>	<u>1,332</u>	<u>2,076</u>
INCOME BEFORE CAPITAL GRANTS, CONTRIBUTIONS AND TRANSFERS	(33,581)	344,298	310,717
OTHER FINANCING SOURCES (USES)			
Transfers out, net	<u>2,992</u>	<u>(32,177)</u>	<u>(29,185)</u>
CHANGE IN NET POSITION	(30,589)	312,121	281,532
NET POSITION - BEGINNING OF YEAR	<u>700,050</u>	<u>1,630,797</u>	<u>2,330,847</u>
NET POSITION - END OF YEAR	<u>\$ 669,461</u>	<u>\$ 1,942,918</u>	<u>\$ 2,612,379</u>

See accompanying notes to financial statements.

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

INDUSTRIAL DEVELOPMENT FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Intergovernmental revenues	\$ 110,000	\$ 110,000	\$ 71,312	\$ (38,688)
Interest revenue	<u>2,800</u>	<u>2,800</u>	<u>165</u>	<u>(2,635)</u>
Total revenues	<u>112,800</u>	<u>112,800</u>	<u>71,477</u>	<u>(41,323)</u>
EXPENDITURES				
Capital outlay	125,000	118,087	107,262	10,825
Miscellaneous	<u>52,000</u>	<u>58,913</u>	<u>55,374</u>	<u>3,539</u>
Total expenditures	<u>177,000</u>	<u>177,000</u>	<u>162,636</u>	<u>14,364</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ (64,200)</u>	<u>\$ (64,200)</u>	<u>(91,159)</u>	<u>\$ (26,959)</u>
FUND BALANCES - BEGINNING OF YEAR			<u>167,365</u>	
FUND BALANCES - END OF YEAR			<u>\$ 76,206</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

STATE STREET AID FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Intergovernmental revenues	\$ 401,000	\$ 401,000	\$ 419,798	\$ 18,798
Interest revenue	<u>4,200</u>	<u>4,200</u>	<u>373</u>	<u>(3,827)</u>
Total revenues	<u>405,200</u>	<u>405,200</u>	<u>420,171</u>	<u>14,971</u>
EXPENDITURES				
Roads	40,000	42,000	37,678	4,322
Capital outlay	<u>490,000</u>	<u>488,000</u>	<u>457,731</u>	<u>30,269</u>
Total expenditures	<u>530,000</u>	<u>530,000</u>	<u>495,409</u>	<u>34,591</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ (124,800)</u>	<u>\$ (124,800)</u>	<u>(75,238)</u>	<u>\$ 49,562</u>
FUND BALANCE - BEGINNING OF YEAR			<u>316,534</u>	
FUND BALANCE - END OF YEAR			<u>\$ 241,296</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

PARKS SALES TAX FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES</b>				
Taxes	\$ 685,185	\$ 685,185	\$ 835,246	\$ 150,061
Interest revenue	<u>10,100</u>	<u>10,100</u>	<u>1,578</u>	<u>(8,522)</u>
Total revenues	<u>695,285</u>	<u>695,285</u>	<u>836,824</u>	<u>141,539</u>
<b>EXPENDITURES</b>				
Parks and recreation	300	300	3,315	(3,015)
Capital outlay	3,626,000	3,626,000	2,939,110	686,890
Debt service				
Principal	281,000	281,000	281,000	-
Interest	81,325	81,325	73,665	7,660
Bond issuance cost	<u>16,500</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
Total expenditures	<u>4,005,125</u>	<u>4,005,125</u>	<u>3,313,590</u>	<u>691,535</u>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>				
	<u>(3,309,840)</u>	<u>(3,309,840)</u>	<u>(2,476,766)</u>	<u>(549,996)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	<u>2,750,000</u>	<u>2,750,000</u>	<u>2,750,000</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ (559,840)</u>	<u>\$ (559,840)</u>	273,234	<u>\$ (549,996)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>			<u>1,062,732</u>	
<b>FUND BALANCE - END OF YEAR</b>			<u>\$ 1,335,966</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

PARKS IMPACT FEE FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Licenses and permits	\$ 68,664	\$ 68,664	\$ 189,114	\$ 120,450
Interest revenue	<u>700</u>	<u>700</u>	<u>196</u>	<u>(504)</u>
Total revenues	<u>69,364</u>	<u>69,364</u>	<u>189,310</u>	<u>119,946</u>
EXPENDITURES				
Capital outlay	<u>15,000</u>	<u>15,000</u>	<u>11,517</u>	<u>3,483</u>
Total expenditures	<u>15,000</u>	<u>15,000</u>	<u>11,517</u>	<u>3,483</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ 54,364</u>	<u>\$ 54,364</u>	177,793	<u>\$ 123,429</u>
FUND BALANCE - BEGINNING OF YEAR,			<u>95,351</u>	
FUND BALANCE - END OF YEAR			<u>\$ 273,144</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

POLICE IMPACT FEE FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Licenses and permits	\$ 54,804	\$ 54,804	\$ 210,020	\$ 155,216
Interest revenue	<u>1,000</u>	<u>1,000</u>	<u>205</u>	<u>(795)</u>
Total revenues	<u>55,804</u>	<u>55,804</u>	<u>210,225</u>	<u>154,421</u>
EXPENDITURES				
Capital outlay	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
Total expenditures	<u>65,000</u>	<u>65,000</u>	<u>65,000</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ (9,196)</u>	<u>\$ (9,196)</u>	145,225	<u>\$ 154,421</u>
FUND BALANCE - BEGINNING OF YEAR,			<u>123,213</u>	
FUND BALANCE - END OF YEAR			<u>\$ 268,438</u>	

