

**CITY OF BIG SPRING, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**



CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

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## **INTRODUCTORY SECTION**







March 25, 2008

Honorable Mayor, Members of the  
City Council, and Citizens of the  
City of Big Spring, Texas

State law requires that every general-purpose local government publish a complete set of audited financial statements within six months of the close of each fiscal year. This report is published to fulfill that requirement for the fiscal year ended September 30, 2007.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All amounts in this transmittal letter are in thousands of dollars, unless otherwise stated.

Bolinger, Segars, Gilbert & Moss, L.L.P., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Big Spring’s financial statements for the year ended September 30, 2007. The independent auditor’s report is located at the front of the financial section of this report.

Management’s discussion and analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City of Big Spring, Texas, incorporated in 1907, is the county seat and principal city of Howard County. The city is located 39 miles northeast of Midland, Texas at the intersection of Interstate Highway 20 and U.S Highway 87. The city currently occupies a land area of 18.89 square miles and serves a population of 25,233. The city is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The city has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a city council consisting of the mayor and six other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city's manager, attorney and municipal court judge. The city's manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the city, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. All council members are elected by district. The mayor is elected at large.

The city provides a full range of services to its citizens, including police and fire protection; construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Certain water and wastewater services are provided and accounted for through a separate enterprise fund. The city is also financially accountable for a legally separate economic development corporation, which is reported separately within the city's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (See Note A.1.).

The city council is required to adopt a final budget by no later than the close of each fiscal year. This annual budget serves as the foundation for the City of Big Spring's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department with the city manager's approval. Transfers between departments need special approval from the city council.

### **Economic Condition and Outlook**

Major industries located within the government's boundaries or in close proximity include manufacturers of mobile housing, plastic bottles, and hydraulic components; five prison facilities (four owned by the city and one federal institution), a large oil refinery, and several financial institutions and insurance companies. Both the state and federal governments are significant economic presences thanks to a major psychiatric hospital and a veteran's health care facility that provides employment to approximately 1,100 healthcare professionals and staff.

Our local economy is expected to experience a small "boom" over the next year, due to two significant and separate events. The first is that wind energy projects continue to flourish in West Texas and scheduled projects for this area are expected to bring over \$600 million in capital investment along with an influx of hundreds of construction workers. Second, another 1,500 construction workers will be brought into our area as Alon, USA begins the process of rebuilding after a recent explosion at the refinery.

Unemployment rates for the last ten years have increased by approximately 10%, from an initial rate of 4.0% in 1997 to a rate of 4.4% in 2007. However, unemployment rates have fallen over the last few years, from 5.6% in 2005 and 5.2% in 2006 to the current rate of 4.4% and rates are expected to remain fairly stable in the near future as overall economic conditions improve throughout the state and region.

Property tax revenue has risen by 20.4% in the last five years and sales tax revenue has increased by 47.5%. Other revenue sources and expense categories have risen proportional to inflation or to compensate for new or increased levels of service that are provided to our citizens.

### **Long-term Financial Planning**

Unreserved, undesignated fund balance in the General Fund (43.1% of total General Fund expenditures) is higher than the policy guidelines set by the council for budgetary and planning purposes (5% as defined by the city's master plan, which was adopted in 1995). Due to diligence in budgeting and monitoring, this balance has increased significantly over the past ten years. In 1997, General Fund's unreserved, undesignated fund balance represented 1.4% of total expenditures.

Total long-term debt related to governmental activities, comprised of bonds, equipment leases and debt related to an energy conservation project, which is not due for a year or more amounts to \$17,590. During the current fiscal year, the city issued new governmental activity debt in the form of general obligation bonds in the amount of \$14,285, certificates of obligation in the amount of \$460 and capital leases in the amount of \$670. Business-type activities issued \$640 certificates of obligation and \$219 capital leases. The general obligation bond proceeds will finance construction/renovation of the sports complex and reconstruction of downtown streets. The street reconstruction will be undertaken as part of a revitalization effort in the downtown district.

### **Relevant Financial Policies**

The city anticipates opening a new section of the current City/County landfill within the next few years, with an anticipated cost of approximately \$2 million. Additionally, the city has begun the planning process for the permitting and opening of a new landfill within the next ten to fifteen years. Costs associated with this process, as well as expenses associated with closure and post-closure of the current landfill, requires that the city begin accumulating funds to cover those expenses. To that end, revenues derived from recent fee increases in sanitation rates, gate fees and commercial tipping fees, as well as annual contributions from Howard County, are being placed in a cash/investment escrow account that the current council has designated for that purpose.

### **Major Initiatives**

The Colorado River Municipal Water District (CRMWD), located in Big Spring, provides raw water from three lakes and four well fields to three member cities (including Big Spring) and to several non-member cities. CRMWD, in conjunction with its member cities, has completed the feasibility phase and has started the design phase of a reclamation treatment project that will treat and reuse effluent water flowing from the City of Big Spring's wastewater treatment plant. The costs associated with this multi-million dollar project will be passed through to all purchasers of CRMWD's raw water supplies. It is anticipated that the majority of the treated effluent will be used by the Alon, USA oil refinery located on Interstate 20 just one mile east of Big Spring.

In July of 2005, the city contracted with Siemens Building Technologies to perform a detailed energy audit on various aspects of the city's operations, including lighting, heating, ventilation and air conditioning, traffic controllers, treatment plant components and water meters. The results of that audit identified areas where the city could generate energy conservation savings or increased revenues that would pay for the renovations or upgrades through operating budgets instead of capital expenditures. As a result, the city issued lease purchase debt in the amount of \$5,613 in March of 2006. While the project began in 2005-06, a large part of related expenses were accounted for in the current year, including the installation of an automated water meter reading system and a rebuild of the municipal golf course.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Big Spring for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2006. This was the tenth consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

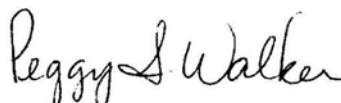
In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its annual budget document for fiscal year 2006-07. In order to qualify for the Distinguished Budget Presentation Award, the city's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration departments. We wish to express our appreciation to all members of these departments who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the city's finances.

Respectfully submitted,



Gary Fuqua  
City Manager



Peggy S. Walker  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Big Spring  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Oliver S. Cox*

President

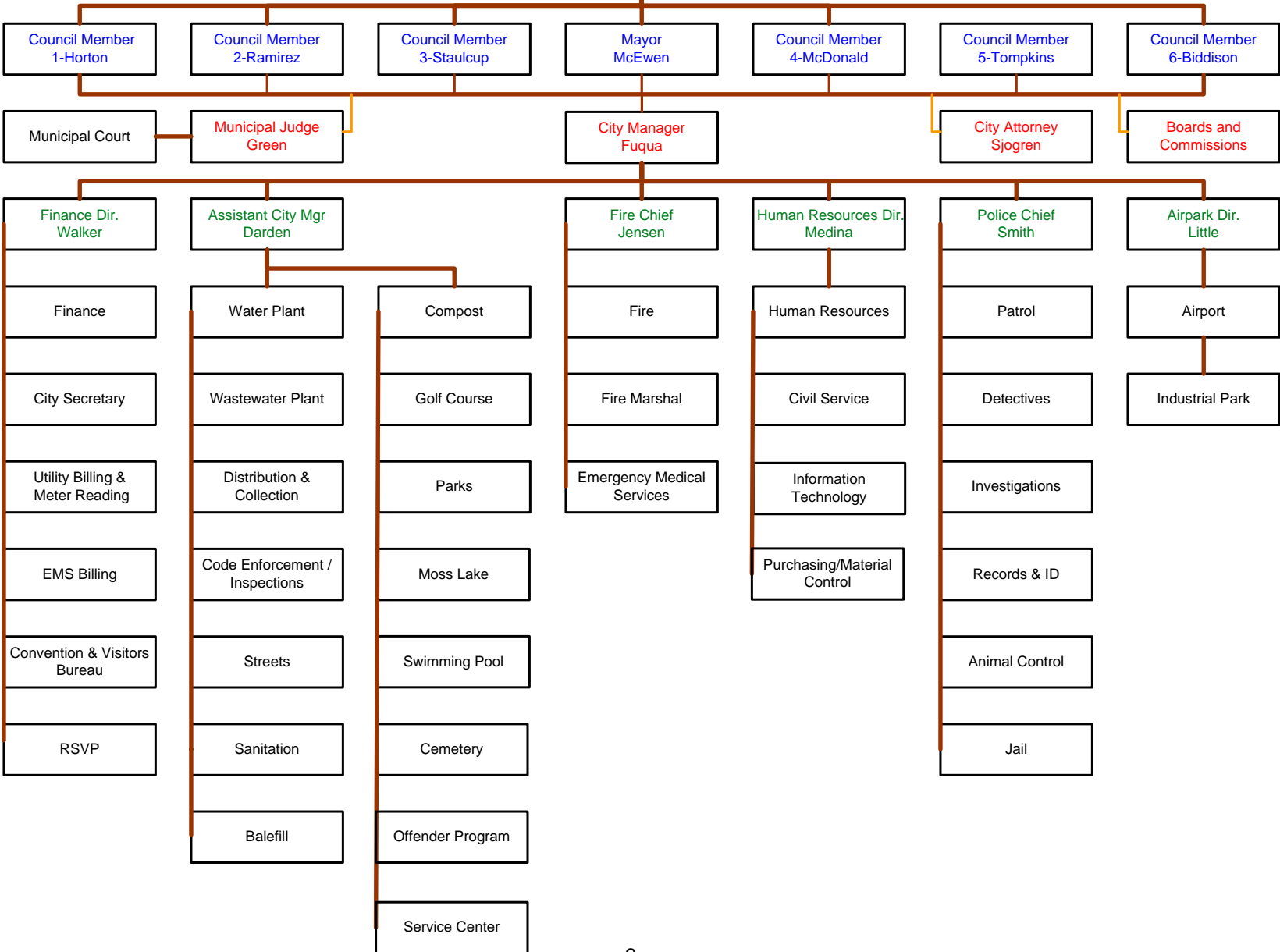
*Jeffrey R. Emery*

Executive Director



# Big Spring, Texas

## Citizens of Big Spring



**CITY OF BIG SPRING**  
LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2007

Elected Officials

<u>Name</u>	<u>Office</u>
Russ McEwen	Mayor
Jo Ann Staulcup	Mayor Pro Tem - District 4 Council Member
Stephanie Horton	District 1 Council Member
Manuel Ramirez, Jr.	District 2 Council Member
Gloria McDonald	District 3 Council Member
Troy Tompkins	District 5 Council Member
Greg Biddison	District 6 Council Member

Appointed Officials

<u>Name</u>	<u>Position</u>
Gary Fuqua	City Manager
Todd Darden	Assistant City Manager
Peggy S. Walker	Director of Finance / City Secretary
Linda Sjogren	City Attorney
Lonnie Smith	Chief of Police
Brian Jensen	Fire Chief
Timothy Green	Municipal Judge
John Medina	Director of Human Resources
Jim Little	Airpark Director

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## **FINANCIAL SECTION**



**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**INDEPENDENT AUDITORS' REPORT**

City Council  
City of Big Spring, Texas  
Big Spring, Texas

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 Big Spring, Texas, as of and for the year ended September 30, 2007, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the City of Big Spring, Texas. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Moore Development For Big Spring, Inc. (Moore Development), component unit of the City, which statements reflect total assets and program revenues of \$5,159,988 and \$9,933, respectively, and represent 100% of the aggregate discretely presented component unit's total assets and program revenues at September 30, 2007 and for the year then ended. The financial statements of Moore Development was audited by other accountants whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for Moore Development, is based solely on the report of the other accountants.

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 of material misstatement. The financial statements of the component unit Moore Development were audited in accordance with *Government Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Big Spring, Texas, as of September 30, 2007, and the respective changes in financial position, and cash flows where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated March 19, 2008, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis and the budgetary information identified as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Big Spring, Texas' basic financial statements. The accompanying supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

The accompanying information in the introductory and statistical sections as listed in the table of contents has not been subjected to the procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

*Balinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

March 19, 2008

*Management's Discussion and Analysis*



## City of Big Spring, Texas

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Big Spring, we offer readers of our City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2007. We encourage readers to consider the information presented here in conjunction with the letter of transmittal, the independent auditor's report, and the basic financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

#### FINANCIAL HIGHLIGHTS

- The assets of the City of Big Spring exceeded its liabilities at September 30, 2007, by \$115,971 (net assets). Of this amount, \$9,502 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net assets increased by \$257. This increase is the net result of three primary factors: capital assets decreased by \$664 as depreciation expense grew at a more rapid pace than capital replacement, the amount restricted for landfill closure and postclosure increased by \$120 as the City continues to prepare for this future liability, and unrestricted net assets increased by \$202.
- At September 30, 2007, the City's governmental funds reported combined ending fund balances of \$26,479, an increase of \$15,437 from the prior year. Almost 98%, or \$15,131, of this increase is attributable to increased amounts available for capital projects due to the issuance of new bonds and certificates of obligation in 2007. There is \$8,976 available for spending at the government's discretion (unreserved, undesignated fund balance) in the major governmental funds and an additional \$266 in the nonmajor governmental funds.
- At the end of the current fiscal year, unreserved, undesignated fund balance for the General Fund was \$6,426, or 43% of total General Fund expenditures.
- Total liabilities for the primary government increased by \$6,799 during fiscal year 2006-07, caused by two primary factors. New debt in the form of \$1,100 Certificates of Obligation and \$14,285 General Obligation Bonds were issued in early 2007. Additionally, accounts payable in the Correctional Center fund decreased by \$9,362 when the Federal Bureau of Prisons (FBOP) contracted directly with a management company for operation of the City's prison facilities. Prior to this change, funds would flow through the Correctional Center fund, resulting in large year-end receivable and payable balances.
- Resources available for appropriation in 2007-08 were \$1,077 more than anticipated in the final revised budget for the General Fund, with \$527 additional sales tax revenue and \$174 additional investment income being the primary factors in this increase.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Assets and the Statement of Activities. These provide information about the activities of the City as a whole and present a longer-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the City were sold to departments within the City or to external customers and how the sales revenues covered the expenses of the goods or services.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

### **Reporting the City as a Whole**

#### *The Statement of Net Assets and the Statement of Activities*

The Statement of Net Assets provides an analysis of the City's overall financial condition and operations. The primary purpose of this analysis is to show whether the City is better or worse off as a result of the year's activities. The Statement of Net Assets includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The City's revenues are separated into two categories: those provided by outside parties who share the costs of some programs, such as the Department of Transportation's assistance in safe driving, and revenues provided by the taxpayers. All the City's assets are reported whether they serve the current year or future years. Liabilities are included regardless of whether they must be paid in the current or future years.

These two statements report the City's net assets and changes in them. The City's net assets (the difference between assets and liabilities) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net assets are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider other financial factors as well (such as changes in the City's sales tax revenues or its property tax base) and non-financial factors (such as the condition of the City's facilities, unemployment rates and population growth or decline).

In the Statement of Net Assets and the Statement of Activities, the following activities are presented.



- Governmental activities – Most of the City's basic services are reported here, including general government, public safety, highways and streets, sanitation, and recreation and parks. Property taxes, sales taxes, user fees, and licenses and permits finance most of these activities.
- Business-type activities – The City accounts for business-type activities in its proprietary funds, where user fees and charges are intended to recover all or a significant portion of overall costs.
- Component unit – The City has one component unit which is funded primarily through sales tax revenue for the purpose of economic development, specifically the generation and retention of business activities and jobs.

## **Reporting the City's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Laws and contracts require the City to establish certain funds to account for specific activities, such as grants received through the Department of Justice. The City's administration establishes other funds to help it control and manage resources for particular purposes. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users (whether outside customers or other units of the City) in proprietary funds using the full accrual method, which is the same accounting method employed in the Statement of Net Assets and the Statement of Activities. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City of Big Spring adopts annual appropriated budgets for its general fund and correctional center fund (major funds). Budgetary comparison schedules have been provided for these funds to demonstrate budgetary compliance.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net assets may serve over time as a useful indicator of a government's financial position. The City of Big Spring's assets exceeded liabilities by \$115,971 at September 30, 2007. The largest portion of the City's net assets (90%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire these assets that is still outstanding. These assets are used to provide services to the citizens and are not available for future appropriation. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

### City of Big Spring, Texas

#### NET ASSETS (in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2007	2006	2007	2006	2007	2006
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 26,407	\$ 10,092	\$ 3,809	\$ 4,984	\$ 30,216	\$ 15,076
Receivables	1,126	1,372	1,596	1,334	2,722	2,706
Internal Balances	1,227	1,035	(1,227)	(1,035)		
Due from Other Governments	987	10,464	8	6	995	10,470
Capital Assets	77,795	75,968	36,879	37,328	114,674	113,296
Other Assets	167	199	414	385	581	584
Total Assets	<u>107,709</u>	<u>99,130</u>	<u>41,479</u>	<u>43,002</u>	<u>149,188</u>	<u>142,132</u>
<b>Liabilities:</b>						
Accounts Payable and Other Current Liabilities	2,238	10,588	1,015	1,223	3,253	11,811
Current Portion of Long-term Liabilities	946	809	743	738	1,689	1,547
Long-term Liabilities	20,959	6,224	7,316	6,836	28,275	13,060
Total Liabilities	<u>24,143</u>	<u>17,621</u>	<u>9,074</u>	<u>8,797</u>	<u>33,217</u>	<u>26,418</u>
<b>Net Assets:</b>						
Invested in Capital Assets	74,389	73,687	29,854	31,220	104,243	104,907
Restricted	2,226	1,496		11	2,226	1,507
Unrestricted	6,951	6,326	2,551	2,974	9,502	9,300
Total Net Assets	<u>\$ 83,566</u>	<u>\$ 81,509</u>	<u>\$ 32,405</u>	<u>\$ 34,205</u>	<u>\$ 115,971</u>	<u>\$ 115,714</u>

An additional portion of the City's net assets (less than two percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (\$9,502) may be used to meet the City's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City of Big Spring is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

There was an overall decrease of \$664 in investment in capital assets (\$702 increase in governmental activities and \$1,366 decrease in business-type activities) as infrastructure and other capital assets continue to depreciate at a faster rate than replacement and debt service reductions. Unrestricted net assets of governmental activities increased by \$625, due primarily to increases in sales tax revenue, interest earnings, and charges for services.