CITY OF WHITE HOUSE, TENNESSEE  
BUDGETARY COMPARISON SCHEDULE

FIRE IMPACT FEE FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES</b>				
Licenses and permits	\$ 37,000	\$ 37,000	\$ 138,585	\$ 101,585
Interest revenue	<u>1,000</u>	<u>1,000</u>	<u>119</u>	<u>(881)</u>
Total revenues	<u>38,000</u>	<u>38,000</u>	<u>138,704</u>	<u>100,704</u>
<b>EXPENDITURES</b>				
Capital outlay	<u>74,500</u>	<u>74,500</u>	<u>67,742</u>	<u>6,758</u>
Total expenditures	<u>74,500</u>	<u>74,500</u>	<u>67,742</u>	<u>6,758</u>
<b>REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE</b>				
	<u>\$ (36,500)</u>	<u>\$ (36,500)</u>	70,962	<u>\$ 107,462</u>
FUND BALANCE - BEGINNING OF YEAR,			<u>108,742</u>	
FUND BALANCE - END OF YEAR			<u>\$ 179,704</u>	



CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

ROAD IMPACT FEE FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Licenses and permits	\$ 78,120	\$ 78,120	\$ 317,963	\$ 239,843
Interest revenue	<u>1,200</u>	<u>1,200</u>	<u>222</u>	<u>(978)</u>
Total revenues	<u>79,320</u>	<u>79,320</u>	<u>318,185</u>	<u>238,865</u>
EXPENDITURES				
Capital outlay	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
Total expenditures	<u>60,000</u>	<u>60,000</u>	<u>60,000</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ 19,320</u>	<u>\$ 19,320</u>	258,185	<u>\$ 238,865</u>
FUND BALANCE - BEGINNING OF YEAR,			<u>89,847</u>	
FUND BALANCE - END OF YEAR			<u>\$ 348,032</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

POLICE DRUG FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Intergovernmental revenues	\$ 300	\$ 300	\$ 200	\$ (100)
Fines and forfeitures	3,600	3,600	9,205	5,605
Interest revenue	<u>200</u>	<u>200</u>	<u>39</u>	<u>(161)</u>
Total revenues	<u>4,100</u>	<u>4,100</u>	<u>9,444</u>	<u>5,344</u>
EXPENDITURES				
Public safety	<u>4,500</u>	<u>4,500</u>	<u>2,330</u>	<u>2,170</u>
Total expenditures	<u>4,500</u>	<u>4,500</u>	<u>2,330</u>	<u>2,170</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE				
	<u>\$ (400)</u>	<u>\$ (400)</u>	7,114	<u>\$ 7,514</u>
FUND BALANCE - BEGINNING OF YEAR			<u>23,879</u>	
FUND BALANCE - END OF YEAR			<u>\$ 30,993</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

HILLCREST CEMETERY FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
REVENUES				
Charges for services	\$ 31,700	\$ 31,700	\$ 74,818	\$ 43,118
Interest revenue	<u>3,000</u>	<u>3,000</u>	<u>345</u>	<u>(2,655)</u>
Total revenues	<u>34,700</u>	<u>34,700</u>	<u>75,163</u>	<u>40,463</u>
EXPENDITURES				
Cemetery and maintenance	28,890	27,390	20,384	7,006
Capital outlay	<u>15,000</u>	<u>16,500</u>	<u>16,500</u>	<u>-</u>
Total expenditures	<u>43,890</u>	<u>43,890</u>	<u>36,884</u>	<u>7,006</u>
REVENUES OVER (UNDER) EXPENDITURES - NET CHANGE IN FUND BALANCE	<u>\$ (9,190)</u>	<u>\$ (9,190)</u>	38,279	<u>\$ 47,469</u>
FUND BALANCE - BEGINNING OF YEAR			<u>217,824</u>	
FUND BALANCE - END OF YEAR			<u>\$ 256,103</u>	

CITY OF WHITE HOUSE, TENNESSEE

BUDGETARY COMPARISON SCHEDULE

DEBT SERVICE FUND

YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,162,800	\$ 1,162,800	\$ 1,368,259	\$ 205,459
Interest revenue	4,600	4,600	490	(4,110)
Miscellaneous	<u>-</u>	<u>-</u>	<u>1,933</u>	<u>1,933</u>
Total revenues	<u>1,167,400</u>	<u>1,167,400</u>	<u>1,370,682</u>	<u>203,282</u>
<b>EXPENDITURES</b>				
Miscellaneous	1,800	1,800	1,371	429
Debt service				
Principal	796,000	945,000	945,000	-
Interest	339,600	190,600	136,558	54,042
Bond issuance costs	<u>-</u>	<u>-</u>	<u>105,542</u>	<u>(105,542) *</u>
Total expenditures	<u>1,137,400</u>	<u>1,137,400</u>	<u>1,188,471</u>	<u>(51,071)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>30,000</u>	<u>30,000</u>	<u>182,211</u>	<u>152,211</u>
<b>OTHER FINANCING SOURCES</b>				
Bonds issued	-	-	2,730,000	2,730,000
Capital outlay note issued	-	-	-	-
Premium on refunding bonds issued	-	-	87,973	87,973
Payments to refunding bond escrow agent	<u>-</u>	<u>-</u>	<u>(2,712,431)</u>	<u>(2,712,431)</u>
TOTAL OTHER FINANCING SOURCES	<u>-</u>	<u>-</u>	<u>105,542</u>	<u>105,542 *</u>
NET CHANGE IN FUND BALANCE	<u>\$ 30,000</u>	<u>\$ 30,000</u>	287,753	<u>\$ 257,753</u>
FUND BALANCE - BEGINNING OF YEAR			<u>490,878</u>	
FUND BALANCE - END OF YEAR			<u>\$ 778,631</u>	

\*These items were not included as part of the budget and relate to a bond refunding. The items offset one another and have no overall impact on budgeted amounts.

OTHER SCHEDULES

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF REVENUES

MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Parks Sales Tax Fund</u>	<u>Total Major Governmental Funds</u>
REVENUES				
Taxes				
Property taxes	\$ 3,910,267	\$ -	\$ -	\$ 3,910,267
Parks sales tax receipts	-	-	835,246	835,246
Intergovernmental revenues				
Local sales tax	2,015,253	1,368,259	-	3,383,512
Wholesale and state beer tax	613,342	-	-	613,342
Business taxes	267,644	-	-	267,644
Payments in lieu of taxes	263,000	-	-	263,000
State sales and income tax	1,242,021	-	-	1,242,021
Other taxes	76,706	-	-	76,706
Federal, state and county grants	443,544	-	-	443,544
Charges for services				
Parks	94,966	-	-	94,966
Library	2,945	-	-	2,945
Licenses and permits				
Building permits	362,027	-	-	362,027
Franchise fees	290,217	-	-	290,217
Other permits	12,270	-	-	12,270
Fines and forfeitures				
Court fines and costs	65,174	-	-	65,174
Interest revenue	6,394	490	1,578	8,462
Miscellaneous				
Insurance recoveries	118,919	-	-	118,919
Sale of equipment	2,851	-	-	2,851
Other revenues	-	1,933	-	1,933
Total revenues	<u>\$ 9,787,540</u>	<u>\$ 1,370,682</u>	<u>\$ 836,824</u>	<u>\$ 11,995,046</u>

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF EXPENDITURES

MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Parks Sales Tax Fund</u>	<u>Total Major Governmental Funds</u>
<u>EXPENDITURES</u>				
<u>GENERAL GOVERNMENT</u>				
<u>Legislative/Administrative:</u>				
Personnel services	\$ 382,898	\$ -	\$ -	\$ 382,898
Supplies	32,442	-	-	32,442
Utilities	35,428	-	-	35,428
Other operating expenses	116,836	-	-	116,836
Capital outlay	33,400	-	-	33,400
	<u>601,004</u>	<u>-</u>	<u>-</u>	<u>601,004</u>
<u>Municipal Court:</u>				
Personnel services	88,455	-	-	88,455
Supplies	259	-	-	259
Utilities	392	-	-	392
Other operating expenses	10,726	-	-	10,726
	<u>99,832</u>	<u>-</u>	<u>-</u>	<u>99,832</u>
<u>Finance:</u>				
Personnel services	334,416	-	-	334,416
Supplies	2,320	-	-	2,320
Utilities	3,301	-	-	3,301
Other operating expenses	103,055	-	-	103,055
	<u>443,092</u>	<u>-</u>	<u>-</u>	<u>443,092</u>
<u>Human Resources:</u>				
Personnel services	165,434	-	-	165,434
Supplies	3,453	-	-	3,453
Utilities	5,766	-	-	5,766
Other operating expenses	58,213	-	-	58,213
Capital outlay	14,691	-	-	14,691
	<u>247,557</u>	<u>-</u>	<u>-</u>	<u>247,557</u>
<u>Engineering:</u>				
Utilities	392	-	-	392
Other operating expenses	797,268	-	-	797,268
	<u>797,660</u>	<u>-</u>	<u>-</u>	<u>797,660</u>
<u>Building Maintenance:</u>				
Personnel services	36,311	-	-	36,311
Supplies	11,192	-	-	11,192
Utilities	2,438	-	-	2,438
Other operating expenses	94,045	-	-	94,045
Capital outlay	3,252,898	-	-	3,252,898
	<u>3,396,884</u>	<u>-</u>	<u>-</u>	<u>3,396,884</u>
<u>Miscellaneous/Contingency:</u>				
Other operating expenses	266,902	1,371	-	268,273
	<u>266,902</u>	<u>1,371</u>	<u>-</u>	<u>268,273</u>
<b>TOTAL GENERAL GOVERNMENT</b>	<u>5,852,931</u>	<u>1,371</u>	<u>-</u>	<u>5,854,302</u>

(continued on next page)

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF EXPENDITURES (CONTINUED)