**Governmental Activities.** Governmental activities resulted in an increase of \$2,057 in the City's net assets. Key elements of this increase are as follows:

- Charges for services related to public safety decreased by \$28,181 while expenses related to public safety declined by a like amount in the current fiscal year when revenues and expenses related to the operation of the City's four prisons stopped flowing through the Correctional Center Fund. The federal government now contracts directly with a management company for the operation of these facilities rather than contracting with the City, who in the past then contracted with the management company. Overall operations of the prisons has not changed, simply the accounting of those operations.
- If transactions related to the prisons is excluded from this analysis, total revenues increased by \$779 over the prior year, primarily as a result of increases in sales tax and unrestricted investment earnings, \$401 and \$633 respectively.
- Expenses were lower than the prior year in almost every category (including public safety after elimination of the prison related activities explained above), resulting in a total reduction of \$3,305 in non-prison related expenses. Decreases in capital expenditures and reductions in operating expenses were the primary reasons for the overall decrease in expenses.
- Beginning net assets were adjusted by \$392, as a result of an incorrect calculation of deferred property tax revenue at 2006 year end.

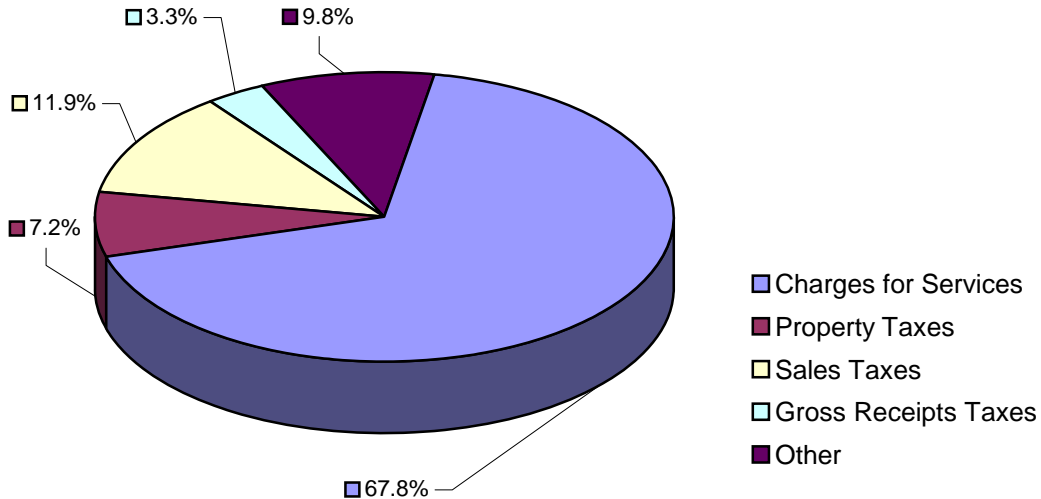
Expenses for governmental activities this year totaled \$42,689, a decrease of \$31,599 over the prior year. The majority of this decrease (\$28,196 or 89%) is directly related to the change in accounting for operation of the four City-owned prisons. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$10,100 or 24%, because the largest portion of the costs were paid by those who directly benefited from the programs (\$30,610) and by other governments and organizations that subsidized certain programs with grants and contributions, interest earnings, and other miscellaneous revenue sources (\$4,428).

**Table II**  
**City of Big Spring, Texas**

**CHANGES IN NET ASSETS**  
**(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
<b>Revenues:</b>						
Program revenues:						
Charges for Services	\$ 30,610	\$ 58,948	\$ 10,339	\$ 10,972	\$ 40,949	\$ 69,920
Operating Grants and Contributions	141	390			141	390
Capital Grants and Contributions	37				37	
General Revenues						
Property Taxes	3,252	3,075			3,252	3,075
Sales Taxes	5,370	4,969			5,370	4,969
Gross Receipts Taxes	1,477	1,864			1,477	1,864
Grants and Contributions Not						
Restricted to Specific Programs	942	1,769	217	209	1,159	1,978
Unrestricted Investment Earnings	1,023	390	276	143	1,299	533
Miscellaneous	2,286	1,139	(570)	266	1,716	1,405
Total Revenues	<u>45,138</u>	<u>72,544</u>	<u>10,262</u>	<u>11,590</u>	<u>55,400</u>	<u>84,134</u>
<b>Expenses:</b>						
Water and Sewer			8,737	8,838	8,737	8,838
Airport/Industrial Park			1,788	1,950	1,788	1,950
Emergency Medical Services			1,537	1,626	1,537	1,626
General Government	1,553	2,292			1,553	2,292
Public Safety	34,574	64,737			34,574	64,737
Highways and Streets	1,539	2,383			1,539	2,383
Sanitation	1,739	1,887			1,739	1,887
Recreation and Parks	923	1,120			923	1,120
Economic Development	1,626	1,568			1,626	1,568
Other	735	301			735	301
Total Expenses	<u>42,689</u>	<u>74,288</u>	<u>12,062</u>	<u>12,414</u>	<u>54,751</u>	<u>86,702</u>
Increase (Decrease) in Net Assets	2,449	(1,744)	(1,800)	(824)	649	(2,568)
Net Assets at October 1, 2006	81,509	83,253	34,205	35,029	115,714	118,282
Prior Year Adjustment	(392)				(392)	
Net Assets at September 30, 2007	<u>\$ 83,566</u>	<u>\$ 81,509</u>	<u>\$ 32,405</u>	<u>\$ 34,205</u>	<u>\$ 115,971</u>	<u>\$ 115,714</u>

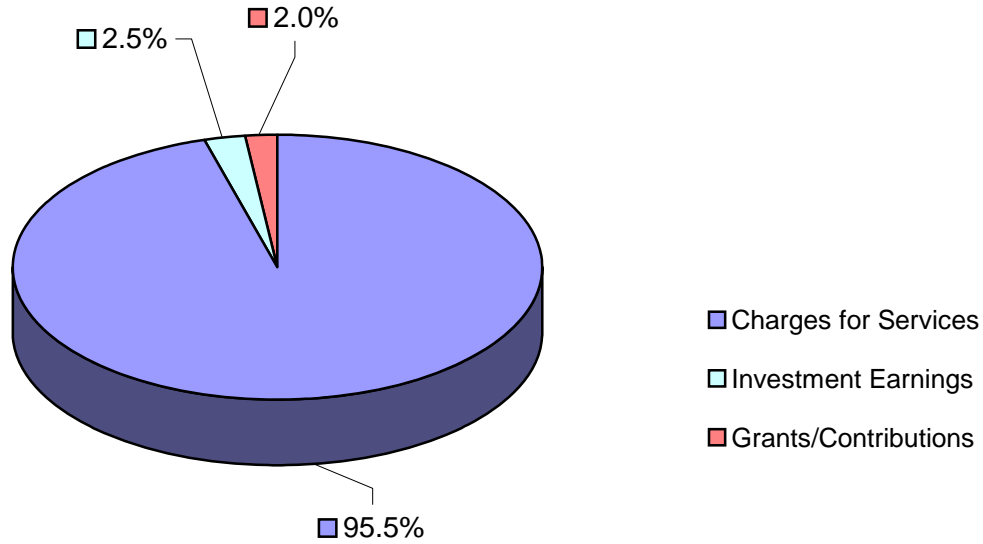
**Revenues by Source  
Governmental Activities  
Fiscal Year 2006-07**



**Business-type Activities.** Business-type activities decreased the City of Big Spring’s total net assets by \$1,800 in the current fiscal year. Key elements of this decrease are as follows.

- The key revenue source for business-type activities is the charge for service that is passed through to the users of the business. Charges for sewer service decreased in the current fiscal year by \$817. The City installed an automated meter reading system during this fiscal year. Although this system is expected to increase revenue in the future as it more accurately captures water usage by customers, some revenue was lost during the installation through the loss of some readings from the meters that were replaced. Charges for services in the other enterprise funds increased only nominally (\$35 in the Airpark Fund and \$149 in the EMS Fund) over the prior fiscal year.
- Each of the business-type activities saw decreases in expenses (Water & Sewer - \$101, Airport/Industrial Park - \$163, and Emergency Medical Services - \$88) over the prior fiscal year. Reductions in operating and capital expenses are attributable to these decreases.
- It appears, based on current and prior year decreases in net assets, that the rates that have been established to cover the cost of operations do not fully recover operating and capital replacement costs. The City Council and management will need to review our current rate structure to determine if these charges need to be increased or if operational efficiencies can be achieved in order to reduce expenses.

**Revenues by Source  
Business-type Activities  
Fiscal Year 2006-07**



**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City of Big Spring used fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for appropriation at the end of the fiscal year.

As the City completed the year, its governmental funds reported combined ending fund balances of \$26,479, representing an increase of \$15,437 from the prior year's balance of \$11,042. General obligation bond proceeds in the amount of \$14,285 and certificates of obligation in the amount of \$460 account for the majority of this increase and are reported, in combination, as a reservation of fund balance. Additionally, reservations for debt service, prepaid items, and perpetual care of the cemetery bring total reserved fund balances to \$15,520. Unreserved, undesignated fund balance that is available for spending at the City's discretion amounts to \$8,976 or 34% of the total. The remainder of the fund balance (\$1,983 or 7.5%) is unreserved but designated for expenses associated with special revenue commitments (\$266) and to capital projects (\$1,717).

The General Fund is the major operating fund of the City. At the end of the current fiscal year, unreserved, undesignated fund balance of the General Fund was \$6,426, while total fund

balance reached \$6,448. However, it should be noted that \$1,792 of the unreserved, undesignated fund balance is in a restricted investment account that the current Council has set aside for future liabilities associated with the closure and post-closure of the City's landfill. As a measure of the General Fund's liquidity, it may be useful to compare unreserved fund balance to total expenditures. Unreserved, undesignated fund balance represents 43% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$67 during fiscal year 2006-07. Key factors in this nominal growth are as follows:

- Economic growth caused local sales tax revenue and investment earnings to increase by \$300 and \$163, respectively, over the prior fiscal year.
- Proceeds from capital financing decreased by \$1,692 from the prior fiscal year.
- Expenditures related to general operations increased by \$1,020, due primarily to increases in salaries and benefits.

***Proprietary funds.*** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water and Sewer Fund at the end of year amounted to \$784, and those for the Airport/Industrial Park Fund amounted to \$1,534. These balances represented a decrease of \$439 in the Water and Sewer Fund and a decrease of \$50 in the Airport/Industrial Park Fund. These decreases are a result of capital asset depreciation that is occurring at a faster pace than capital replacement. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$37 increase in appropriations between the original and final amended budget. The following details the main components of the increase, which represents an increase of less than one percent over the original budget:

- Appropriations for public safety increased by \$124, due primarily to increased overtime associated with understaffing.
- Appropriations for sanitation activities increased by \$70, as maintenance expenses for sanitation containers and garbage trucks exceeded original estimates.
- The golf course saw an increase in appropriations of \$101, due almost entirely to an increase in costs associated with a complete rebuild of the Comanche Trail Golf Course.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***Capital Assets***

The City of Big Spring's investment in capital assets for its governmental and business-type activities as of September 30, 2007, amounts to \$114,674 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads and highways, water and sewer lines, and drainage improvements. The total increase in the City's investment in capital assets for the current fiscal year was \$1,377 or 1.2% (a 2.4% increase for governmental activities and a decrease of 1.2% for business-type activities).

Major capital asset events during the current fiscal year included the following:

- Equipment was purchased for General Fund in the amount of \$792, which included police sedans, a sanitation truck, a sanitation roll-off truck, a loader, and playground equipment.
- Dora Roberts Community Center was added to the City's assets, for a value of \$1,300 less accumulated depreciation of \$1,300.
- Major improvements and renovations were made to both the water and wastewater treatment plants, for a total cost of \$452.
- Construction in progress increased by \$1,828 which included \$1,392 golf course rebuild, \$184 street reconstruction, \$40 animal shelter annex, and \$125 sports complex.
- Installation of an automated meter reading system continued, with an additional \$1,108 added to construction in progress.
- Depreciation is generally occurring at a faster rate than replacements or renovations in both governmental and business-type activities.

**Table III**  
**City of Big Spring, Texas**

**CAPITAL ASSETS AT SEPTEMBER 30, 2007**  
**(Net of Depreciation, in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Land	\$ 72,773	\$ 72,747	\$ 5,595	\$ 5,595	\$ 78,368	\$ 78,342
Infrastructure	201	227			201	227
Buildings and Systems	264	323	25,447	27,023	25,711	27,346
Improvements Other Than						
Buildings	557	658	1,627	2,112	2,184	2,770
Machinery and Equipment	2,047	1,889	618	437	2,665	2,326
Construction in Progress	1,953	125	3,592	2,161	5,545	2,286
	<u>\$ 77,795</u>	<u>\$ 75,969</u>	<u>\$ 36,879</u>	<u>\$ 37,328</u>	<u>\$ 114,674</u>	<u>\$ 113,297</u>

Additional information regarding capital asset activity of the City can be found in Note D in the Notes to the Financial Statements.

***Long-Term Debt***

The City of Big Spring has anticipated the need for new bonded debt for the past several years. In November of 2006, the citizens approved both bond propositions presented to them. In March of 2007, the City sold \$14,285 General Obligation Bonds and an additional \$1,100 Certificates of Obligation. All debt service on the above bonds and certificates will be paid from property tax revenue, with the exception of \$640 of Certificates of Obligation which will be paid from increases in user fees in the utility system.



At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$19,130. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$15,185 of the total and the remaining \$3,945 is business-type activity debt, supported by water and sewer system revenues.

The City of Big Spring's total bonded debt increased by \$15,385 in new debt, while current debt decreased by \$625 during the current fiscal year. Debt which is serviced by tax revenues decreased by \$225 and debt serviced by enterprise funds decreased by \$400.

The City of Big Spring carefully plans debt acquisition to fund only capital replacement and new construction. This process includes matching the maturity of the debt to the useful lives of the assets to be funded, as closely as possible. This allows for the use of debt to compliment operations by allowing for matching the cash flows of asset cost to the period deriving the benefit from the asset.

**Table IV**  
**City of Big Spring, Texas**

**OUTSTANDING BONDED DEBT AT SEPTEMBER 30, 2007**  
**(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
General Obligation Bonds						
Serviced by Tax Revenues	\$ 15,185	\$ 665			\$ 15,185	\$ 665
General Obligation Bonds						
Serviced by Enterprise Fund Revenues	<u>          </u>	<u>          </u>	<u>3,945</u>	<u>3,705</u>	<u>3,945</u>	<u>3,705</u>
	<u>\$ 15,185</u>	<u>\$ 665</u>	<u>\$ 3,945</u>	<u>\$ 3,705</u>	<u>\$ 19,130</u>	<u>\$ 4,370</u>

Additionally, this allows the City to plan for and structure debt payments in such a manner that debt service tends to be generally declining across the years creating a known, decreasing demand upon resources for debt service and limiting the demand upon resources to a managed level. As a result of the development and refinement of this process, the impact of current debt upon present and future operations is minimized and annual operations can be based upon a known level of expendable, available resources to respond to the immediate needs of the City.

Additional information regarding long-term debt activity of the City can be found in Note F in the Notes to the Financial Statements.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when adopting the 2008 budget and setting tax rates. One of those factors is the economy. The City's population growth as measured by the 2000 Census indicated no significant gain in population. Unemployment during 2007 decreased from 5.2% to 4.4% and per capita income increased from \$23,186 to \$23,858. The increase in per capita income is slightly less than three percent, which did not fully compensate for inflation. Per capita income in the City of Big Spring is considerably lower than the national and state averages.

These indicators were taken into account when adopting the General Fund budget for 2008. The City will use its revenues to finance programs at consistent levels. Increases in personnel services and debt service requirements will increase budgeted expenditures. The City added one major new program to the 2008 budget. A drug task force will be established and funded in the first year by an increase in the property tax rate. It is anticipated that cash and assets seized during drug enforcement endeavors will reduce the tax rate in future years

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's finance office, at City of Big Spring, 310 Nolan, Big Spring, Texas 79720-2657.