MAJOR GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2021

	<u>General</u>	<u>Debt</u>	<u>Parks</u>	<u>Total Major</u>
	<u>Fund</u>	<u>Service</u>	<u>Sales Tax</u>	<u>Governmental</u>
	<u>Fund</u>	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>
<u>EXPENDITURES (CONTINUED)</u>				
<b>PUBLIC SAFETY</b>				
<u>Police Department:</u>				
Personnel services	\$ 1,921,885	\$ -	\$ -	\$ 1,921,885
Supplies	99,204	-	-	99,204
Utilities	39,447	-	-	39,447
Other operating expenses	304,917	-	-	304,917
Capital outlay	255,438	-	-	255,438
	<u>2,620,891</u>	<u>-</u>	<u>-</u>	<u>2,620,891</u>
<u>Fire Department:</u>				
Personnel services	1,619,479	-	-	1,619,479
Supplies	66,101	-	-	66,101
Utilities	40,194	-	-	40,194
Other operating expenses	69,083	-	-	69,083
Capital outlay	46,702	-	-	46,702
	<u>1,841,559</u>	<u>-</u>	<u>-</u>	<u>1,841,559</u>
<b>TOTAL PUBLIC SAFETY</b>	<u>4,462,450</u>	<u>-</u>	<u>-</u>	<u>4,462,450</u>
<b>PUBLIC WORKS</b>				
Personnel services	260,303	-	-	260,303
Supplies	81,730	-	-	81,730
Utilities	135,563	-	-	135,563
Other operating expenses	62,314	-	-	62,314
Capital outlay	219,150	-	-	219,150
	<u>759,060</u>	<u>-</u>	<u>-</u>	<u>759,060</u>
<b>LIBRARY</b>				
Personnel services	367,911	-	-	367,911
Supplies	35,675	-	-	35,675
Utilities	46,081	-	-	46,081
Other operating expenses	36,604	-	-	36,604
Capital outlay	30,457	-	-	30,457
	<u>516,728</u>	<u>-</u>	<u>-</u>	<u>516,728</u>
<b>PARKS AND RECREATION</b>				
<u>Recreation and Park Maintenance:</u>				
Personnel services	591,328	-	-	591,328
Supplies	111,266	-	-	111,266
Utilities	108,960	-	-	108,960
Other operating expenses	83,206	-	3,315	86,521
Capital outlay	28,068	-	2,939,110	2,967,178
	<u>922,828</u>	<u>-</u>	<u>2,942,425</u>	<u>3,865,253</u>

(continued on next page)



CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF EXPENDITURES (CONTINUED)

MAJOR GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2021

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Parks Sales Tax Fund</u>	<u>Total Major Governmental Funds</u>
<u>EXPENDITURES (CONTINUED)</u>				
<u>PARKS AND RECREATION (CONTINUED)</u>				
<u>Senior Services:</u>				
Personnel services	\$ 5,212	\$ -	\$ -	\$ 5,212
Supplies	389	-	-	389
Utilities	392	-	-	392
Other operating expenses	18,100	-	-	18,100
	<u>24,093</u>	<u>-</u>	<u>-</u>	<u>24,093</u>
<u>Museum Services:</u>				
Personnel services	57,690	-	-	57,690
Supplies	3,277	-	-	3,277
Utilities	9,188	-	-	9,188
Other operating expenses	5,438	-	-	5,438
	<u>75,593</u>	<u>-</u>	<u>-</u>	<u>75,593</u>
 TOTAL PARKS AND RECREATION	 <u>1,022,514</u>	 <u>-</u>	 <u>2,942,425</u>	 <u>3,964,939</u>
 <u>PLANNING AND ZONING</u>				
Personnel services	305,204	-	-	305,204
Supplies	4,102	-	-	4,102
Utilities	3,824	-	-	3,824
Other operating expenses	16,779	-	-	16,779
Capital outlay	40,003	-	-	40,003
	<u>369,912</u>	<u>-</u>	<u>-</u>	<u>369,912</u>
 <u>DEBT SERVICE</u>				
Principal	-	945,000	281,000	1,226,000
Interest	-	136,558	73,665	210,223
Bond issuance costs	-	105,542	16,500	105,542
	<u>-</u>	<u>1,187,100</u>	<u>371,165</u>	<u>1,541,765</u>
 TOTAL DEBT SERVICE	 <u>-</u>	 <u>1,187,100</u>	 <u>371,165</u>	 <u>1,541,765</u>
 Total expenditures	 <u>\$ 12,983,595</u>	 <u>\$ 1,188,471</u>	 <u>\$ 3,313,590</u>	 <u>\$ 17,469,156</u>

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CHANGES IN PROPERTY TAXES RECEIVABLE

YEAR ENDED JUNE 30, 2021

<u>Tax Year</u>	<u>Balance June 30, 2020</u>	<u>Tax Levy</u>	<u>Collections</u>	<u>Adjustments</u>	<u>Changes in Penalties and Interest</u>	<u>Balance June 30, 2021</u>
2020	\$ -	\$ 3,890,664	\$ 3,828,994	\$ 3,057	\$ 3,883	\$ 68,610
2019	87,503	-	66,016	437	(922)	21,002
2018	18,909	-	7,986	823	(264)	11,482
2017	9,126	-	2,628	(37)	(442)	6,019
2016	21,555	-	974	-	1,665	22,246
2015	3,979	-	916	-	(477)	2,586
2014	2,983	-	7	-	266	3,242
2013	8,346	-	-	-	702	9,048
2012	6,640	-	-	(8)	503	7,135
2011	6,108	-	-	-	439	6,547
	<u>\$ 165,149</u>	<u>\$ 3,890,664</u>	<u>\$ 3,907,521</u>	<u>\$ 4,272</u>	<u>\$ 5,353</u>	\$ 157,917
Deferred property tax revenues for 2021 assessed but unlevied						<u>4,972,000</u>
						<u>\$ 5,129,917</u>

Property taxes become delinquent in March 1 of the year subsequent to the levy date. To insure collection of delinquent property taxes, the City will file a lien on property as soon as taxes become delinquent.

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF CHANGES IN LONG-TERM DEBT BY INDIVIDUAL ISSUE

JUNE 30, 2021

	Original Amount of Issue	Interest Rate	Date of Issue	Last Maturity Date	Outstanding 7/1/2020	Issued During Period	Paid and/or Matured During Period	Refunded During Period	Outstanding 6/30/2021
<b>GOVERNMENTAL ACTIVITIES</b>									
<b>NOTES PAYABLE</b>									
<u>Payable through Debt Service Fund</u>									
Capital Outlay Note, Land Soccer Field, 2017	\$ 250,000	2.15 to 3.00 %	7/20/2017	7/20/2020	\$ 83,000	\$ -	\$ (83,000)	\$ -	\$ -
Capital Outlay Note, Water Line, 2020	\$ 1,600,000	2.55 %	7/23/2020	6/1/2030	-	1,600,000	(142,000)	-	1,458,000
Total Notes Payable through Debt Service Fund	\$ 1,850,000				\$ 83,000	\$ 1,600,000	\$ (225,000)	\$ -	\$ 1,458,000
<u>BONDS PAYABLE</u>									
<u>Payable through Debt Service Fund</u>									
General Obligation Bonds, Series 2013	\$ 3,085,000	2.00 to 4.25 %	10/18/2013	6/1/2043	\$ 2,660,000	\$ -	\$ (75,000)	\$ (2,425,000)	\$ 160,000
Refunding Bonds, Series 2020	\$ 2,730,000	1.70 to 3.00 %	9/11/2020	6/1/2043	-	2,730,000	(40,000)	-	2,690,000
Refunding Bonds, Series 2015	\$ 2,695,000	2.00 to 2.45 %	3/27/2015	6/1/2028	1,645,000	-	(185,000)	-	1,460,000
Local Government Loan Program Bond, Series 2019	\$ 10,000,000	4.07 %	5/1/2019	5/1/2022	323,000	-	-	(323,000)	-
Local Government Loan Program Bond, Series 2020	\$ 11,000,000	2.75 %	8/27/2020	8/27/2022	-	120,000	(420,000)	326,286	26,286
Total Bonds Payable through Debt Service Fund	\$ 27,510,000				\$ 4,628,000	\$ 2,850,000	\$ (720,000)	\$ (2,421,714)	\$ 4,336,286
<u>Payable through Parks, Sales Tax Fund</u>									
Refunding Bonds, Series 2015	\$ 795,909	2.00 to 3.00 %	3/27/2015	6/1/2022	\$ 270,000	\$ -	\$ (130,000)	\$ -	\$ 140,000
Local Government Loan Program Bond, Series 2020	\$ 2,750,000	2.71 %	7/8/2020	6/1/2035	-	2,750,000	(151,000)	-	2,599,000
Total Bonds Payable through Parks Sales Tax Fund	\$ 3,545,909				\$ 270,000	\$ 2,750,000	\$ (281,000)	\$ -	\$ 2,739,000
<b>BUSINESS-TYPE ACTIVITIES</b>									
<u>OTHER LOANS PAYABLE</u>									
<u>Payable through Wastewater Fund</u>									
State Revolving Loan, Project # CWA 2009-246	\$ 1,000,000	1.77 %	9/3/2009	5/1/2031	\$ 323,970	\$ -	\$ (29,626)	\$ -	\$ 294,344
State Revolving Loan, Project # CWSRF 2010-256	\$ 360,000	1.74 %	4/28/2010	4/1/2032	210,440	-	(17,496)	-	192,944
State Revolving Loan, Project # CG1 2012-302	\$ 4,000,000	1.00 %	6/6/2012	12/1/2034	2,505,124	-	(172,452)	-	2,332,672
State Revolving Loan, Project # CWSRF 2012-308	\$ 500,000	1.00 %	6/6/2012	3/1/2036	290,300	-	(18,180)	-	272,120
State Revolving Loan, Project # CG2 2013-326	\$ 2,000,000	0.75 %	6/25/2013	9/1/2036	1,241,310	-	(76,548)	-	1,164,762
State Revolving Loan, Project # CWSRF 2016-364	\$ 800,000	1.11 %	3/10/2016	10/1/2036	628,860	-	(37,428)	-	591,432
Total Other Loans Payable	\$ 8,660,000				\$ 5,200,004	\$ -	\$ (351,730)	\$ -	\$ 4,848,274
<u>BONDS PAYABLE</u>									
<u>Payable through Wastewater Fund</u>									
Refunding Bonds, Series 2012	\$ 2,435,000	1.00 to 2.00 %	3/9/2012	6/1/2024	\$ 785,000	\$ -	\$ (210,000)	\$ -	\$ 575,000
Total Bonds Payable through Wastewater Fund	\$ 2,435,000				\$ 785,000	\$ -	\$ (210,000)	\$ -	\$ 575,000

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF LONG-TERM DEBT (GOVERNMENTAL ACTIVITIES)

JUNE 30, 2021

Year	General Obligation Bonds, Series 2013		General Obligation Refunding Bonds, Series 2015		Local Government Loan Program Bond, Series 2020		Total Principal	Total Interest	Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest			
2022	\$ 80,000	\$ 4,000	\$ 320,000	\$ 38,475	\$ -	\$ 724	\$ 721,000	\$ 215,786	\$ 936,786
2023	80,000	2,000	180,000	28,875	26,286	173	615,286	195,112	810,398
2024	-	-	230,000	24,825	-	-	653,000	180,155	833,155
2025	-	-	225,000	19,650	-	-	655,000	163,458	818,458
2026	-	-	220,000	15,038	-	-	665,000	147,140	812,140
2027	-	-	215,000	10,198	-	-	668,000	130,181	798,181
2028	-	-	210,000	5,145	-	-	677,000	112,798	789,798
	\$ 160,000	\$ 6,000	\$ 1,600,000	\$ 142,206	\$ 26,286	\$ 897	\$ 4,962	\$ 81,831	\$ 575,936
							\$ 721,000	\$ 215,786	\$ 936,786
							\$ 721,000	\$ 215,786	\$ 936,786