## **BASIC FINANCIAL STATEMENTS**



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CITY OF BIG SPRING

EXHIBIT A-1

**STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 9,513,082	\$ 3,186,463	\$ 12,699,545	\$ 4,045,697
Receivables (Net of Allowances for Uncollectibles)	1,125,736	1,596,260	2,721,996	103,293
Internal Balances	1,226,739	(1,226,739)		
Due from Other Governments	987,038	8,089	995,127	
Notes Receivable				709,604
Inventories	120,943	329,127	450,070	
Deferred Charges	22,288	1,661	23,949	7,356
Unamortized Bond Issue Costs	23,926	83,224	107,150	
Restricted Assets:				
Cash and Cash Equivalents	16,894,448	622,234	17,516,682	
Capital Assets (Net of Accumulated Depreciation):				
Land	72,772,685	5,595,149	78,367,834	112,430
Buildings and System	263,830	25,446,614	25,710,444	174,434
Improvements Other Than Buildings	556,899	1,626,934	2,183,833	
Machinery and Equipment	2,047,175	617,923	2,665,098	7,174
Infrastructure	201,235		201,235	
Construction in Progress	1,953,068	3,592,344	5,545,412	
	<u>\$ 107,709,092</u>	<u>\$ 41,479,283</u>	<u>\$ 149,188,375</u>	<u>\$ 5,159,988</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 1,007,440	\$ 577,448	\$ 1,584,888	\$ 24,990
Claims and Judgments Payable	280,169		280,169	
Accrued Interest Payable	429,611	35,084	464,695	
Retainage Payable	262,922	47,988	310,910	
Accrued Wages	138,124	50,310	188,434	
Unearned Revenue	110,145	1,735	111,880	
Customer Deposits	9,500	217,424	226,924	
Unclaimed Property		85,794	85,794	
Current Portion of Long-Term Debt	945,549	742,842	1,688,391	
Noncurrent Liabilities				
Noncurrent Portion of Long-Term Debt	17,590,437	6,885,649	24,476,086	
Closure/Postclosure Landfill Obligation	1,691,293		1,691,293	
Accrued Compensated Absences	1,677,906	429,843	2,107,749	
Total Liabilities	<u>\$ 24,143,096</u>	<u>\$ 9,074,117</u>	<u>\$ 33,217,213</u>	<u>\$ 24,990</u>
<b>NET ASSETS</b>				
Invested in Capital Assets, Net of Related Debt	\$ 74,389,471	\$ 29,854,473	\$ 104,243,944	\$ 294,038
Restricted For:				
Debt Service	81,581		81,581	
Cemetery Perpetual Care	351,511		351,511	
Closure/Postclosure Landfill Obligation	1,792,419		1,792,419	
Unrestricted	<u>6,951,014</u>	<u>2,550,693</u>	<u>9,501,707</u>	<u>4,840,960</u>
Total Net Assets	<u>\$ 83,565,996</u>	<u>\$ 32,405,166</u>	<u>\$ 115,971,162</u>	<u>\$ 5,134,998</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING

EXHIBIT A-2

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
<b>PRIMARY GOVERNMENT:</b>								
Governmental Activities								
General Government	\$ 1,553,112	\$ 218,268	\$	\$	\$ (1,334,844)	\$	\$ (1,334,844)	\$
Public Safety	34,574,020	27,965,372	48,038		(6,560,610)		(6,560,610)	
Highways and Streets	1,539,111		4,957		(1,534,154)		(1,534,154)	
Sanitation	1,739,329	2,284,695	30,019		575,385		575,385	
Community Service	85,350		57,628		(27,722)		(27,722)	
Recreation and Parks	923,075	91,453		37,364	(794,258)		(794,258)	
Cemetery	143,459	50,173			(93,286)		(93,286)	
Economic Development	1,626,113				(1,626,113)		(1,626,113)	
Bond Issue Costs	656				(656)		(656)	
Interest on Long-Term Debt	505,201				(505,201)		(505,201)	
Total Governmental Activities	\$ 42,689,426	\$ 30,609,961	\$ 140,642	\$ 37,364	\$ (11,901,459)	\$ 0	\$ (11,901,459)	\$ 0
Business-Type Activities:								
Water and Sewer	\$ 8,736,468	\$ 8,259,517	\$	\$	\$	\$ (476,951)	\$ (476,951)	\$
Airport/Industrial Park	1,787,590	722,052				(1,065,538)	(1,065,538)	
Emergency Medical Services	1,537,351	1,357,381				(179,970)	(179,970)	
Total Business-Type Activities	\$ 12,061,409	\$ 10,338,950	\$ 0	\$ 0	\$ 0	\$ (1,722,459)	\$ (1,722,459)	\$ 0
Total Primary Government	\$ 54,750,835	\$ 40,948,911	\$ 140,642	\$ 37,364	\$ (11,901,459)	\$ (1,722,459)	\$ (13,623,918)	\$ 0
<b>COMPONENT UNIT:</b>								
Economic Development Corporation	\$ 372,931	\$ 9,933	\$ 0	\$ 0				\$ (362,998)
General Revenues:								
Property Taxes					\$ 3,252,311	\$	\$ 3,252,311	\$
Sales Taxes					5,369,792		5,369,792	1,339,743
Gross Receipts Taxes					1,477,481		1,477,481	
Motel Occupancy Taxes					478,512		478,512	
Grants and Contributions Not Restricted to Specific Programs					942,137	217,009	1,159,146	
Unrestricted Investment Earnings					1,023,253	276,256	1,299,509	187,211
Other					1,236,171	450	1,236,621	(226)
Transfers					570,670	(570,670)		
Total General Revenue					\$ 14,350,327	\$ (76,955)	\$ 14,273,372	\$ 1,526,728
Change in Net Assets					2,448,868	(1,799,414)	649,454	1,163,730
Net Assets - Beginning					81,509,192	34,204,580	115,713,772	3,971,268
Prior Year Adjustment					(392,064)		(392,064)	
Net Assets - Ending					\$ 83,565,996	\$ 32,405,166	\$ 115,971,162	\$ 5,134,998

The accompanying notes are an integral part of this statement.

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CITY OF BIG SPRING

EXHIBIT A-3

**BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007**

	General Fund	Correctional Center	Capital Projects 2007 G.O. Streets	Capital Projects 2007 G.O. Sports Complex	Other Governmental Funds	Total Governmental Funds
<b>ASSETS AND OTHER DEBITS</b>						
<b>ASSETS:</b>						
Cash and Cash Equivalents	\$ 2,814,603	\$ 3,023,273	\$	\$	\$ 1,927,539	\$ 7,765,415
Receivables (Net of Allowances for Uncollectibles)	1,033,389				92,347	1,125,736
Due from Other Funds	1,185,330				378,897	1,564,227
Intergovernmental Receivables	715,043				271,995	987,038
Prepaid Items	21,675				613	22,288
Advances to Other Funds					570,182	570,182
Restricted Assets:						
Cash and Cash Equivalents	1,792,419		9,461,696	5,195,691	444,642	16,894,448
Total Assets and Other Debits	\$ 7,562,459	\$ 3,023,273	\$ 9,461,696	\$ 5,195,691	\$ 3,686,215	\$ 28,929,334
 <b>LIABILITIES AND FUND BALANCES:</b>						
<b>LIABILITIES:</b>						
Accounts Payable	\$ 500,227	\$	\$ 19,680	\$	\$ 307,704	\$ 827,611
Retainage Payable	262,922					262,922
Accrued Wages	130,827				2,732	133,559
Accrued Interest Payable					87,869	87,869
Due to Other Funds	54,531	473,572			300,482	828,585
Deferred Revenue	131,584				91,357	222,941
Customer Deposits					9,500	9,500
Advances from Other Funds	34,223				42,782	77,005
Total Liabilities	\$ 1,114,314	\$ 473,572	\$ 19,680	\$ 0	\$ 842,426	\$ 2,449,992
 <b>FUND BALANCES:</b>						
Reserved Fund Balances:						
Reserved for Debt Service	\$	\$	\$	\$	\$ 81,581	\$ 81,581
Reserved for Prepaid Items	21,675					21,675
Reserved for Cemetery Care (Nonexpendable)					351,511	351,511
Reserved for Capital Projects			9,442,016	5,195,691	427,667	15,065,374
Unreserved	6,426,470	2,549,701				8,976,171
Unreserved, Reported in Nonmajor:						
Special Revenue Funds					266,005	266,005
Capital Project Funds					1,717,025	1,717,025
Total Fund Balances	\$ 6,448,145	\$ 2,549,701	\$ 9,442,016	\$ 5,195,691	\$ 2,843,789	\$ 26,479,342
Total Liabilities and Fund Balances	\$ 7,562,459	\$ 3,023,273	\$ 9,461,696	\$ 5,195,691	\$ 3,686,215	\$ 28,929,334

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING

EXHIBIT A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET ASSETS  
SEPTEMBER 30, 2007

Total Fund Balances - Governmental Funds Balance Sheet	\$ 26,479,342
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	77,768,133
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	112,796
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	1,364,997
Payables for bond principal which are not due in the current period are not reported in the funds.	(15,185,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,364,927)
Payables for notes payable which are not due in the current period are not reported in the funds.	(1,968,084)
Payables for bond interest which are not due in the current period are not reported in the funds.	(341,742)
Bond issue costs are recorded as an asset in the SNA and amortized over the term of the bond issued in the statement of activities.	23,926
Payables for compensated absences which are not due in the current period are not reported in the funds.	(1,632,152)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	<u>(1,691,293)</u>
Net Assets of Governmental Activities - Statement of Net Assets	\$ <u>83,565,996</u>

The accompanying notes are an integral part of this statement.



**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	General Fund	Correctional Center	Capital Projects 2007 G.O. Streets	Capital Projects 2007 G.O. Sports Complex	Other Governmental Funds	Total Governmental Funds
Revenue:						
Taxes:						
General Property Taxes	\$ 2,940,078	\$	\$	\$	\$ 313,867	\$ 3,253,945
General Sales Taxes	4,027,343				1,342,449	5,369,792
Gross Receipts Business Taxes	1,477,481					1,477,481
Motel Occupancy Taxes					478,512	478,512
License and Permits	220,018					220,018
Intergovernmental	927,956	27,971,505			178,684	29,078,145
Charges for Services	2,557,219				10,555	2,567,774
Fines	288,625				7,371	295,996
Recreation	91,453					91,453
Investment Earnings	328,920	158,750	262,212	144,930	128,441	1,023,253
Rents and Royalties	332,649				133,147	465,796
Miscellaneous	144,650				5,759	150,409
Contributions and Donations	91,683				5,000	96,683
Total Revenues	<u>\$ 13,428,075</u>	<u>\$ 28,130,255</u>	<u>\$ 262,212</u>	<u>\$ 144,930</u>	<u>\$ 2,603,785</u>	<u>\$ 44,569,257</u>
Expenditures:						
Current:						
General Government	\$ 1,496,993	\$	\$	\$	\$ 12,111	\$ 1,509,104
Public Safety	6,865,369	27,907,714			62,605	34,835,688
Highways and Streets	1,808,910		20,196		4,957	1,834,063
Sanitation	1,645,051				30,667	1,675,718
Community Service					85,350	85,350
Recreation and Parks	2,341,276			34,239	50,300	2,425,815
Economic Development					1,617,966	1,617,966
Cemetery					139,369	139,369
Debt Service:						
Principal	615,573				228,181	843,754
Interest and Fiscal Charges	136,629				27,437	164,066
Bond Issue Costs					24,582	24,582
Fiscal Agent's Fees					500	500
Total Expenditures	<u>\$ 14,909,801</u>	<u>\$ 27,907,714</u>	<u>\$ 20,196</u>	<u>\$ 34,239</u>	<u>\$ 2,284,025</u>	<u>\$ 45,155,975</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,481,726)</u>	<u>\$ 222,541</u>	<u>\$ 242,016</u>	<u>\$ 110,691</u>	<u>\$ 319,760</u>	<u>\$ (586,718)</u>
Other Financing Sources (Uses):						
Transfers In	\$ 1,134,178	\$	\$	\$	\$ 92,270	\$ 1,226,448
Transfers Out	(292,384)	(288,508)			(74,886)	(655,778)
Bond Proceeds			9,200,000	5,085,000	460,000	14,745,000
Capital Leases	707,574					707,574
Total Other Financing Sources (Uses)	<u>\$ 1,549,368</u>	<u>\$ (288,508)</u>	<u>\$ 9,200,000</u>	<u>\$ 5,085,000</u>	<u>\$ 477,384</u>	<u>\$ 16,023,244</u>
Net Change in Fund Balances	67,642	(65,967)	9,442,016	5,195,691	797,144	15,436,526
Fund Balances - Beginning	<u>6,380,503</u>	<u>2,615,668</u>			<u>2,046,645</u>	<u>11,042,816</u>
Fund Balances - Ending	<u>\$ 6,448,145</u>	<u>\$ 2,549,701</u>	<u>\$ 9,442,016</u>	<u>\$ 5,195,691</u>	<u>\$ 2,843,789</u>	<u>\$ 26,479,342</u>

The accompanying notes are an integral part of this statement.

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

Net Change in Fund Balances - Total Governmental Funds	\$ 15,436,526
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:	
Capital assets are not reported as expenses in the SOA.	2,709,518
The depreciation of capital assets used in governmental activities is not reported in the funds.	(881,212)
Proceeds of bond issue does not provide revenue in the SOA, but are reported as current resources in the funds.	(14,745,000)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(707,574)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(1,634)
Expenses not requiring the use of current financial resources are not reported as expenditures in the funds.	(120,213)
Bond issue costs are recorded as expenditures in governmental funds but amortized over the term of the bonds issued in the SOA.	23,926
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	225,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	516,827
Repayment of notes payable principal is an expenditure in the funds but is not an expense in the SOA.	101,928
Increase in accrued interest from beginning of period to end of period.	(340,635)
The net revenue of internal service funds is reported with governmental activities.	311,460
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(80,049)</u>
Change in Net Assets of Governmental Activities - Statement of Activities	<u>\$ 2,448,868</u>

CITY OF BIG SPRING

EXHIBIT A-7

STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 SEPTEMBER 30, 2007

	Enterprise Funds			Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services		
<b>ASSETS:</b>					
Current Assets					
Cash and Cash Equivalents	\$ 1,345,617	\$ 1,827,527	\$ 13,319	\$ 3,186,463	\$ 1,747,667
Receivables (Net of Allowances for Uncollectibles)	910,513	46,615	639,132	1,596,260	
Intergovernmental Receivables		8,089		8,089	
Due from Other Funds	50	11,340		11,390	100,650
Inventories	307,565		21,562	329,127	120,943
Prepaid Items	1,399		262	1,661	
Unamortized Bond Issue Costs	83,224			83,224	
Total Current Assets	\$ 2,648,368	\$ 1,893,571	\$ 674,275	\$ 5,216,214	\$ 1,969,260
Noncurrent Assets					
Restricted Cash and Cash Equivalents	\$ 622,234	\$	\$	\$ 622,234	\$
Capital Assets (Net of Accumulated Depreciation)					
Land	5,036	5,590,113		5,595,149	10,000
Buildings and System	12,752,445	12,694,169		25,446,614	
Improvements Other Than Buildings	53,560	1,573,374		1,626,934	
Machinery and Equipment	277,880	138,323	201,720	617,923	16,759
Construction in Progress	3,453,086	139,258		3,592,344	
Total Noncurrent Assets	\$ 17,164,241	\$ 20,135,237	\$ 201,720	\$ 37,501,198	\$ 26,759
Total Assets	\$ 19,812,609	\$ 22,028,808	\$ 875,995	\$ 42,717,412	\$ 1,996,019
<b>LIABILITIES:</b>					
Current Liabilities					
Accounts Payable	\$ 503,307	\$ 55,261	\$ 18,880	\$ 577,448	\$ 179,829
Claims and Judgments Payable					280,169
Accrued Wages	31,965	4,610	13,735	50,310	4,565
Retainage Payable	47,988			47,988	
Due to Other Funds	269,935	225,017	250,000	744,952	102,730
Customer Deposits	195,770	21,654		217,424	
Unclaimed Property	85,794			85,794	
Accrued Interest Payable	35,084			35,084	
Deferred Revenue		1,735		1,735	
Notes Payable - Current	177,120	3,652		180,772	970
Revenue Bonds Payable	430,000			430,000	
Capital Leases Payable	78,504	6,821	46,745	132,070	
Total Current Liabilities	\$ 1,855,467	\$ 318,750	\$ 329,360	\$ 2,503,577	\$ 568,263
Noncurrent Liabilities					
Revenue Bonds Payable	\$ 3,515,000	\$	\$	\$ 3,515,000	\$
Notes Payable	3,105,290	64,051		3,169,341	17,005
Capital Leases Payable	95,680	15,833	89,795	201,308	
Accrued Compensated Absences	220,029	50,818	158,996	429,843	45,754
Advances from Other Funds	493,177			493,177	
Total Noncurrent Liabilities	\$ 7,429,176	\$ 130,702	\$ 248,791	\$ 7,808,669	\$ 62,759
Total Liabilities	\$ 9,284,643	\$ 449,452	\$ 578,151	\$ 10,312,246	\$ 631,022
<b>NET ASSETS:</b>					
Investment in Capital Assets, Net of Related Debt	\$ 9,744,413	\$ 20,044,880	\$ 65,180	\$ 29,854,473	\$ 8,784
Unrestricted	783,553	1,534,476	232,664	2,550,693	1,356,213
Total Net Assets	\$ 10,527,966	\$ 21,579,356	\$ 297,844	\$ 32,405,166	\$ 1,364,997

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING

EXHIBIT A-8

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET ASSETS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Enterprise Funds			Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services		
<b>OPERATING REVENUES:</b>					
Water Sales	\$ 5,417,305	\$	\$	\$ 5,417,305	\$
Sewer Charges	2,510,859			2,510,859	
Emergency Medical Services			1,346,381	1,346,381	
Commercial Rentals and Fees		721,412		721,412	
Billings to Departments and Employees					3,098,327
Other Services	330,753			330,753	
Total Operating Revenues	<u>\$ 8,258,917</u>	<u>\$ 721,412</u>	<u>\$ 1,346,381</u>	<u>\$ 10,326,710</u>	<u>\$ 3,098,327</u>
<b>OPERATING EXPENSES:</b>					
Personnel Services	\$ 2,138,929	\$ 327,488	\$ 1,091,591	\$ 3,558,008	\$ 339,378
Supplies and Materials	3,419,360	61,511	126,380	3,607,251	1,028,687
Contractual Services	777,553	140,591	66,550	984,694	1,084,974
Maintenance	687,880	131,157	38,927	857,964	16,656
Depreciation	1,272,404	1,122,085	58,879	2,453,368	2,256
Other	84,175	1,009	150,496	235,680	379,671
Total Operating Expenses	<u>\$ 8,380,301</u>	<u>\$ 1,783,841</u>	<u>\$ 1,532,823</u>	<u>\$ 11,696,965</u>	<u>\$ 2,851,622</u>
Operating Income (Loss)	<u>\$ (121,384)</u>	<u>\$ (1,062,429)</u>	<u>\$ (186,442)</u>	<u>\$ (1,370,255)</u>	<u>\$ 246,705</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Intergovernmental Revenue	\$	\$ 87,009	\$ 130,000	\$ 217,009	\$
Interest Revenue	194,895	87,316		282,211	65,547
Other		450		450	
Gain on Sale of Capital Assets	600	640	11,000	12,240	
Interest Expense and Paying Agent Fees	(356,167)	(3,749)	(10,483)	(370,399)	(792)
Total Non-Operating Revenues (Expenses)	<u>\$ (160,672)</u>	<u>\$ 171,666</u>	<u>\$ 130,517</u>	<u>\$ 141,511</u>	<u>\$ 64,755</u>
Income (Loss) Before Transfers	(282,056)	(890,763)	(55,925)	(1,228,744)	311,460
Transfers In (Out)	<u>\$ (612,851)</u>	<u>\$ (103,178)</u>	<u>\$ 145,359</u>	<u>\$ (570,670)</u>	<u>\$ 0</u>
Change in Net Assets	\$ (894,907)	\$ (993,941)	\$ 89,434	\$ (1,799,414)	\$ 311,460
Total Net Assets - Beginning	11,422,873	22,573,297	208,410	34,204,580	1,053,537
Total Net Assets - Ending	<u>\$ 10,527,966</u>	<u>\$ 21,579,356</u>	<u>\$ 297,844</u>	<u>\$ 32,405,166</u>	<u>\$ 1,364,997</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING

EXHIBIT A-9

STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Enterprise Funds			Totals	Internal Service Funds
	Water and Sewer Fund	Airport/Industrial Park	Emergency Medical Services		
Cash Flows from Operating Activities:					
Cash Received from Customers	\$ 8,293,059	\$ 745,748	\$ 1,049,155	\$ 10,087,962	\$
Cash Receipts from Interfund Services Provided					3,102,204
Cash Payments to Employees for Services	(2,127,757)	(321,764)	(1,073,289)	(3,522,810)	(335,189)
Cash Payments to Other Suppliers for Goods and Services	(4,857,917)	(162,145)	(158,394)	(5,178,456)	(2,549,760)
Net Cash Provided by (Used in) Operating Activities	\$ 1,307,385	\$ 261,839	\$ (182,528)	\$ 1,386,696	\$ 217,255
Cash Flows from Non-Capital Financing Activities:					
Cash Received from Intergovernmental Grants	\$	\$ 87,009	\$ 130,000	\$ 217,009	\$
Other		450		450	
Advances from (to) Other Funds	(244,791)			(244,791)	
Transfers from (to) Other Funds	(612,851)	(103,178)	145,359	(570,670)	
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ (857,642)	\$ (15,719)	\$ 275,359	\$ (598,002)	\$ 0
Cash Flows from Capital and Related Financing Activities:					
Proceeds from Issuance of Long-Term Debt	\$ 684,310	\$ 30,284	\$ 107,202	\$ 821,796	\$
Principal and Interest Paid	(1,021,578)	(18,276)	(82,101)	(1,121,955)	(1,723)
Acquisition or Construction of Capital Assets	(1,629,411)	(256,500)	(118,202)	(2,004,113)	
Proceeds from Sale of Capital Assets	600	640	11,000	12,240	
Net Cash Used in Capital and Related Financing Activities	\$ (1,966,079)	\$ (243,852)	\$ (82,101)	\$ (2,292,032)	\$ (1,723)
Cash Flows from Investing Activities:					
Interest and Dividends on Investments	\$ 194,895	\$ 87,316	\$ 0	\$ 282,211	\$ 66,476
Net Cash Provided by Investing Activities	\$ 194,895	\$ 87,316	\$ 0	\$ 282,211	\$ 66,476
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (1,321,441)	\$ 89,584	\$ 10,730	\$ (1,221,127)	\$ 282,008
Cash and Cash Equivalents - Beginning of Year	3,289,292	1,737,943	2,589	5,029,824	1,465,659
Cash and Cash Equivalents - End of Year	\$ 1,967,851	\$ 1,827,527	\$ 13,319	\$ 3,808,697	\$ 1,747,667
Reconciliation of Operating Income to Net Cash					
Provided by (Used in) Operating Activities:					
Operating Income (Loss)	\$ (121,384)	\$ (1,062,429)	\$ (186,442)	\$ (1,370,255)	\$ 246,705
Adjustments to Reconcile Operating Income to Net Cash					
Provided by Operating Activities					
Depreciation	1,272,404	1,122,085	58,879	2,453,368	2,256
Change in Assets and Liabilities:					
Decrease (Increase) in Receivables	30,582	2,031	(297,226)	(264,613)	1,190
Decrease in Interfund Receivable		18,689		18,689	2,687
Increase in Inventories	(2,431)		(1,899)	(4,330)	(35,479)
Decrease (Increase) in Prepaid Expenses	(25,961)		785	(25,176)	
Increase (Decrease) in Accounts Payable	127,023	(12,818)	5,073	119,278	6,254
Increase (Decrease) in Interfund Payables	12,420	184,941	220,000	417,361	(10,547)
Increase in Customer Deposits	3,560	1,881		5,441	
Increase in Deferred Revenue		1,735		1,735	
Increase in Accrued Expenses	11,172	5,724	18,302	35,198	4,189
Total Adjustments	\$ 1,428,769	\$ 1,324,268	\$ 3,914	\$ 2,756,951	\$ (29,450)
Net Cash Provided by (Used in) Operating Activities	\$ 1,307,385	\$ 261,839	\$ (182,528)	\$ 1,386,696	\$ 217,255

The accompanying notes are an integral part of this statement.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The combined financial statements of City of Big Spring (the City) have been prepared in conformity with accounting principles applicable to governmental units which are generally accepted in the United States of America. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting City

The City's combined financial statements include the accounts of all its operations. The City evaluated whether any other City should be included in these financial statements. The criteria for including organizations as component units within the City's reporting City, as set forth in GASB Statement No. 14, "The Financial Reporting City," include whether:

- the organization is legally separate (can sue and be sued in its 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 fiscal dependency by the organization on the City

Based upon the above criteria, one component unit (Moore Development for Big Spring, Inc.) is included within the reporting City. The City is financially accountable for Moore Development. The City established the sales tax that is the principal source of revenue for Moore Development. The City Council appoints the Board of Directors and approves the annual budget. This component unit has been discretely presented in the accompanying financial statements. Complete financial statements for the component unit can be obtained from their office at 215 West 3rd Street, Big Spring, Texas.

Additionally, the City is not a component unit of any other reporting City as defined by the GASB Statement.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Statements: The statement of net assets and the statement of activities include the financial activities of the overall government. Eliminations been made to minimize the double-counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the City's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

Correctional Center (Special Revenue) Fund: This fund accounts for monies received from the Federal Bureau of Prisons for inmates housed at City-owned facilities, which are operated by an independent contractor.

Capital Projects Fund – 2007 G.O. Streets: This fund accounts for financial resources and expenditures applied to the reconstruction of streets.

Capital Projects Fund – 2007 G.O. Sports Complex: This fund accounts for financial resources and expenditures applied to the construction of a sports complex.

The City reports the following major enterprise funds:

Water and Sewer Fund: This fund accounts for the revenues and expenses associated with providing water and sewer service to the citizens of the City.

Airport/Industrial Park Fund: This fund is used to account for the Airport and Industrial Park. Funding for these activities is provided by charges to renters of facilities.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

In addition, the City reports the following fund types:

**Internal Service Funds:** These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

**Government-wide and Proprietary Fund Financial Statements:** These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board ("FASB") standards issued on or before November 30, 1989. However, from that date forward, enterprise funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of



**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen not to apply future FASB standards.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds, of the water and sewer, airport/industrial park and EMS funds, and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**3. Financial Statement Amounts**

**a. Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

**b. Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**c. Inventories and Prepaid Items**

Inventories on the balance sheet are stated at first in first out method. Inventory items are recorded as expenditures when they are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Classes</u>	<u>Estimated Useful Lives</u>
Infrastructure	30
Buildings	5-50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15
Furniture and Fixtures	2-10

e. Receivable Balances

Receivables as of year end for the City's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Water and Sewer</u>	<u>Airport/ Industrial Park</u>	<u>Emergency Medical Services</u>	<u>Total</u>
Receivables:						
Sanitation	\$ 325,236	\$	\$	\$	\$	\$ 325,236
Taxes	452,047	26,803				478,850
Municipal Court	1,439,904	33,265				1,473,169
Accounts	<u>356,271</u>	<u>76,717</u>	<u>1,004,650</u>	<u>46,660</u>	<u>1,265,891</u>	<u>2,750,189</u>
Gross Receivables	\$ 2,573,458	\$ 136,785	\$ 1,004,650	\$ 46,660	\$ 1,265,891	\$ 5,027,444
Less: Allowance for Uncollectibles	<u>(1,540,069)</u>	<u>(44,438)</u>	<u>(94,137)</u>	<u>(45)</u>	<u>(626,759)</u>	<u>(2,305,448)</u>
Net Total Receivables	<u>\$ 1,033,389</u>	<u>\$ 92,347</u>	<u>\$ 910,513</u>	<u>\$ 46,615</u>	<u>\$ 639,132</u>	<u>\$ 2,721,996</u>

Intergovernmental receivables are classified separately in the accompanying financial statements.

There are no significant receivables which are not scheduled for collection within one year of year end.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

g. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

4. Budgetary Data

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. The legal level of control is at the department level. During the year, the budget was amended as necessary. All budget appropriations lapse at year end.

The budget is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

Annual budgets were adopted for all governmental funds except the Grant, R.S.V.P., Capital

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Projects 2007 G.O. Streets and Capital Projects 2007 G.O. Sports Complex funds.

B. Compliance and Accountability

Deficit Fund Balance or Fund Net Assets of Individual Funds

Following are funds having deficit fund balances or fund net assets at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Special Revenue		
Cemetery	\$ 109,127	This fund incurred additional capital costs in the prior year that will be recaptured.
Golf Course Improvement	\$ 87,981	This fund incurred additional capital costs in the prior year that will be recaptured.
Employees College Education	\$ 11,372	This fund incurred additional capital costs in the prior year that will be recaptured.

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At September 30, 2007, the carrying amount of the City's deposits was \$2,777,316 with \$818,288 in escrow for financing, \$27,000 in TML for loss deposit, and \$6,425 for cash on hand. The City's cash deposits at year end were \$1,925,603 with a bank balance of \$2,207,148. The City's cash deposits at September 30, 2007, and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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

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

The City's investments at September 30, 2007 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>	<u>Percentage</u>
Tex-Pool Investment Pool	30 Days Average	AAAm	\$ 11,583,312	100%
TexStar	17 Days Average	AAAm	15,855,599	100%

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City's investments were rated as noted above.

b. Custodial Credit Risk

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

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

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

At year end, the City was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the City's investments representing more than five percent of total investments are disclosed above.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

e. Foreign Currency Risk

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

Investment Accounting Policy

The City's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

in the Pool and other persons who do not have a business relationship with the Pool and are qualified to advise the Pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares. The City's investments in Pools are reported at an amount determined by the fair value per share of the Pool's underlying portfolio, unless the Pool is 2a7-like, in which case they are reported at share value. A 2a7-like Pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment City, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment City Act of 1940.

**D. Capital Assets**

Capital asset activity for the year ended September 30, 2007, were as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 72,746,937	\$ 25,748	\$	\$ 72,772,685
Construction in Progress	125,263	1,827,805		1,953,068
Total Capital Assets Not Being Depreciated	<u>\$ 72,872,200</u>	<u>\$ 1,853,553</u>	<u>\$ 0</u>	<u>\$ 74,725,753</u>
Capital Assets Being Depreciated				
Infrastructure	\$ 5,711,462	\$	\$	\$ 5,711,462
Buildings and Systems	25,473,378			25,473,378
Improvements Other Than Buildings	1,567,103	24,647		1,591,750
Machinery and Equipment	8,479,912	831,318	727,556	8,583,674
Total Capital Assets Being Depreciated	<u>\$ 41,231,855</u>	<u>\$ 855,965</u>	<u>\$ 727,556</u>	<u>\$ 41,360,264</u>
Less Accumulated Depreciation for:				
Infrastructure	\$ 5,484,845	\$ 25,382	\$	\$ 5,510,227
Buildings and Systems	25,150,125	59,423		25,209,548
Improvements Other Than Buildings	909,668	125,183		1,034,851
Machinery and Equipment	6,590,575	673,480	727,556	6,536,499
Total Accumulated Depreciation	<u>\$ 38,135,213</u>	<u>\$ 883,468</u>	<u>\$ 727,556</u>	<u>\$ 38,291,125</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 3,096,642</u>	<u>\$ (27,503)</u>	<u>\$ 0</u>	<u>\$ 3,069,139</u>
Governmental Activities Capital Assets, Net	<u>\$ 75,968,842</u>	<u>\$ 1,826,050</u>	<u>\$ 0</u>	<u>\$ 77,794,892</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 5,595,149	\$	\$	\$ 5,595,149
Construction in Progress	2,160,950	1,442,409	11,015	3,592,344
Total Capital Assets Not Being Depreciated	<u>\$ 7,756,099</u>	<u>\$ 1,442,409</u>	<u>\$ 11,015</u>	<u>\$ 9,187,493</u>
Capital Assets Being Depreciated				
Buildings and Systems	\$ 63,856,158	\$ 231,687	\$	\$ 64,087,845
Improvements Other Than Buildings	24,333,610	14,785		24,348,395
Machinery and Equipment	2,554,317	326,247	170,903	2,709,661
Total Capital Assets Being Depreciated	<u>\$ 90,744,085</u>	<u>\$ 572,719</u>	<u>\$ 170,903</u>	<u>\$ 91,145,901</u>
Less Accumulated Depreciation for:				
Buildings and Systems	\$ 36,832,685	\$ 1,808,546	\$	\$ 38,641,231
Improvements Other Than Buildings	22,221,927	499,534		22,721,461
Machinery and Equipment	2,117,353	145,288	170,903	2,091,738
Total Accumulated Depreciation	<u>\$ 61,171,965</u>	<u>\$ 2,453,368</u>	<u>\$ 170,903</u>	<u>\$ 63,454,430</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 29,572,120</u>	<u>\$ (1,880,649)</u>	<u>\$ 0</u>	<u>\$ 27,691,471</u>
Business-Type Activities Capital Assets, Net	<u>\$ 37,328,219</u>	<u>\$ (438,240)</u>	<u>\$ 11,015</u>	<u>\$ 36,878,964</u>
Depreciation Expense		<u>\$ 2,453,368</u>		

Depreciation was charged to governmental activities as follows:

General Government	\$ 76,590
Public Safety	253,699
Highways and Streets	130,469
Sanitation	228,445
Recreation and Parks	154,833
Cemetery	11,633
Economic Development	25,543
	<u>\$ 881,212</u>
Depreciation Charged to Internal Service Funds	<u>2,256</u>
Total Depreciation Charged to Governmental Activities	<u>\$ 883,468</u>



CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

E. Interfund Balances and Activity

1. Due To and From Other Funds

Balances due to and due from other funds at September 30, 2007, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Other Governmental Funds	\$ 1,185,330	Short-Term Loans
Cemetery	Permanent Fund	37,123	Short-Term Loans
Capital Projects	Other Governmental Funds	71,966	Short-Term Loans
Capital Projects	Proprietary Funds	269,808	Short-Term Loans
Water and Sewer Fund	Internal Service Funds	50	Short-Term Loans
Internal Service Funds	Other Governmental Funds	100,650	Short-Term Loans
		<u>\$ 1,664,927</u>	

All amounts due are scheduled to be repaid within one year.

<u>Advances To Fund</u>	<u>Advances From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Projects	\$ 34,223	Loans
Motel Tax Fund	Capital Projects	42,782	Loans
Water and Sewer Fund	Capital Projects	493,177	Loans
		<u>\$ 570,182</u>	

All amounts due are scheduled to be repaid within five years.