  

Year	General Obligation Refunding Bonds, Series 2020		Capital Outlay Note Water Line 2020		Local Government Loan Program Bond, Series 2020		Total Principal	Total Interest	Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest			
2022	\$ 20,000	\$ 64,975	\$ 146,000	\$ 37,179	\$ 155,000	\$ 70,433	\$ 721,000	\$ 215,786	\$ 936,786
2023	20,000	64,375	150,000	33,456	159,000	66,233	615,286	195,112	810,398
2024	105,000	63,775	154,000	29,631	164,000	61,924	653,000	180,155	833,155
2025	105,000	60,625	157,000	25,704	168,000	57,479	655,000	163,458	818,458
2026	110,000	57,475	162,000	21,701	173,000	52,926	665,000	147,140	812,140
2027	110,000	54,175	166,000	17,570	177,000	48,238	668,000	130,181	798,181
2028	115,000	50,875	170,000	13,337	182,000	43,441	677,000	112,798	789,798
2029	120,000	47,425	174,000	9,002	187,000	38,509	481,000	94,936	575,936
2030	125,000	43,825	179,000	4,565	192,000	33,441	496,000	81,831	577,831
2031	125,000	40,075	-	-	197,000	28,238	322,000	68,313	390,313
2032	130,000	37,950	-	-	203,000	22,900	333,000	60,850	393,850
2033	130,000	35,740	-	-	208,000	17,398	338,000	53,138	391,138
2034	135,000	33,400	-	-	214,000	11,761	349,000	45,161	394,161
2035	135,000	30,970	-	-	220,000	5,962	355,000	36,932	391,932
2036	140,000	28,270	-	-	-	-	140,000	28,270	168,270
2037	140,000	25,470	-	-	-	-	140,000	25,470	165,470
2038	145,000	22,390	-	-	-	-	145,000	22,390	167,390
2039	145,000	19,200	-	-	-	-	145,000	19,200	164,200
2040	155,000	15,720	-	-	-	-	155,000	15,720	170,720
2041	155,000	12,000	-	-	-	-	155,000	12,000	167,000
2042	160,000	8,125	-	-	-	-	160,000	8,125	168,125
2043	165,000	4,125	-	-	-	-	165,000	4,125	169,125
	\$ 2,690,000	\$ 820,960	\$ 1,458,000	\$ 192,145	\$ 2,599,000	\$ 558,883	\$ 8,533,286	\$ 1,721,091	\$ 10,254,377

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF LONG-TERM DEBT (BUSINESS-TYPE ACTIVITIES)

JUNE 30, 2021

Year Ending June 30,	Sewer Fund - General Obligation Refunding Bonds, Series 2012		Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-246		Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-256		Total Principal	Total Interest	Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest			
2022	\$ 215,000	\$ 10,743	\$ 30,155	\$ 5,490	\$ 17,808	\$ 3,516	\$	\$	\$ 633,136
2023	220,000	6,980	30,692	4,952	18,120	3,204			634,372
2024	140,000	2,800	31,240	4,405	18,432	2,892			550,193
2025	-	-	31,798	3,847	18,756	2,568			407,393
2026	-	-	32,365	3,280	19,080	2,244			407,392
2027	-	-	32,942	2,702	19,416	1,908			407,392
2028	-	-	33,530	2,114	19,764	1,560			407,393
2029	-	-	34,128	1,517	20,112	1,212			407,392
2030	-	-	34,738	907	20,460	864			407,392
2031	-	-	32,382	286	20,820	504			407,393
2032	-	-	-	-	17,672	153			407,393
	\$ 575,000	\$ 20,523	\$ 323,970	\$ 29,500	\$ 210,440	\$ 20,625	\$	\$	\$ 6,169,720

  

Year	Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-302		Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-308		Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-326		Note Payable to the State of Tennessee, Wastewater Facility Revolving Loan Fund-364		Total Principal	Total Interest	Total Principal and Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest			
2022	\$ 174,192	\$ 24,252	\$ 18,360	\$ 2,820	\$ 77,124	\$ 9,048	\$ 37,836	\$ 6,792	\$ 570,475	\$ 62,661	\$ 633,136
2023	175,944	22,500	18,540	2,640	77,712	8,460	38,256	6,372	579,264	55,108	634,372
2024	177,708	20,736	18,732	2,448	78,288	7,884	38,688	5,940	503,088	47,105	550,193
2025	179,496	18,948	18,924	2,256	78,876	7,296	39,120	5,508	366,970	40,423	407,393
2026	181,296	17,148	19,104	2,076	79,476	6,696	39,552	5,076	370,873	36,520	407,392
2027	183,120	15,324	19,296	1,884	80,076	6,096	39,996	4,632	374,846	32,546	407,392
2028	184,956	13,488	19,500	1,680	80,676	5,496	40,440	4,188	378,866	28,526	407,392
2029	186,816	11,628	19,692	1,488	81,288	4,884	40,896	3,732	382,932	24,461	407,393
2030	188,688	9,756	19,884	1,296	81,888	4,284	41,352	3,276	387,010	20,383	407,393
2031	190,584	7,860	20,088	1,092	82,512	3,660	41,808	2,820	388,194	16,222	404,416
2032	192,504	5,940	20,292	888	83,136	3,036	42,276	2,352	388,880	12,369	368,249
2033	194,436	4,008	20,496	684	83,760	2,412	42,756	1,872	341,448	8,976	350,424
2034	196,392	2,052	20,700	480	84,384	1,788	43,224	1,404	344,700	5,724	350,424
2035	98,992	289	20,904	276	85,020	1,152	43,716	912	248,632	2,629	251,261
2036	-	-	15,788	65	85,668	504	44,196	432	145,652	1,001	146,653
2037	-	-	-	-	21,426	32	14,748	30	36,174	62	36,236
	\$ 2,505,124	\$ 173,929	\$ 290,300	\$ 22,073	\$ 1,241,310	\$ 72,728	\$ 628,860	\$ 55,338	\$ 5,775,004	\$ 394,716	\$ 6,169,720

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

JUNE 30, 2021

	Assistance Listing Number	Contract/ Grant Number	Balance July 1, 2020 (Receivable) Payable	Receipts	Expenditures	Balance June 30, 2021 (Receivable) Payable
<u>U.S. DEPARTMENT OF JUSTICE:</u>						
Bulletproof Vest Partnership Program	16.607	N/A	\$ -	\$ 1,594	\$ 1,594	\$ -
<u>TOTAL U.S. DEPARTMENT OF JUSTICE</u>						
<u>U.S. DEPARTMENT OF TRANSPORTATION:</u>						
PASSED THROUGH TENNESSEE DEPARTMENT OF TRANSPORTATION:						
Highway Planning and Construction Cluster:						
31W Bike Lanes						
	20.205	83-LPLM-F3-124	(284,877)	284,877	-	-
<u>TOTAL PASSED THROUGH TENNESSEE DEPARTMENT OF TRANSPORTATION</u>						
PASSED THROUGH THE GOVERNORS HIGHWAY SAFETY OFFICE:						
Alcohol Open Container Requirements						
	20.607	Z20THS329	(4,726)	7,576	2,850	-
State and Community Highway Safety						
	20.600	Z20THS330	(11,565)	11,565	-	-
	20.600	Z21THS377	-	236	10,816	(10,580)
	20.600	Z21THS376	-	-	2,362	(2,362)
<u>TOTAL PASSED THROUGH THE GOVERNORS HIGHWAY SAFETY OFFICE</u>						
<u>TOTAL U.S. DEPARTMENT OF TRANSPORTATION</u>						
<u>U.S. DEPARTMENT OF THE TREASURY</u>						
PASSED THROUGH THE TREASURER OF THE STATE OF TENNESSEE						
Coronavirus Relief Fund						
	21.019-COVID	CAA-117848	-	187,590	187,590	-
<u>TOTAL U.S. DEPARTMENT OF THE TREASURY</u>						
<u>NATIONAL ENDOWMENT FOR THE HUMANITIES</u>						
PASSED THROUGH TENNESSEE STATE LIBRARY AND ARCHIVES						
Library Grants to States						
	45.310	N/A	-	809	809	-
2020 CARES Funding - National Leadership Grants						
	45.312 - COVID	N/A	-	6,053	6,053	-
<u>TOTAL NATIONAL ENDOWMENT FOR THE HUMANITIES</u>						
<u>TOTAL EXPENDITURES OF FEDERAL AWARDS</u>						
			\$ (301,168)	\$ 500,300	\$ 212,074	\$ (12,942)

(continued to next page)

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

JUNE 30, 2021

	Assistance Listing Number	Contract/ Grant Number	Balance July 1, 2020 (Receivable) Payable	Receipts	Expenditures	Balance June 30, 2021 (Receivable) Payable
<u>TENNESSEE DEPARTMENT OF AGRICULTURE:</u>						
Tennessee Agriculture Enhancement Program	N/A	N/A	\$ 238	\$ -	\$ 238	\$ -
Tennessee Agriculture Enhancement Program	N/A	N/A	-	1,000	868	132
<b>TOTAL TENNESSEE DEPARTMENT OF AGRICULTURE</b>			<b>238</b>	<b>1,000</b>	<b>1,106</b>	<b>132</b>
<u>TENNESSEE DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT</u>						
Tennessee FastTrack Infrastructure Development Program	N/A	33006-42619	(94,157)	170,000	75,843	-
<b>TOTAL TENNESSEE DEPARTMENT OF ENVIRONMENT AND CONSERVATION</b>			<b>(94,157)</b>	<b>170,000</b>	<b>75,843</b>	<b>-</b>
<u>TREASURER OF THE STATE OF TENNESSEE</u>						
FY21 Direct Appropriation Grant for Governmental Entities (Governors Local Support Grant)	N/A	(1)	-	305,988	59,225	246,763
<b>TOTAL TREASURER OF THE STATE OF TENNESSEE</b>			<b>-</b>	<b>305,988</b>	<b>59,225</b>	<b>246,763</b>
<b>TOTAL EXPENDITURES OF STATE AWARDS</b>			<b>\$ (93,919)</b>	<b>\$ 476,988</b>	<b>\$ 136,174</b>	<b>\$ 246,895</b>

(1) Grant is a non-reciprocal non-exchange transaction (contribution) that has a restricted use but not conditions to overcome, therefore any unspent monies received would be treated as restricted fund balance at year-end.