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2007, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Other Governmental Funds	\$ 292,384	Supplement Other Funds Sources
Motel Tax Fund	General Fund	25,000	Administrative Fees
Proprietary Funds	General Fund	680,670	Administrative Fees
Permanent Fund	Cemetery Fund	19,886	Supplement Other Funds Sources
Correctional Center Fund	General Fund	288,508	Supplement Other Funds Sources
Capital Projects	Cemetery Fund	30,000	Supplement Other Funds Sources
Water and Sewer	General Fund	140,000	Supplement Other Funds Sources
		<u>\$ 1,476,448</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, and accrued compensated absences. Changes in long-term obligations for the year ended September 30, 2007, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities:</b>					
General Obligation Bonds	\$ 665,000	\$ 14,285,000	\$ 225,000	\$ 14,725,000	\$ 370,000
Certificate of Obligation Bonds		460,000		460,000	5,000
Capital Leases	1,211,764	669,989	516,826	1,364,927	463,381
Economic Conservation	2,051,333	37,585	102,859	1,986,059	107,168
Compensated Absences	1,593,666	84,240		1,677,906	
Closure/Postclosure Landfill	<u>1,571,080</u>	<u>120,213</u>		<u>1,691,293</u>	
<b>Total Governmental Activities</b>	<b>\$ <u>7,092,843</u></b>	<b>\$ <u>15,657,027</u></b>	<b>\$ <u>844,685</u></b>	<b>\$ <u>21,905,185</u></b>	<b>\$ <u>945,549</u></b>
<b>Business-Type Activities:</b>					
General Obligation Bonds	\$ 3,705,000	\$	\$ 400,000	\$ 3,305,000	\$ 420,000
Certificate of Obligation Bonds		640,000		640,000	10,000
Capital Leases	308,080	219,381	194,084	333,377	132,069
Compensated Absences	399,496	30,347		429,843	
Economic Conservation	<u>3,561,202</u>	<u>(37,585)</u>	<u>173,503</u>	<u>3,350,114</u>	<u>180,773</u>
<b>Total Business-Type Activities</b>	<b>\$ <u>7,973,778</u></b>	<b>\$ <u>852,143</u></b>	<b>\$ <u>767,587</u></b>	<b>\$ <u>8,058,334</u></b>	<b>\$ <u>742,842</u></b>

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2007, are as follows:

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2008	\$ 375,000	\$ 1,003,559	\$ 1,378,559
2009	735,000	633,469	1,368,469
2010	535,000	608,069	1,143,069
2011	560,000	586,169	1,146,169
2012	580,000	563,369	1,143,369
2013-2017	3,270,000	2,442,045	5,712,045
2018-2022	4,030,000	1,695,188	5,725,188
2023-2027	5,100,000	619,910	5,719,910
Totals	\$ <u>15,185,000</u>	\$ <u>8,151,778</u>	\$ <u>23,336,778</u>

	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding
2002 Refunding Series	6/1/2002	\$ 1,600,000	3.0% - 4.5%	2/15/2009	\$ 440,000
2007 G.O. Bonds	2/1/2007	14,285,000	4.0% - 5.0%	2/15/2027	14,285,000
2007 C.O. Bonds	2/1/2007	460,000	4.0% - 4.375%	2/15/2027	460,000
		\$ <u>16,345,000</u>			\$ <u>15,185,000</u>

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2008	\$ 430,000	\$ 169,881	\$ 599,881
2009	460,000	137,756	597,756
2010	475,000	119,056	594,056
2011	495,000	99,421	594,421
2012	515,000	78,619	593,619
2013-2017	1,180,000	143,976	1,323,976
2018-2022	175,000	65,806	240,806
2023-2027	215,000	24,071	239,071
Totals	\$ <u>3,945,000</u>	\$ <u>838,586</u>	\$ <u>4,783,586</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding</u>
2002 Refunding Series	6/1/2002	\$ 5,190,000	3.0% - 4.5%	2/15/2014	\$ 3,305,000
2007 C.O. Bonds	2/1/2007	<u>640,000</u>	4.0% - 4.375%	2/15/2027	<u>640,000</u>
		<u>\$ 5,830,000</u>			<u>\$ 3,945,000</u>

Economic Conservation debt requirements at September 30, 2007, are as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 107,168	\$ 83,216	\$ 190,384
2009	111,659	78,726	190,385
2010	116,337	74,047	190,384
2011	121,212	69,173	190,385
2012	126,290	64,094	190,384
2013-2017	715,402	236,520	951,922
2018-2021	<u>687,991</u>	<u>73,543</u>	<u>761,534</u>
Totals	<u>\$ 1,986,059</u>	<u>\$ 679,319</u>	<u>\$ 2,665,378</u>

Year Ending September 30,	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 180,773	\$ 140,370	\$ 321,143
2009	188,347	132,795	321,142
2010	196,239	124,904	321,143
2011	204,461	116,681	321,142
2012	213,029	108,114	321,143
2013-2017	1,206,749	398,963	1,605,712
2018-2021	<u>1,160,516</u>	<u>124,059</u>	<u>1,284,575</u>
Totals	<u>\$ 3,350,114</u>	<u>\$ 1,145,886</u>	<u>\$ 4,496,000</u>

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. During July 17, 2002, all of the refunded bonds were called and paid in full. Therefore, none of the refunded bonds are outstanding.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

4. Capital Leases

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Machinery and Equipment	\$ 4,266,776	\$ 1,470,686
Less: Accumulated Depreciation	<u>(2,420,569)</u>	<u>(1,045,580)</u>
Totals	<u>\$ 1,846,207</u>	<u>\$ 425,106</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2007, as follows:

Year Ending September 30,	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 463,381	\$ 39,964	\$ 503,345
2009	409,721	25,347	435,068
2010	281,393	13,004	294,397
2011	173,946	4,580	178,526
2012	<u>36,486</u>	<u>231</u>	<u>36,717</u>
Total Minimum Rentals	<u>\$ 1,364,927</u>	<u>\$ 83,126</u>	<u>\$ 1,448,053</u>

The effective interest rate on capital leases is 2.457% to 3.797%.

Year Ending September 30,	<u>Business-Type Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2008	\$ 132,069	\$ 9,136	\$ 141,205
2009	86,379	5,735	92,114
2010	55,832	3,261	59,093
2011	47,152	1,419	48,571
2012	<u>11,945</u>	<u>76</u>	<u>12,021</u>
Total Minimum Rentals	<u>\$ 333,377</u>	<u>\$ 19,627</u>	<u>\$ 353,004</u>

The effective interest rate on capital leases is 2.457% to 3.797%.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

5. Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

G Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2007, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool ("TML"). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Pension Plan

1. Plan Description

The City's pension plan ("Plan") is a non-traditional, joint contributory, defined benefit plan which provides retirement, disability and death benefits to Plan members and beneficiaries through its affiliation with Texas Municipal Retirement System ("TMRS"), an agent multiple-employer public employee retirement system. TMRS operates under the authority of Texas Government Code, Title 8, Subtitle G. The Texas legislature has the authority to establish or amend benefit provisions and the governing body of the City adopts the plan provisions within the options and constraints established by the legislature. TMRS issues a publicly available financial report that includes financial statements and required supplementary information for TMRS. That report may be obtained by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, TX 78714-9153 or calling (800) 924-8677. Additional nonauthoritative information is available at the TMRS web site, <http://www.tmr.org>.

2. Funding Policy

Plan members are required to contribute seven percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 10.85% of annual covered payroll. The City's contributions to the TMRS for the years ending September 30, 2007, 2006, and 2005, were \$706,760, \$687,977 and \$623,818, respectively,

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

and were equal to the required contributions for each year.

3. Annual Pension Cost

The City's annual pension cost of \$706,760 for the Plan was equal to the City's required and actual contributions. Under the state law governing TMRS, the actuary annually determines the City's contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the Plan's 25-year amortization period. When the City periodically adopts updated service credits and increases in annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. Currently, the unfunded actuarial liability is being amortized over the 25-year period which began January 1997. The unit credit actuarial cost method is used for determining the City's contribution rate. Since the City needs to know its contribution rate in advance to budget for it, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect (i.e., December 31, 2006, valuation is effective for rates beginning January 2008).

Since the TMRS does not value the assets of individual cities, the actuarial assumptions used to set the required contribution rate of the City are based on TMRS as a whole. For the December 31, 2006, valuation date, a seven percent investment rate of return was assumed. No assumptions were made for projected salary increases, inflation or cost of living adjustments.

4. Trend Information for the Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2005	\$ 623,818	100%	\$ 0
September 30, 2006	687,977	100%	0
September 30, 2007	706,760	100%	0

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

5. Required Supplementary Information – Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/2004	13,157,368	16,127,544	2,970,176	81.60%	6,128,079	48.50%
12/31/2005	14,131,463	17,679,341	3,547,878	79.90%	6,451,651	55.00%
12/31/2006	15,568,212	19,629,226	4,061,014	79.31%	6,155,912	65.97%

6. Firemen's Relief and Retirement Fund

Firemen of the City are covered by a defined contribution pension plan, which is administered by a seven-member board. This board consists of the Mayor or his designee, the Chief Financial Officer, three firemen and two outside citizens. Texas Local Fire Fighters' Retirement Act (TLFFRA) requires that the Mayor, or his designee, and the Chief Financial Officer be permanent members of the Board. In addition, three firemen trustees are elected by the firemen. These five members are then charged with the responsibility of appointing the two final board members, who must be local citizens. The City now provides a defined contribution to the fund of 12% of the firemen's salary and the firemen contribute 12%. The City's contribution changed from 11% to 12% on July 3, 2007. Upon reaching the age of 50 with 20 years of service, the fireman is eligible for full retirement benefits. Vesting begins in the plan after 10 years of service, when the fireman is eligible for a deferred benefit (commencing at the end of the month in which his normal retirement date would have occurred). City contributions and interest forfeited by firemen who leave employment before full vesting remain in the plan.

The City's total payroll for firemen (all covered under the plan) for the year ended September 30, 2007, was \$2,681,014. Both the City and the firemen made the required contribution of \$301,876 and \$321,721 representing 11.3% and 12.0% of covered payroll, respectively.

I. Self-Insurance

Changes in the claims liability amounts for the self-insurance Internal Service Funds were as follows:

	Liability Balance at 10-01	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance at 9-30	Total Internal Service Funds
Year Ending 09-30-06					
Health Insurance Claims	\$ 44,746	\$ 875,605	\$ 890,221	\$ 30,130	
Workers' Compensation Claims	139,229	341,365	239,516	241,078	\$ 271,208
Year Ending 09-30-07					
Health Insurance Claims	\$ 30,130	\$ 965,659	\$ 935,867	\$ 59,922	
Workers' Compensation Claims	241,078	105,958	126,789	220,247	\$ 280,169



**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Health Insurance

Effective October 1, 2001, the City changed from a fully-insured to a self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Employee Benefits Administrators (EBA). EBA reviews and processes all health insurance claims. The City has acquired stop-loss coverage, which limits the City's possible liability exposure to \$50,000 per claim. The City informally budgets for current claims based on actuarial and historical data. The City incurred \$1,255,810 in health insurance expense and administrative and other charges for the year ended September 30, 2007. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$59,922 at September 30, 2007.

Workers' Compensation

The City's workers' compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML reviews and processes all workers' compensation claims. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence. The City informally budgets for current claims based on actuarial valuations and historical data. The City incurred \$186,516 in workers' compensation expense and administrative and other charges for the year ended September 30, 2007. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$220,247 at September 30, 2007.

J. Commitments and Contingencies

1. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

2. Litigation

The City had a claim pending at September 30, 2007. This claim was settled on February 6, 2008, with the City's insurance covering all settlement costs related to the claim.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

K. Correctional Center Contracted Management

In 2007, operation of the City's four prison facilities changed. Prior to April 1, 2007, the City operated these prisons under an intergovernmental agreement (IGA) with the Federal Bureau of Prisons (FBOP). The City received funds to house federal prisoners from the FBOP and then contracted with Cornell Corrections, Inc. to manage the facilities. The majority of the funding was transferred to Cornell, with the City retaining 70¢ per inmate per day. Effective April 1, 2007, the FBOP terminated the IGA and contracted directly with Cornell to manage the facilities, which are under long-term leases to Cornell. Funding will now be paid by the FBOP to Cornell and will not pass through the City's Correctional Center Fund.

L. Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,691,293 reported as landfill closure and postclosure care liability at September 30, 2007, represents the cumulative amount reported to date based on the use of 59.14% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1,168,430 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. The City expects to close the landfill in the year 2034. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and postclosure care. The City has not placed funds in a trust to cover these costs. However, at September 30, 2007 the City has designated an investment in the amount of \$1,792,419 for this purpose.

M. Restatement of Beginning Net Assets

An error from the prior period resulting in an overstatement of net assets has been corrected through an adjustment to beginning net assets as follows:

Balance as Previously Reported - 9/30/06	81,509,192
Incorrect Calculation of Deferred Property Tax Revenue	<u>(392,064)</u>
Adjusted Balance - 9/30/06	<u><u>81,117,128</u></u>

**REQUIRED SUPPLEMENTARY INFORMATION**



**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 2,923,000	\$ 2,923,000	\$ 2,940,078	\$ 17,078
General Sales Taxes	3,500,000	3,500,000	4,027,343	527,343
Gross Receipts Business Taxes	1,480,000	1,480,000	1,477,481	(2,519)
License and Permits	179,500	179,500	220,018	40,518
Intergovernmental	919,777	919,777	927,956	8,179
Charges for Services	2,403,250	2,403,250	2,557,219	153,969
Fines	226,400	226,400	288,625	62,225
Recreation	151,575	151,575	91,453	(60,122)
Investment Earnings	155,000	155,000	328,920	173,920
Rents and Royalties	307,316	307,316	332,649	25,333
Miscellaneous	124,428	124,428	144,650	20,222
Contributions and Donations	15,000	15,000	91,683	76,683
Total Revenues	<u>\$ 12,385,246</u>	<u>\$ 12,385,246</u>	<u>\$ 13,428,075</u>	<u>\$ 1,042,829</u>
Expenditures:				
Current:				
General Government				
Non-Departmental	\$ 231,906	\$ 231,906	\$ 206,911	\$ 24,995
City Council	106,569	106,569	187,195	(80,626)
Finance	396,983	396,983	385,914	11,069
City Manager	212,137	212,137	211,746	391
Information Technology	161,858	161,858	139,740	22,118
Legal	84,002	84,002	112,277	(28,275)
Human Resources	249,054	249,054	253,210	(4,156)
Public Safety				
Special Projects	84,599	84,599	85,725	(1,126)
Police	3,765,703	3,765,703	3,641,243	124,460
Fire	2,696,189	2,696,189	2,679,466	16,723
Municipal Court	219,924	219,924	217,708	2,216
Fire Marshal	87,494	87,494	90,804	(3,310)
Animal Control	168,801	168,801	150,423	18,378
Highways and Streets				
Code Enforcement	301,453	301,453	289,889	11,564
Offender Program	76,802	76,802	54,014	22,788
Streets	1,440,325	1,454,825	1,465,007	(10,182)
Sanitation				
Sanitation	957,362	968,262	1,038,043	(69,781)
Landfill	503,416	503,416	485,401	18,015
Compost Facility	128,869	128,869	121,607	7,262
Recreation and Parks				
Parks	386,531	398,050	350,498	47,552
Swimming Pool	44,165	44,165	42,311	1,854
Golf Course	1,665,716	1,665,716	1,766,532	(100,816)
Lake	29,405	29,405	21,148	8,257
City Hall	94,323	94,323	160,787	(66,464)
Debt Service:				
Principal	649,498	649,498	615,573	33,925
Interest and Fiscal Charges	144,159	144,159	136,629	7,530
Total Expenditures	<u>\$ 14,887,243</u>	<u>\$ 14,924,162</u>	<u>\$ 14,909,801</u>	<u>\$ 14,361</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,501,997)</u>	<u>\$ (2,538,916)</u>	<u>\$ (1,481,726)</u>	<u>\$ 1,057,190</u>
Other Financing Sources (Uses):				
Transfers In	\$ 1,136,963	\$ 1,136,963	\$ 1,134,178	\$ (2,785)
Transfers Out	(295,000)	(295,000)	(292,384)	2,616
Capital Leases	687,500	687,500	707,574	20,074
Total Other Financing Sources	<u>\$ 1,529,463</u>	<u>\$ 1,529,463</u>	<u>\$ 1,549,368</u>	<u>\$ 19,905</u>
Net Change in Fund Balances	(972,534)	(1,009,453)	67,642	1,077,095
Fund Balances - Beginning	<u>6,380,503</u>	<u>6,380,503</u>	<u>6,380,503</u>	
Fund Balances - Ending	<u>\$ 5,407,969</u>	<u>\$ 5,371,050</u>	<u>\$ 6,448,145</u>	<u>\$ 1,077,095</u>

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CITY OF BIG SPRING

EXHIBIT B-2

**CORRECTIONAL CENTER FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenue:				
Intergovernmental	\$ 55,348,075	\$ 55,348,075	\$ 27,971,505	\$ (27,376,570)
Investment Earnings	121,493	121,493	158,750	37,257
Rents and Royalties	89,147	89,147		(89,147)
Total Revenues	<u>\$ 55,558,715</u>	<u>\$ 55,558,715</u>	<u>\$ 28,130,255</u>	<u>\$ (27,428,460)</u>
 Expenditures:				
Public Safety				
Correctional Center	\$ 55,263,476	\$ 55,263,476	\$ 27,907,714	\$ 27,355,762
Total Expenditures	<u>\$ 55,263,476</u>	<u>\$ 55,263,476</u>	<u>\$ 27,907,714</u>	<u>\$ 27,355,762</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 295,239</u>	<u>\$ 295,239</u>	<u>\$ 222,541</u>	<u>\$ (72,698)</u>
 Other Financing Sources (Uses):				
Transfers Out	\$ (295,239)	\$ (295,239)	\$ (288,508)	\$ (6,731)
Total Other Financing Sources (Uses)	<u>\$ (295,239)</u>	<u>\$ (295,239)</u>	<u>\$ (288,508)</u>	<u>\$ (6,731)</u>
 Net Change in Fund Balances	0	0	(65,967)	(65,967)
 Fund Balances - Beginning	<u>2,615,668</u>	<u>2,615,668</u>	<u>2,615,668</u>	
Fund Balances - Ending	<u>\$ 2,615,668</u>	<u>\$ 2,615,668</u>	<u>\$ 2,549,701</u>	<u>\$ (65,967)</u>

**COMBINING STATEMENTS AND BUDGET COMPARISONS  
AS SUPPLEMENTARY INFORMATION**





CITY OF BIG SPRING

EXHIBIT C-1

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2007

	Special Revenue Funds	Debt Service Fund 2002 Refunding Series	Debt Service Fund 2007 G.O. Bonds	Debt Service Fund 2007 C.O. Bonds	Capital Projects Fund Capital Replacement	Capital Projects Fund 2007 C.O. Animal Shelter	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS AND OTHER DEBITS</b>								
<b>Assets:</b>								
Cash and Cash Equivalents	\$ 564,388	\$ 78,984	\$ 87,698	\$ 2,769	\$ 805,067	\$	\$ 388,633	\$ 1,927,539
Receivables (Net of Allowance for Uncollectibles)	83,103	9,244						92,347
Due from Other Funds	37,122				341,775			378,897
Intergovernmental Receivables	271,995							271,995
Prepaid Items	613							613
Advances to Other Funds					570,182			570,182
Restricted Assets:								
Cash and Cash Equivalents						444,642		444,642
<b>Total Assets and Other Debits</b>	<b>\$ 957,221</b>	<b>\$ 88,228</b>	<b>\$ 87,698</b>	<b>\$ 2,769</b>	<b>\$ 1,717,024</b>	<b>\$ 444,642</b>	<b>\$ 388,633</b>	<b>\$ 3,686,215</b>
<b>LIABILITIES AND FUND BALANCES:</b>								
<b>Liabilities:</b>								
Accounts Payable	\$ 290,728	\$ 1	\$	\$ 1	\$ (1)	\$ 16,975	\$	\$ 307,704
Accrued Wages	2,732							2,732
Accrued Interest Payable			85,268	2,601				87,869
Due to Other Funds	263,360						37,122	300,482
Deferred Revenue	82,114	9,243						91,357
Customer Deposits	9,500							9,500
Advances from Other Funds	42,782							42,782
<b>Total Liabilities</b>	<b>\$ 691,216</b>	<b>\$ 9,244</b>	<b>\$ 85,268</b>	<b>\$ 2,602</b>	<b>\$ (1)</b>	<b>\$ 16,975</b>	<b>\$ 37,122</b>	<b>\$ 842,426</b>
<b>Fund Balances:</b>								
<b>Reserved Fund Balances:</b>								
Reserved for Debt Service	\$	\$ 78,984	\$ 2,430	\$ 167	\$	\$	\$	\$ 81,581
Reserved for Cemetery Care (Nonexpendable)							351,511	351,511
Reserved for Capital Projects						427,667		427,667
<b>Unreserved, Reported in Nonmajor:</b>								
Special Revenue Funds	266,005							266,005
Capital Project Funds					1,717,025			1,717,025
<b>Total Fund Balances</b>	<b>\$ 266,005</b>	<b>\$ 78,984</b>	<b>\$ 2,430</b>	<b>\$ 167</b>	<b>\$ 1,717,025</b>	<b>\$ 427,667</b>	<b>\$ 351,511</b>	<b>\$ 2,843,789</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 957,221</b>	<b>\$ 88,228</b>	<b>\$ 87,698</b>	<b>\$ 2,769</b>	<b>\$ 1,717,024</b>	<b>\$ 444,642</b>	<b>\$ 388,633</b>	<b>\$ 3,686,215</b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Special Revenue Funds	Debt Service Fund 2002 Refunding Series	Debt Service Fund 2007 G.O. Bonds	Debt Service Fund 2007 C.O. Bonds	Capital Projects Fund Capital Replacement	Capital Projects Fund 2007 C.O. Animal Shelter	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:								
Taxes								
General Property Taxes	\$	\$ 313,867	\$	\$	\$	\$	\$	\$ 313,867
General Sales Taxes	1,342,449							1,342,449
Motel Occupancy Taxes	478,512							478,512
Intergovernmental	178,684							178,684
Charges for Services	10,555							10,555
Fines	7,371							7,371
Investment Earnings	13,046	1,580	2,430	167	79,609	11,723	19,886	128,441
Rents and Royalties	116,687				16,460			133,147
Miscellaneous	5,759							5,759
Contributions and Donations	5,000							5,000
Total Revenue	<u>\$ 2,158,063</u>	<u>\$ 315,447</u>	<u>\$ 2,430</u>	<u>\$ 167</u>	<u>\$ 96,069</u>	<u>\$ 11,723</u>	<u>\$ 19,886</u>	<u>\$ 2,603,785</u>
Expenditures:								
Current								
General Government	\$ 12,111	\$	\$	\$	\$	\$	\$	\$ 12,111
Public Safety	62,605							62,605
Highways and Streets	4,957							4,957
Sanitation	30,667							30,667
Community Service	85,350							85,350
Recreation and Parks	50,300							50,300
Economic Development	1,617,966							1,617,966
Cemetery	119,894					19,475		139,369
Debt Service								
Principal	3,181	225,000						228,181
Interest and Fiscal Charges	6,012	21,425						27,437
Bond Issue Costs						24,582		24,582
Fiscal Agent's Fees		500						500
Total Expenditures	<u>\$ 1,993,043</u>	<u>\$ 246,925</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 44,057</u>	<u>\$ 0</u>	<u>\$ 2,284,025</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 165,020</u>	<u>\$ 68,522</u>	<u>\$ 2,430</u>	<u>\$ 167</u>	<u>\$ 96,069</u>	<u>\$ (32,334)</u>	<u>\$ 19,886</u>	<u>\$ 319,760</u>
Other Financing Sources (Uses):								
Transfers In	\$ 92,270	\$	\$	\$	\$	\$	\$	\$ 92,270
Transfers Out	(25,000)				(30,000)		(19,886)	(74,886)
Bond Proceeds						460,000		460,000
Total Other Financing Sources (Uses)	<u>\$ 67,270</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (30,000)</u>	<u>\$ 460,000</u>	<u>\$ (19,886)</u>	<u>\$ 477,384</u>
Net Change in Fund Balances	\$ 232,290	\$ 68,522	\$ 2,430	\$ 167	\$ 66,069	\$ 427,666	\$ 0	\$ 797,144
Fund Balances - Beginning	33,715	10,462	0	0	1,650,957	0	351,511	2,046,645
Fund Balances - Ending	<u>\$ 266,005</u>	<u>\$ 78,984</u>	<u>\$ 2,430</u>	<u>\$ 167</u>	<u>\$ 1,717,026</u>	<u>\$ 427,666</u>	<u>\$ 351,511</u>	<u>\$ 2,843,789</u>

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2007**

ASSETS AND OTHER DEBITS	Hotel/Motel Occupancy Tax Fund	Grant	Economic Development	Employee's College Education	Municipal Court Security	Golf Course Improvement	R.S.V.P.	Police Seizure	Cemetery	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Assets:										
Cash and Cash Equivalents	\$ 512,202	\$ 14,303	\$ 1	\$ 668	\$ 10,068	\$ 2,019	\$ 16,829	\$ 6,678	\$ 1,620	\$ 564,388
Receivables (Net of Allowance for Uncollectibles)	49,607				6,386		2,300		24,810	83,103
Due from Other Funds									37,122	37,122
Intergovernmental Receivables		35,609	233,328				3,058			271,995
Prepaid Items							613			613
<b>Total Assets and Other Debits</b>	<b><u>\$ 561,809</u></b>	<b><u>\$ 49,912</u></b>	<b><u>\$ 233,329</u></b>	<b><u>\$ 668</u></b>	<b><u>\$ 16,454</u></b>	<b><u>\$ 2,019</u></b>	<b><u>\$ 22,800</u></b>	<b><u>\$ 6,678</u></b>	<b><u>\$ 63,552</u></b>	<b><u>\$ 957,221</u></b>
LIABILITIES AND FUND BALANCES:										
Liabilities:										
Accounts Payable	\$ 25,613	\$ 1,725	\$ 233,329	\$ 1,040	\$ 375		\$ 20,839		\$ 7,807	\$ 290,728
Accrued Wages	831						961		940	2,732
Due to Other Funds	32,355			11,000		90,000			130,005	263,360
Deferred Revenue		48,187							33,927	82,114
Customer Deposits	9,500									9,500
Advances from Other Funds	42,782									42,782
<b>Total Liabilities</b>	<b><u>\$ 111,081</u></b>	<b><u>\$ 49,912</u></b>	<b><u>\$ 233,329</u></b>	<b><u>\$ 12,040</u></b>	<b><u>\$ 375</u></b>	<b><u>\$ 90,000</u></b>	<b><u>\$ 21,800</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 172,679</u></b>	<b><u>\$ 691,216</u></b>
Fund Balances:										
Unreserved, Reported in Nonmajor:										
Special Revenue Funds	\$ 450,728			\$ (11,372)	\$ 16,079	\$ (87,981)	\$ 1,000	\$ 6,678	\$ (109,127)	\$ 266,005
<b>Total Fund Balances</b>	<b><u>\$ 450,728</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ (11,372)</u></b>	<b><u>\$ 16,079</u></b>	<b><u>\$ (87,981)</u></b>	<b><u>\$ 1,000</u></b>	<b><u>\$ 6,678</u></b>	<b><u>\$ (109,127)</u></b>	<b><u>\$ 266,005</u></b>
<b>Total Liabilities and Fund Balances</b>	<b><u>\$ 561,809</u></b>	<b><u>\$ 49,912</u></b>	<b><u>\$ 233,329</u></b>	<b><u>\$ 668</u></b>	<b><u>\$ 16,454</u></b>	<b><u>\$ 2,019</u></b>	<b><u>\$ 22,800</u></b>	<b><u>\$ 6,678</u></b>	<b><u>\$ 63,552</u></b>	<b><u>\$ 957,221</u></b>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Hotel/Motel Occupancy Tax Fund	Grant	Economic Development	Employee's College Education	Municipal Court Security	Golf Course Improvement	R.S.V.P.	Police Seizure	Cemetery	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Revenue:										
Taxes										
General Sales Taxes	\$		\$ 1,342,449	\$	\$	\$	\$	\$	\$	\$ 1,342,449
Motel Occupancy Taxes	478,512									478,512
Intergovernmental		120,378					57,628	678		178,684
Charges for Services				10,555						10,555
Fines					7,371					7,371
Investment Earnings	20,010			(335)	450	(2,181)	473	111	(5,482)	13,046
Rents and Royalties	35,307								81,380	116,687
Contributions and Donations									5,000	5,000
Miscellaneous	25							4,834	900	5,759
Total Revenue	<u>\$ 533,854</u>	<u>\$ 120,378</u>	<u>\$ 1,342,449</u>	<u>\$ 10,220</u>	<u>\$ 7,821</u>	<u>\$ (2,181)</u>	<u>\$ 58,101</u>	<u>\$ 5,623</u>	<u>\$ 81,798</u>	<u>\$ 2,158,063</u>
Expenditures:										
Current										
General Government	\$	\$	\$	\$ 12,109	\$	\$	\$ 1	\$ 1	\$	\$ 12,111
Public Safety		51,520			4,731			6,354		62,605
Highways and Streets		4,957								4,957
Sanitation		30,667								30,667
Community Service							85,350			85,350
Recreation and Parks		50,300								50,300
Economic Development	275,518		1,342,449						(1)	1,617,966
Cemetery								119,894		119,894
Debt Service										
Principal	3,181									3,181
Interest and Fiscal Charges	6,012									6,012
Total Expenditures	<u>\$ 284,711</u>	<u>\$ 137,444</u>	<u>\$ 1,342,449</u>	<u>\$ 12,109</u>	<u>\$ 4,731</u>	<u>\$ 0</u>	<u>\$ 85,351</u>	<u>\$ 6,355</u>	<u>\$ 119,893</u>	<u>\$ 1,993,043</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 249,143</u>	<u>\$ (17,066)</u>	<u>\$ 0</u>	<u>\$ (1,889)</u>	<u>\$ 3,090</u>	<u>\$ (2,181)</u>	<u>\$ (27,250)</u>	<u>\$ (732)</u>	<u>\$ (38,095)</u>	<u>\$ 165,020</u>
Other Financing Sources (Uses):										
Transfers In	\$	\$ 15,134	\$	\$	\$	\$	\$ 27,250	\$	\$ 49,886	\$ 92,270
Transfers Out	(25,000)									(25,000)
Total Other Financing Sources (Uses)	<u>\$ (25,000)</u>	<u>\$ 15,134</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 27,250</u>	<u>\$ 0</u>	<u>\$ 49,886</u>	<u>\$ 67,270</u>
Net Change in Fund Balances	\$ 224,143	\$ (1,932)	\$ 0	\$ (1,889)	\$ 3,090	\$ (2,181)	\$ 0	\$ (732)	\$ 11,791	\$ 232,290
Fund Balances - Beginning	226,585	1,932	0	(9,483)	12,989	(85,800)	1,000	7,410	(120,918)	33,715
Fund Balances - Ending	<u>\$ 450,728</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (11,372)</u>	<u>\$ 16,079</u>	<u>\$ (87,981)</u>	<u>\$ 1,000</u>	<u>\$ 6,678</u>	<u>\$ (109,127)</u>	<u>\$ 266,005</u>

CITY OF BIG SPRING

EXHIBIT C-5

HOTEL/MOTEL OCCUPANCY TAX FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISION SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 290,000	\$ 290,000	\$ 478,512	\$ 188,512
Investment Earnings	3,200	3,200	20,010	16,810
Rents and Royalties	20,400	20,400	35,307	14,907
Miscellaneous			25	25
Total Revenues	<u>\$ 313,600</u>	<u>\$ 313,600</u>	<u>\$ 533,854</u>	<u>\$ 220,254</u>
Expenditures:				
Economic Developemnt	\$ 314,738	\$ 388,104	\$ 275,518	\$ 112,586
Debt Service:	5,888	5,888	9,193	(3,305)
Total Expenditures	<u>\$ 320,626</u>	<u>\$ 393,992</u>	<u>\$ 284,711</u>	<u>\$ 109,281</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (7,026)</u>	<u>\$ (80,392)</u>	<u>\$ 249,143</u>	<u>\$ 329,535</u>
Other Financing Sources (Uses):				
Transfers Out (Use)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$</u>
Total Other Financing Sources (Uses)	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ (25,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (32,026)	\$ (105,392)	\$ 224,143	\$ 329,535
Fund Balances - Beginning	<u>226,585</u>	<u>226,585</u>	<u>226,585</u>	
Fund Balances - Ending	<u>\$ 194,559</u>	<u>\$ 121,193</u>	<u>\$ 450,728</u>	<u>\$ 329,535</u>

CITY OF BIG SPRING

EXHIBIT C-6

ECONOMIC DEVELOPMENT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Original Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenue:			
Taxes:			
General Sales Taxes	\$ 1,150,000	\$ 1,342,449	\$ 192,449
Total Revenues	<u>\$ 1,150,000</u>	<u>\$ 1,342,449</u>	<u>\$ 192,449</u>
Expenditures:			
Economic Developemnt	\$ 1,150,000	\$ 1,342,449	\$ (192,449)
Total Expenditures	<u>\$ 1,150,000</u>	<u>\$ 1,342,449</u>	<u>\$ (192,449)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ 0
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances - Ending	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 0</u></u>

No amendments made to the original budget.

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CITY OF BIG SPRING

EXHIBIT C-7

**EMPLOYEE'S COLLEGE EDUCATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Charges for Services	\$ 12,000	\$ 10,555	\$ (1,445)
Investment Earnings	250	(335)	(585)
Total Revenues	\$ 12,250	\$ 10,220	\$ (2,030)
Expenditures:			
Current			
General Government	\$ 5,000	\$ 12,109	\$ (7,109)
Total Expenditures	\$ 5,000	\$ 12,109	\$ (7,109)
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 7,250	\$ (1,889)	\$ (9,139)
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 7,250	\$ (1,889)	\$ (9,139)
Fund Balances - Beginning	(9,483)	(9,483)	
Fund Balances - Ending	\$ (2,233)	\$ (11,372)	\$ (9,139)

No amendments made to the original budget.

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CITY OF BIG SPRING

EXHIBIT C-8

**MUNICIPAL COURT SECURITY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Fines	\$ 7,000	\$ 7,371	\$ 371
Investment Earnings	250	450	200
Total Revenues	\$ 7,250	\$ 7,821	\$ 571
 Expenditures:			
Current			
Public Safety	\$ 4,961	\$ 4,731	\$ 230
Total Expenditures	\$ 4,961	\$ 4,731	\$ 230
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,289	\$ 3,090	\$ 801
 Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ 2,289	\$ 3,090	\$ 801
 Fund Balances - Beginning	12,989	12,989	
Fund Balances - Ending	\$ 15,278	\$ 16,079	\$ 801

No amendments made to the original budget.



CITY OF BIG SPRING

EXHIBIT C-9

GOLF COURSE IMPROVEMENT  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Investment Earnings	\$ (6,000)	\$ (2,181)	\$ 3,819
Total Revenues	<u>\$ (6,000)</u>	<u>\$ (2,181)</u>	<u>\$ 3,819</u>
Expenditures:			
Total Expenditures	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (6,000)</u>	<u>\$ (2,181)</u>	<u>\$ 3,819</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0
Net Change in Fund Balances	\$ (6,000)	\$ (2,181)	\$ 3,819
Fund Balances - Beginning	<u>(85,800)</u>	<u>(85,800)</u>	
Fund Balances - Ending	<u>\$ (91,800)</u>	<u>\$ (87,981)</u>	<u>\$ 3,819</u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-10

POLICE SEIZURE  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Intergovernmental	\$ 2,500	\$ 678	\$ (1,822)
Investment Earnings	250	111	(139)
Other Revenue		4,834	4,834
Total Revenues	<u>\$ 2,750</u>	<u>\$ 5,623</u>	<u>\$ 2,873</u>
 Expenditures:			
Current			
General Government	\$	\$ 1	\$ (1)
Public Safety	2,470	6,354	(3,884)
Total Expenditures	<u>\$ 2,470</u>	<u>\$ 6,355</u>	<u>\$ (3,885)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 280</u>	<u>\$ (732)</u>	<u>\$ (1,012)</u>
 Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Net Change in Fund Balances	\$ 280	\$ (732)	\$ (1,012)
 Fund Balances - Beginning	<u>7,410</u>	<u>7,410</u>	
Fund Balances - Ending	<u>\$ 7,690</u>	<u>\$ 6,678</u>	<u>\$ (1,012)</u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-11

CEMETERY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Investment Earnings	\$ (2,500)	\$ (5,482)	\$ (2,982)
Rents and Royalties	70,200	81,380	11,180
Contributions and Donations	25,000	5,000	(20,000)
Other Revenue		900	900
Total Revenues	<u>\$ 92,700</u>	<u>\$ 81,798</u>	<u>\$ (10,902)</u>
Expenditures:			
Cemetery	\$ 162,435	\$ 119,893	\$ 42,542
Total Expenditures	<u>\$ 162,435</u>	<u>\$ 119,893</u>	<u>\$ 42,542</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (69,735)</u>	<u>\$ (38,095)</u>	<u>\$ 31,640</u>
Other Financing Sources (Uses):			
Transfers In	\$ 33,000	\$ 49,886	\$ 16,886
Total Other Financing Sources (Uses)	<u>\$ 33,000</u>	<u>\$ 49,886</u>	<u>\$ 16,886</u>
Net Change in Fund Balances	\$ (36,735)	\$ 11,791	\$ 48,526
Fund Balances - Beginning	<u>(120,918)</u>	<u>(120,918)</u>	
Fund Balances - Ending	<u>\$ (157,653)</u>	<u>\$ (109,127)</u>	<u>\$ 48,526</u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-12

2002 REFUNDING FUND  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Taxes			
General Property Taxes	\$ 246,275	\$ 313,867	\$ 67,592
Investment Earnings	900	1,580	680
Total Revenues	<u>\$ 247,175</u>	<u>\$ 315,447</u>	<u>\$ 68,272</u>
Expenditures:			
Debt Service:			
Principal	\$ 225,000	\$ 225,000	\$
Interest and Fiscal Charges	21,425	21,425	
Fiscal Agent's Fees	500	500	
Total Expenditures	<u>\$ 246,925</u>	<u>\$ 246,925</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 250</u>	<u>\$ 68,522</u>	<u>\$ 68,272</u>
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$</u>
Net Change in Fund Balances	\$ 250	\$ 68,522	\$ 68,272
Fund Balances - Beginning	<u>10,462</u>	<u>10,462</u>	
Fund Balances - Ending	<u><u>\$ 10,712</u></u>	<u><u>\$ 78,984</u></u>	<u><u>\$ 68,272</u></u>

No amendments made to the original budget.