NOTE 1 - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and state awards (the "Schedule") includes the federal award activity of the City of White House, Tennessee (the "City"), under programs of the federal and state government for the year ended June 30, 2021. The information in this schedule is presented in accordance with the requirements of the State of Tennessee Audit Manual. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position or cash flows of the City, it is not intended to and does not present the financial position, or cash flows of the City.

NOTE 2 - REVOLVING LOAN FUND BALANCES

At June 30, 2021, the City has outstanding revolving loan fund balances as follows:

State of Tennessee - Project # CWA 2009-246	\$ 323,970
State of Tennessee - Project # CWSRF 2010-256	\$ 210,440
State of Tennessee - Project # CG1 2012-302	\$ 2,505,124
State of Tennessee - Project # CWSRF 2012-308	\$ 290,300
State of Tennessee - State of TN - CG2 2013-326	\$ 1,241,310
State of Tennessee - State of TN - CWSRF 2016-364	\$ 628,860

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4 - SUBRECIPIENTS

The City has not passed any federal awards through to subrecipients for the year ended June 30, 2021.

CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF TAX RATES AND ASSESSMENTS

(UNAUDITED)

JUNE 30, 2021

<u>Year</u>	<u>County</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total Tax Rate</u>	<u>Appraised Value of Property</u>	<u>Assessed Value of Property</u>
2021	Robertson and Sumner Counties	\$ 1.2862	\$ -	\$ 1.2862	\$ 733,350,677	\$ 219,350,101
		\$ 1.2862	\$ -	\$ 1.2862	647,929,075	171,277,357
2020	Robertson and Sumner Counties	\$ 1.0362	\$ -	\$ 1.0362	674,399,286	204,655,222
		\$ 1.0362	\$ -	\$ 1.0362	624,379,116	164,382,605
2019	Robertson and Sumner Counties	\$ 1.0362	\$ -	\$ 1.0362	641,941,519	197,562,688
		\$ 1.0362	\$ -	\$ 1.0362	580,842,263	149,249,369
2018	Robertson and Sumner Counties	\$ 1.0315	\$ -	\$ 1.0315	620,771,004	189,782,180
		\$ 1.2315	\$ -	\$ 1.2315	411,671,613	105,627,299
2017	Robertson and Sumner Counties	\$ 1.2315	\$ -	\$ 1.2315	521,909,292	160,557,621
		\$ 1.2315	\$ -	\$ 1.2315	388,313,395	100,247,124
2016	Robertson and Sumner Counties	\$ 1.2315	\$ -	\$ 1.2315	501,174,739	154,788,975
		\$ 1.2315	\$ -	\$ 1.2315	378,834,438	97,852,955
2015	Robertson and Sumner Counties	\$ 0.9236	\$ 0.3079	\$ 1.2315	474,868,976	145,077,074
		\$ 0.9236	\$ 0.3079	\$ 1.2315	371,960,836	95,666,347
2014	Robertson and Sumner Counties	\$ 0.9236	\$ 0.3079	\$ 1.2315	460,660,636	140,074,389
		\$ 0.9236	\$ 0.3079	\$ 1.2315	365,586,398	94,909,602
2013	Robertson and Sumner Counties	\$ 0.9236	\$ 0.3079	\$ 1.2315	453,970,826	137,894,264
		\$ 0.9236	\$ 0.3079	\$ 1.2315	375,339,589	96,775,783
2012	Robertson and Sumner Counties	\$ 0.7171	\$ 0.2929	\$ 1.0100	453,984,383	136,674,122
		\$ 0.6958	\$ 0.2842	\$ 0.9800	373,672,840	96,697,618



CITY OF WHITE HOUSE, TENNESSEE

SCHEDULE OF UTILITY RATES AND NUMBER OF CUSTOMERS

(UNAUDITED)

JUNE 30, 2021

WASTEWATER

Residential:

Minimum bill (before consumption)	\$	19.62
Consumption (per 1,000 gallons)		8.47

NUMBER OF RESIDENTIAL CUSTOMERS	4,350
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Non-Residential:

Minimum bill (before consumption)	42.91
Consumption (per 1,000 gallons)	8.47

CAPACITY FEES	2,500	minimum
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NUMBER OF NON-RESIDENTIAL CUSTOMERS	274
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REFUSE COLLECTION

Residential & Non-Residential with no more than 1 set (1 Trash, 1 Recycle) of containers:	\$	18.00
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NUMBER OF CUSTOMERS	4,385
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STORMWATER

1 Equivalent Residential Unit (ERU)	\$	8.99
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NUMBER OF ERU's	8,684
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NUMBER OF CUSTOMERS	4,601
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OTHER REPORT SECTION

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

To the Board of Mayor and Aldermen  
City of White House, Tennessee

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of White House, Tennessee (the “City”), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the City’s basic financial statements, and have issued our report thereon dated December 21, 2021.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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

COMPLIANCE AND OTHER MATTERS

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’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 City’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Handwritten signature in black ink that reads "Kuyf CPAs PLLC". The signature is stylized and appears to be written in a cursive or semi-cursive font.

Nashville, Tennessee  
December 21, 2021

CITY OF WHITE HOUSE, TENNESSEE  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED JUNE 30, 2021

PRIOR YEAR

There were no prior year findings.

CURRENT YEAR

There were no current year findings.