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CITY OF BIG SPRING

EXHIBIT C-13

**CAPITAL REPLACEMENT FUND  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007**

	Original Budget	Actual	Variance Positive (Negative)
Revenue:			
Intergovernmental	\$ 362,739	\$	\$ (362,739)
Investment Earnings	60,000	79,609	19,609
Rents and Royalties	10,000	16,460	6,460
Total Revenues	\$ 432,739	\$ 96,069	\$ (336,670)
Expenditures:			
Debt Service:			
Total Expenditures	\$ 0	\$ 0	\$ 0
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 432,739	\$ 96,069	\$ (336,670)
Other Financing Sources (Uses):			
Total Other Financing Sources (Uses)	\$ (230,000)	\$ (30,000)	\$ 200,000
Net Change in Fund Balances	\$ 202,739	\$ 66,069	\$ (136,670)
Fund Balances - Beginning	1,650,957	1,650,957	
Fund Balances - Ending	\$ 1,853,696	\$ 1,717,026	\$ (136,670)

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-14

CEMETERY PERMANENT CARE FUND  
PERMANENT FUND  
BUDGETARY COMPARISION SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:			
Investment Earnings	\$ 18,000	\$ 19,886	\$ 1,886
Total Revenues	<u>\$ 18,000</u>	<u>\$ 19,886</u>	<u>\$ 1,886</u>
Expenditures:			
Debt Service:	<u>\$</u>	<u>\$</u>	<u>\$</u>
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 18,000</u>	<u>\$ 19,886</u>	<u>\$ 1,886</u>
Other Financing Sources (Uses):			
Transfers Out	<u>\$ (18,000)</u>	<u>\$ (19,886)</u>	<u>\$ (1,886)</u>
Total Other Financing Sources (Uses)	<u>\$ (18,000)</u>	<u>\$ (19,886)</u>	<u>\$ (1,886)</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ 0
Fund Balances - Beginning	<u>351,511</u>	<u>351,511</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 351,511</u></u>	<u><u>\$ 351,511</u></u>	<u><u>\$ 0</u></u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-15

WATER AND SEWER FUND  
ENTERPRISE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:			
Water Sales	\$ 6,145,492	\$ 5,417,305	\$ (728,187)
Sewer Charges	2,603,637	2,510,859	(92,778)
Other Services	327,862	330,753	2,891
Total Operating Revenues	<u>\$ 9,076,991</u>	<u>\$ 8,258,917</u>	<u>\$ (818,074)</u>
OPERATING EXPENSES:			
Personnel Services	\$ 2,141,572	\$ 2,138,929	\$ 2,643
Supplies and Materials	3,227,370	3,419,360	(191,990)
Contractual Services	795,243	777,553	17,690
Maintenance	701,165	687,880	13,285
Depreciation	1,254,335	1,272,404	(18,069)
Other	78,136	84,175	(6,039)
Total Operating Expenses	<u>\$ 8,197,821</u>	<u>\$ 8,380,301</u>	<u>\$ (182,480)</u>
Operating Income (Loss)	<u>879,170</u>	<u>(121,384)</u>	<u>(1,000,554)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	\$ 60,450	\$ 194,895	\$ 134,445
Gain on Sale of Capital Assets		600	600
Interest Expense and Paying Agent Fees	(213,512)	(356,167)	(142,655)
Total Non-Operating Revenues (Expenses)	<u>\$ (153,062)</u>	<u>\$ (160,672)</u>	<u>\$ (7,610)</u>
Income (Loss) Before Transfers	<u>\$ 726,108</u>	<u>\$ (282,056)</u>	<u>\$ (1,008,164)</u>
Transfers In	935,356	1,589,495	654,139
Transfers Out	<u>(1,346,468)</u>	<u>(2,202,346)</u>	<u>(855,878)</u>
Change in Net Assets	<u>\$ 314,996</u>	<u>\$ (894,907)</u>	<u>\$ (1,209,903)</u>
Total Net Assets - Beginning	<u>11,422,873</u>	<u>11,422,873</u>	
Total Net Assets - Ending	<u>\$ 11,737,869</u>	<u>\$ 10,527,966</u>	<u>\$ (1,209,903)</u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-16

AIRPORT/INDUSTRIAL PARK  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
OPERATING REVENUES:			
Commercial Rentals and Fees	\$ 687,081	\$ 721,412	\$ 34,331
Total Operating Revenues	<u>\$ 687,081</u>	<u>\$ 721,412</u>	<u>\$ 34,331</u>
OPERATING EXPENSES:			
Personnel Services	\$ 316,613	\$ 327,488	\$ (10,875)
Supplies and Materials	102,707	61,511	41,196
Contractual Services	146,731	140,591	6,140
Maintenance	148,916	131,157	17,759
Depreciation	1,136,946	1,122,085	14,861
Other	4,767	1,009	3,758
Total Operating Expenses	<u>\$ 1,856,680</u>	<u>\$ 1,783,841</u>	<u>\$ 72,839</u>
Operating Income (Expense)	<u>(1,169,599)</u>	<u>(1,062,429)</u>	<u>107,170</u>
NON-OPERATING REVENUES (EXPENSES)			
Intergovernmental Revenue	\$ 78,557	\$ 87,009	\$ 8,452
Interest Revenue	79,339	87,316	7,977
Other	644	450	(194)
Gain on Sale of Capital Assets	640	640	640
Interest Expense and Paying Agent Fees	(501)	(3,749)	(3,248)
Total Non-Operating Revenues (Expenses)	<u>\$ 158,039</u>	<u>\$ 171,666</u>	<u>\$ 13,627</u>
Income (Loss) Before Transfers	\$ (1,011,560)	\$ (890,763)	\$ 120,797
Transfers Out	<u>(93,393)</u>	<u>(103,178)</u>	<u>(9,785)</u>
Change in Net Assets	\$ (1,104,953)	\$ (993,941)	\$ 111,012
Total Net Assets - Beginning	<u>22,573,297</u>	<u>22,573,297</u>	<u>          </u>
Total Net Assets - Ending	<u>\$ 21,468,344</u>	<u>\$ 21,579,356</u>	<u>\$ 111,012</u>

No amendments made to the original budget.



CITY OF BIG SPRING

EXHIBIT C-17

EMERGENCY MEDICAL SERVICES FUND  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>			
Emergency Medical Services	\$ 1,195,505	\$ 1,346,381	\$ 150,876
Other Services	12,432		(12,432)
Total Operating Revenues	<u>\$ 1,207,937</u>	<u>\$ 1,346,381</u>	<u>\$ 138,444</u>
<b>OPERATING EXPENSES:</b>			
Personnel Services	\$ 1,007,221	\$ 1,091,591	\$ (84,370)
Supplies and Materials	110,529	126,380	(15,851)
Contractual Services	72,114	66,550	5,564
Maintenance	34,337	38,927	(4,590)
Depreciation	70,785	58,879	11,906
Other	251,398	150,496	100,902
Total Operating Expenses	<u>\$ 1,546,384</u>	<u>\$ 1,532,823</u>	<u>\$ 13,561</u>
Operating Income (Loss)	<u>(338,447)</u>	<u>(186,442)</u>	<u>152,005</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Intergovernmental Revenue	\$ 130,000	\$ 130,000	\$
Interest Revenue	3,115		(3,115)
Gain on Sale of Capital Assets		11,000	11,000
Interest Expense and Paying Agent Fees	(3,848)	(10,483)	(6,635)
Total Non-Operating Revenues (Expenses)	<u>\$ 129,267</u>	<u>\$ 130,517</u>	<u>\$ 1,250</u>
Income (Loss) Before Transfers	\$ (209,180)	\$ (55,925)	\$ 153,255
Transfers In	250,000	250,000	
Transfers Out	<u>(75,670)</u>	<u>(104,641)</u>	<u>(28,971)</u>
Change in Net Assets	\$ (34,850)	\$ 89,434	\$ 124,284
Total Net Assets - Beginning	<u>208,410</u>	<u>208,410</u>	
Total Net Assets - Ending	<u>\$ 173,560</u>	<u>\$ 297,844</u>	<u>\$ 124,284</u>

No amendments made to the original budget.

**COMBINING STATEMENT OF NET ASSETS  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2007**

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-7)
<b>ASSETS</b>					
Current Assets					
Cash and Cash Equivalents	\$ 223,956	\$ 1,048,118	\$ 390,850	\$ 84,743	\$ 1,747,667
Due from Other Funds		100,000		650	100,650
Inventories	120,943				120,943
Total Current Assets	\$ 344,899	\$ 1,148,118	\$ 390,850	\$ 85,393	\$ 1,969,260
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000				\$ 10,000
Machinery and Equipment	16,759				16,759
Total Noncurrent Assets	\$ 26,759	\$ 0	\$ 0	\$ 0	\$ 26,759
Total Assets	\$ 371,658	\$ 1,148,118	\$ 390,850	\$ 85,393	\$ 1,996,019
<b>LIABILITIES</b>					
Current Liabilities					
Accounts Payable	\$ 80,689		\$ 16,455	\$ 82,685	\$ 179,829
Claims and Judgments Payable		59,921	220,248		280,169
Accrued Wages	4,565				4,565
Due to Other Funds	22		100,000	2,708	102,730
Notes Payable - Current	970				970
Total Current Liabilities	\$ 86,246	\$ 59,921	\$ 336,703	\$ 85,393	\$ 568,263
Noncurrent Liabilities					
Notes Payable	\$ 17,005				\$ 17,005
Accrued Compensated Absences	45,754				45,754
Total Noncurrent Liabilities	\$ 62,759	\$ 0	\$ 0	\$ 0	\$ 62,759
Total Liabilities	\$ 149,005	\$ 59,921	\$ 336,703	\$ 85,393	\$ 631,022
<b>NET ASSETS</b>					
Investment in Capital Assets, Net of Related Debt	\$ 8,784				\$ 8,784
Unrestricted Net Assets	213,869	1,088,197	54,147	0	1,356,213
Total Net Assets	\$ 222,653	\$ 1,088,197	\$ 54,147	\$ 0	\$ 1,364,997

CITY OF BIG SPRING

EXHIBIT C-19

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Total Internal Service Funds (See Exhibit A-8)</u>
<b>OPERATING REVENUES:</b>				
Billings to Departments and Employees	\$ 1,430,450	\$ 1,327,877	\$ 340,000	\$ 3,098,327
Total Operating Revenues	<u>\$ 1,430,450</u>	<u>\$ 1,327,877</u>	<u>\$ 340,000</u>	<u>\$ 3,098,327</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 339,378	\$	\$	\$ 339,378
Supplies and Materials	1,028,687			1,028,687
Contractual Services	22,319	935,867	126,788	1,084,974
Maintenance	16,656			16,656
Depreciation	2,256			2,256
Other		319,943	59,728	379,671
Total Operating Expenses	<u>\$ 1,409,296</u>	<u>\$ 1,255,810</u>	<u>\$ 186,516</u>	<u>\$ 2,851,622</u>
Operating Income	<u>21,154</u>	<u>72,067</u>	<u>153,484</u>	<u>246,705</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest Revenue	\$ 10,059	\$ 46,159	\$ 9,329	\$ 65,547
Interest Expense and Paying Agent Fees	(792)			(792)
Total Non-Operating Revenues (Expenses)	<u>\$ 9,267</u>	<u>\$ 46,159</u>	<u>\$ 9,329</u>	<u>\$ 64,755</u>
Income Before Transfers	\$ 30,421	\$ 118,226	\$ 162,813	\$ 311,460
Transfers In				<u>0</u>
Change in Net Assets	\$ 30,421	\$ 118,226	\$ 162,813	\$ 311,460
Total Net Assets - Beginning	<u>192,232</u>	<u>969,971</u>	<u>(108,666)</u>	<u>1,053,537</u>
Total Net Assets - Ending	<u>\$ 222,653</u>	<u>\$ 1,088,197</u>	<u>\$ 54,147</u>	<u>\$ 1,364,997</u>

CITY OF BIG SPRING

EXHIBIT C-20

COMBINING STATEMENT OF CASH FLOWS  
ALL INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-9)</u>
Cash Flows from Operating Activities					
Cash Received from Interfund Services Provided	\$ 1,431,265	\$ 1,327,877	\$ 340,000	\$ 3,062	\$ 3,102,204
Cash Payments to Employees	(335,189)				(335,189)
Cash Payments to Suppliers for Goods and Services	<u>(1,095,697)</u>	<u>(1,226,019)</u>	<u>(217,856)</u>	<u>(10,188)</u>	<u>(2,549,760)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 379</u>	<u>\$ 101,858</u>	<u>\$ 122,144</u>	<u>\$ (7,126)</u>	<u>\$ 217,255</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	<u>(1,723)</u>				<u>(1,723)</u>
Net Cash Used in Capital and Related Financing Activities	<u>\$ (1,723)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (1,723)</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	<u>10,988</u>	<u>46,159</u>	<u>9,329</u>		<u>66,476</u>
Net Cash Provided by Investing Activities	<u>\$ 10,988</u>	<u>\$ 46,159</u>	<u>\$ 9,329</u>	<u>\$ 0</u>	<u>\$ 66,476</u>
Net Increase (Decrease) in Cash and Cash Equivalents	9,644	148,017	131,473	(7,126)	282,008
Cash and Cash Equivalents at Beginning of Year	<u>214,311</u>	<u>900,101</u>	<u>259,377</u>	<u>91,870</u>	<u>1,465,659</u>
Cash and Cash Equivalents at End of Year	<u>\$ 223,955</u>	<u>\$ 1,048,118</u>	<u>\$ 390,850</u>	<u>\$ 84,744</u>	<u>\$ 1,747,667</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income	<u>\$ 21,154</u>	<u>\$ 72,067</u>	<u>\$ 153,484</u>	<u>\$ 0</u>	<u>\$ 246,705</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	2,256				2,256
Change in Assets and Liabilities					
Decrease (Increase) in Receivables	815			375	1,190
Decrease (Increase) in Interfund Receivable				2,687	2,687
Decrease (Increase) in Inventories	(35,479)				(35,479)
Increase (Decrease) in Accounts Payable	7,520	29,791	(31,340)	283	6,254
Increase (Decrease) in Interfund Payables	(76)			(10,471)	(10,547)
Increase (Decrease) in Accrued Expenses	4,189				4,189
Total Adjustments	<u>\$ (20,775)</u>	<u>\$ 29,791</u>	<u>\$ (31,340)</u>	<u>\$ (7,126)</u>	<u>\$ (29,450)</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ 379</u>	<u>\$ 101,858</u>	<u>\$ 122,144</u>	<u>\$ (7,126)</u>	<u>\$ 217,255</u>

CITY OF BIG SPRING

EXHIBIT C-21

GARAGE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>			
Billings to Departments and Employees	\$ 1,478,000	\$ 1,430,450	\$ (47,550)
Total Operating Revenues	<u>\$ 1,478,000</u>	<u>\$ 1,430,450</u>	<u>\$ (47,550)</u>
<b>OPERATING EXPENSES:</b>			
Personnel Services	\$ 339,418	\$ 339,378	\$ 40
Supplies and Materials	1,062,270	1,028,687	33,583
Contractual Services	24,505	22,319	2,186
Maintenance	15,875	16,656	(781)
Depreciation		2,256	(2,256)
Total Operating Expenses	<u>\$ 1,442,068</u>	<u>\$ 1,409,296</u>	<u>\$ 32,772</u>
Operating Income	<u>35,932</u>	<u>21,154</u>	<u>(14,778)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest Revenue	\$ 4,500	\$ 10,059	\$ 5,559
Interest Expense and Paying Agent Fees	(1,723)	(792)	931
Total Non-Operating Revenues (Expenses)	<u>\$ 2,777</u>	<u>\$ 9,267</u>	<u>\$ 6,490</u>
Income Before Transfers	\$ 38,709	\$ 30,421	\$ (8,288)
Transfers In	<u>0</u>	<u>0</u>	<u>0</u>
Change in Net Assets	\$ 38,709	\$ 30,421	\$ (8,288)
Total Net Assets - Beginning	<u>192,232</u>	<u>192,232</u>	<u>0</u>
Total Net Assets - Ending	<u><u>\$ 230,941</u></u>	<u><u>\$ 222,653</u></u>	<u><u>\$ (8,288)</u></u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-22

HEALTH INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
OPERATING REVENUES:			
Billings to Departments and Employees	\$ 1,496,000	\$ 1,327,877	\$ (168,123)
Total Operating Revenues	<u>\$ 1,496,000</u>	<u>\$ 1,327,877</u>	<u>\$ (168,123)</u>
OPERATING EXPENSES:			
Contractual Services	\$ 1,032,500	\$ 935,867	\$ 96,633
Other	335,000	319,943	15,057
Total Operating Expenses	<u>\$ 1,367,500</u>	<u>\$ 1,255,810</u>	<u>\$ 111,690</u>
Operating Income	<u>128,500</u>	<u>72,067</u>	<u>(56,433)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	\$ 40,000	\$ 46,159	\$ 6,159
Total Non-Operating Revenues (Expenses)	<u>\$ 40,000</u>	<u>\$ 46,159</u>	<u>\$ 6,159</u>
Income Before Transfers	\$ 168,500	\$ 118,226	\$ (50,274)
Transfers In	<u>                    </u>	<u>                    </u>	<u>0</u>
Change in Net Assets	\$ 168,500	\$ 118,226	\$ (50,274)
Total Net Assets - Beginning	<u>969,971</u>	<u>969,971</u>	<u>                    </u>
Total Net Assets - Ending	<u><u>\$ 1,138,471</u></u>	<u><u>\$ 1,088,197</u></u>	<u><u>\$ (50,274)</u></u>

No amendments made to the original budget.

CITY OF BIG SPRING

EXHIBIT C-23

OCCUPATIONAL ACCIDENT INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2007

	Original Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:			
Billings to Departments and Employees	\$ 340,000	\$ 340,000	\$ 0
Total Operating Revenues	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 0</u>
OPERATING EXPENSES:			
Contractual Services	\$ 230,400	\$ 126,788	\$ 103,612
Other	60,750	59,728	1,022
Total Operating Expenses	<u>\$ 291,150</u>	<u>\$ 186,516</u>	<u>\$ 104,634</u>
Operating Income	<u>48,850</u>	<u>153,484</u>	<u>(104,634)</u>
NON-OPERATING REVENUES (EXPENSES)			
Interest Revenue	\$ 5,000	\$ 9,329	\$ 4,329
Total Non-Operating Revenues (Expenses)	<u>\$ 5,000</u>	<u>\$ 9,329</u>	<u>\$ 4,329</u>
Income Before Transfers	\$ 53,850	\$ 162,813	\$ (100,305)
Transfers In	<u>                    </u>	<u>                    </u>	<u>0</u>
Change in Net Assets	\$ 53,850	\$ 162,813	\$ (100,305)
Total Net Assets - Beginning	<u>(108,666)</u>	<u>(108,666)</u>	<u>                    </u>
Total Net Assets - Ending	<u><u>\$ (54,816)</u></u>	<u><u>\$ 54,147</u></u>	<u><u>\$ (100,305)</u></u>

No amendments made to the original budget.

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**OTHER SUPPLEMENTARY INFORMATION**



**BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.**

**CERTIFIED PUBLIC ACCOUNTANTS**

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**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**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**

City Council  
City of Big Spring, Texas  
Big Spring, Texas

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of and for the year ended September 30, 2007, which collectively comprise City of Big Spring, Texas', basic financial statements and have issued our report thereon dated March 19, 2008. 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.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of Big Spring, Texas' internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

### **Compliance and Other Matters**

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

This report is intended solely for the information and use of the management, the City Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Balinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

March 19, 2008

**STATISTICAL SECTION  
(Unaudited)**

CITY OF BIG SPRING

TABLE E-1

NET ASSETS BY COMPONENT  
LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2004	2005	2006	2007
Governmental Activities				
Invested in Capital Assets, Net of Related Debt	\$ 77,848,906	\$ 76,116,555	\$ 73,687,204	\$ 74,389,471
Restricted	386,013	389,351	361,973	2,124,385
Unrestricted	<u>5,289,265</u>	<u>6,747,028</u>	<u>7,460,015</u>	<u>7,052,140</u>
Total Governmental Activities Net Assets	<u>\$ 83,524,184</u>	<u>\$ 83,252,934</u>	<u>\$ 81,509,192</u>	<u>\$ 83,565,996</u>
Business-Type Activities				
Invested in Capital Assets, Net of Related Debt	\$ 33,008,493	\$ 31,425,926	\$ 31,219,850	\$ 29,854,473
Restricted	334,551	342,645	11,066	
Unrestricted	<u>3,015,435</u>	<u>3,260,817</u>	<u>2,973,664</u>	<u>2,550,693</u>
Total Business-Type Activities Net Assets	<u>\$ 36,358,479</u>	<u>\$ 35,029,388</u>	<u>\$ 34,204,580</u>	<u>\$ 32,405,166</u>
Primary Government				
Invested in Capital Assets, Net of Related Debt	\$ 110,857,399	\$ 107,542,481	\$ 104,907,054	\$ 104,243,944
Restricted	720,564	731,996	373,039	2,124,385
Unrestricted	<u>8,304,700</u>	<u>10,007,845</u>	<u>10,433,679</u>	<u>9,602,833</u>
Total Primary Government Net Assets	<u>\$ 119,882,663</u>	<u>\$ 118,282,322</u>	<u>\$ 115,713,772</u>	<u>\$ 115,971,162</u>

CITY OF BIG SPRING

TABLE E-2

EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE) REVENUE  
LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2004	2005	2006	2007
Expenses				
Governmental Activities				
General Government	\$ 1,598,837	\$ 1,741,763	\$ 2,292,138	\$ 1,553,112
Public Safety	59,753,329	63,357,979	64,737,117	34,574,020
Highways and Streets	1,864,786	2,005,424	2,382,964	1,539,111
Sanitation	1,748,448	1,440,393	1,886,843	1,739,329
Community Service	73,937	75,926	82,963	85,350
Recreation and Parks	828,455	986,783	1,119,815	923,075
Cemetery	129,875	133,495	141,936	143,459
Economic Development	1,253,655	1,316,261	1,568,429	1,626,113
Bond Issue Costs				656
Interest on Long-Term Debt	96,553	82,235	75,692	505,201
Total Governmental Activities Expenses	<u>\$ 67,347,875</u>	<u>\$ 71,140,259</u>	<u>\$ 74,287,897</u>	<u>\$ 42,689,426</u>
Business-Type Activities				
Water and Sewer	\$ 8,167,245	\$ 8,467,850	\$ 8,837,666	\$ 8,736,468
Airport/Industrial Park	1,840,550	1,891,731	1,950,574	1,787,590
Emergency Medical Services	1,486,434	1,584,557	1,625,902	1,537,351
Total Business-Type Activities Expenses	<u>\$ 11,494,229</u>	<u>\$ 11,944,138</u>	<u>\$ 12,414,142</u>	<u>\$ 12,061,409</u>
Total Primary Government Expenses	<u>\$ 78,842,104</u>	<u>\$ 83,084,397</u>	<u>\$ 86,702,039</u>	<u>\$ 54,750,835</u>
Program Revenues				
Governmental Activities				
Charges for Services				
Public Safety	\$ 51,833,181	\$ 55,843,075	\$ 56,146,480	\$ 27,965,372
Sanitation	2,241,575	2,177,773	2,241,759	2,284,695
Recreation and Parks	298,686	321,379	306,525	91,453
General Government	164,761	190,868	202,275	218,268
Cemetery	93,629	63,020	50,849	50,173
Operating Grants and Contributions	185,096	232,439	390,121	140,642
Capital Grants and Contributions				37,364
Total Governmental Activities Program Revenues	<u>\$ 54,816,928</u>	<u>\$ 58,828,554</u>	<u>\$ 59,338,009</u>	<u>\$ 30,787,967</u>
Business-Type Activities				
Charges for Services				
Water and Sewer	\$ 7,623,550	\$ 8,031,772	\$ 9,076,991	\$ 8,259,517
Airport/Industrial Park	630,480	604,809	687,081	722,052
Emergency Medical Services	1,101,470	1,182,332	1,207,937	1,357,381
Total Business-Type Activities Program Revenues	<u>\$ 9,355,500</u>	<u>\$ 9,818,913</u>	<u>\$ 10,972,009</u>	<u>\$ 10,338,950</u>
Total Primary Government Program Revenues	<u>\$ 64,172,428</u>	<u>\$ 68,647,467</u>	<u>\$ 70,310,018</u>	<u>\$ 41,126,917</u>
Net (Expense) Revenue				
Governmental Activities	\$ (12,530,947)	\$ (12,311,705)	\$ (14,949,888)	\$ (11,901,459)
Business-Type Activities	<u>(2,138,729)</u>	<u>(2,125,225)</u>	<u>(1,442,133)</u>	<u>(1,722,459)</u>
Total Primary Government Net Expense	<u>\$ (14,669,676)</u>	<u>\$ (14,436,930)</u>	<u>\$ (16,392,021)</u>	<u>\$ (13,623,918)</u>

CITY OF BIG SPRING

TABLE E-3

GENERAL REVENUES AND TOTAL CHANGE IN NET ASSETS  
LAST FOUR FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year			
	2004	2005	2006	2007
Net (Expense) Revenue				
Governmental Activities	\$ (12,530,947)	\$ (12,311,705)	\$ (14,949,888)	\$ (11,901,459)
Business-Type Activities	<u>(2,138,729)</u>	<u>(2,125,225)</u>	<u>(1,442,133)</u>	<u>(1,722,459)</u>
Total Primary Government Net Expense	<u>\$ (14,669,676)</u>	<u>\$ (14,436,930)</u>	<u>\$ (16,392,021)</u>	<u>\$ (13,623,918)</u>
General Revenues and Other Changes in Net Assets				
Governmental Activities				
Taxes				
Property Taxes	\$ 2,981,435	\$ 3,001,978	\$ 3,075,336	\$ 3,252,311
Sales Taxes	4,024,731	4,258,228	4,969,337	5,369,792
Gross Receipts Taxes	1,344,025	1,386,769	1,864,360	1,477,481
Motel Occupancy Taxes	253,684	301,660	369,762	478,512
Unrestricted Grants and Contributions	1,710,957	2,172,243	1,769,263	942,137
Investment Earnings	137,333	247,938	390,416	1,023,253
Miscellaneous	1,033,835	1,257,385	1,017,673	1,236,171
Transfers	<u>(250,000)</u>	<u>(585,747)</u>	<u>(250,000)</u>	<u>570,670</u>
Total Governmental Activities	<u>\$ 11,236,000</u>	<u>\$ 12,040,454</u>	<u>\$ 13,206,147</u>	<u>\$ 14,350,327</u>
Business-Type Activities				
Unrestricted Grants and Contributions	\$	\$ 130,000	\$ 208,557	\$ 217,009
Investment Earnings		78,221	142,904	276,256
Other	667,337	2,167	15,865	450
Transfers	<u>250,000</u>	<u>585,747</u>	<u>250,000</u>	<u>(570,670)</u>
Total Business-Type Activities	<u>\$ 917,337</u>	<u>\$ 796,135</u>	<u>\$ 617,326</u>	<u>\$ (76,955)</u>
Total Primary Government	<u>\$ 12,153,337</u>	<u>\$ 12,836,589</u>	<u>\$ 13,823,473</u>	<u>\$ 14,273,372</u>
Change in Net Assets				
Governmental Activities	\$ (1,294,947)	\$ (271,251)	\$ (1,743,741)	\$ 2,448,868
Business-Type Activities	<u>(1,221,392)</u>	<u>(1,329,090)</u>	<u>(824,807)</u>	<u>(1,799,414)</u>
Total Primary Government	<u>\$ (2,516,339)</u>	<u>\$ (1,600,341)</u>	<u>\$ (2,568,548)</u>	<u>\$ 649,454</u>



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CITY OF BIG SPRING

TABLE E-4

**FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST FIVE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved	\$ 38,524	\$ 32,540	\$ 32,247	\$ 24,307	\$ 21,675
Unreserved	<u>2,890,212</u>	<u>3,340,037</u>	<u>3,898,842</u>	<u>6,356,196</u>	<u>6,426,470</u>
Total General Fund	<u>\$ 2,928,736</u>	<u>\$ 3,372,577</u>	<u>\$ 3,931,089</u>	<u>\$ 6,380,503</u>	<u>\$ 6,448,145</u>
All Other Governmental Funds					
Reserved	\$ 760,164	\$ 351,511	\$ 351,661	\$ 351,511	\$ 351,511
Reserved for Debit Service Funds	2,890	1,962	5,593	10,462	81,581
Reserved for Capital Projects					15,065,374
Unreserved, Reported in:					
Special Revenue Funds	3,130,866	2,957,387	2,772,513	2,649,383	2,815,706
Capital Projects Funds	<u>1,118,521</u>	<u>1,592,369</u>	<u>1,578,401</u>	<u>1,650,957</u>	<u>1,717,025</u>
Total All Other Governmental Funds	<u>\$ 5,012,441</u>	<u>\$ 4,903,229</u>	<u>\$ 4,708,168</u>	<u>\$ 4,662,313</u>	<u>\$ 20,031,197</u>

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST FIVE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year				
	2003	2004	2005	2006	2007
<b>Revenues</b>					
Taxes	\$ 7,936,755	\$ 8,501,804	\$ 8,998,104	\$ 10,301,113	\$ 10,579,730
Licenses, Fees, and Permits	342,585	317,098	192,618	204,021	220,018
Fines and Penalties	297,287	248,228	441,079	258,458	295,996
Charges for Services	2,099,015	2,091,438	2,407,456	2,476,170	2,567,774
Intergovernmental	50,761,153	53,722,280	58,236,015	58,298,013	29,078,145
Investment Earnings	144,468	137,333	247,938	390,416	1,023,253
Other Revenues	1,101,921	1,103,872	981,014	888,283	804,341
Total Revenues	<u>\$ 62,683,184</u>	<u>\$ 66,122,053</u>	<u>\$ 71,504,224</u>	<u>\$ 72,816,474</u>	<u>\$ 44,569,257</u>
<b>Expenditures</b>					
General Government	\$ 1,305,280	\$ 1,340,274	\$ 1,563,355	\$ 1,901,122	\$ 1,509,104
Public Safety	54,935,165	58,295,462	62,728,675	63,303,421	34,835,688
Highways and Streets	1,478,347	1,755,539	1,664,960	1,878,575	1,834,063
Sanitation	1,357,147	1,547,455	1,816,743	1,802,870	1,675,718
Community Service	70,742	73,937	75,926	82,963	85,350
Recreation and Parks	694,841	725,169	1,049,187	1,152,060	2,425,815
Economic Development	1,050,143	1,282,737	1,316,261	1,568,429	1,617,966
Cemetery	179,568	129,875	167,995	141,936	139,369
Capital Outlay	536,124				
Debt Service					
Interest and Fees	97,682	97,441	85,776	74,755	189,148
Principal	667,992	688,061	820,956	723,009	843,754
Total Expenditures	<u>\$ 62,373,031</u>	<u>\$ 65,935,950</u>	<u>\$ 71,289,834</u>	<u>\$ 72,629,140</u>	<u>\$ 45,155,975</u>
<b>Excess of Revenues</b>					
Over (Under) Expenditures	<u>\$ 310,153</u>	<u>\$ 186,103</u>	<u>\$ 214,390</u>	<u>\$ 187,334</u>	<u>\$ (586,718)</u>
<b>Other Financing Sources (Uses)</b>					
Capital Leases	\$	\$ 398,526	\$ 734,809	\$ 2,466,226	\$ 707,574
Bond Proceeds					14,745,000
Transfers In	409,146	361,676	647,766	439,839	1,226,448
Transfers Out	(659,146)	(611,676)	(1,233,513)	(689,839)	(655,778)
Total Other Financing Sources (Uses)	<u>\$ (250,000)</u>	<u>\$ 148,526</u>	<u>\$ 149,062</u>	<u>\$ 2,216,226</u>	<u>\$ 16,023,244</u>
<b>Net Change in Fund Balances</b>					
	<u>\$ 60,153</u>	<u>\$ 334,629</u>	<u>\$ 363,452</u>	<u>\$ 2,403,560</u>	<u>\$ 15,436,526</u>
<b>Debt Service as a Percentage of</b>					
Noncapital Expenditures	1.2%	1.2%	1.3%	1.1%	2.5%

CITY OF BIG SPRING

TABLE E-6

TAX REVENUES BY SOURCES, GOVERNMENTAL FUNDS  
LAST FIVE FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Gross Receipts Tax</u>	<u>Motel Occupany Tax</u>	<u>Total</u>
2003	\$ 2,703,128	\$ 3,640,107	\$ 1,399,420	\$ 194,100	\$ 7,936,755
2004	2,879,364	4,024,731	1,344,025	253,684	8,501,804
2005	3,051,477	4,258,228	1,386,769	301,660	8,998,134
2006	3,097,654	4,969,337	1,864,360	369,762	10,301,113
2007	3,252,311	5,369,792	1,477,481	478,512	10,578,096
Percent Change 2003 - 2007	20.3%	47.5%	5.6%	146.5%	

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CITY OF BIG SPRING

TABLE E-7

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS**

Fiscal Year	Real Property		Personal Property		All Property		Total Direct Tax Rate	Value as a Percentage of Actual Taxable Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
1998	\$ 286,168,604	\$ 286,168,604	\$ 117,537,140	\$ 117,537,140	\$ 403,705,744	\$ 403,705,744	\$ 0.6100	100.00%
1999	288,063,111	288,063,111	123,995,970	123,995,970	412,059,081	412,059,081	0.6200	100.00%
2000	270,971,147	270,971,147	131,751,528	131,751,528	402,722,675	402,722,675	0.6563	100.00%
2001	296,099,061	296,099,061	106,778,706	106,778,706	402,877,767	402,877,767	0.6563	100.00%
2002	305,338,253	305,338,253	105,116,794	105,116,794	410,455,047	410,455,047	0.6563	100.00%
2003	314,715,405	314,715,405	96,575,202	96,575,202	411,290,607	411,290,607	0.6863	100.00%
2004	315,221,277	315,221,277	97,269,748	97,269,748	412,491,025	412,491,025	0.7163	100.00%
2005	316,094,505	316,094,505	97,391,125	97,391,125	413,485,630	413,485,630	0.7163	100.00%
2006	363,664,736	363,664,736	55,909,450	55,909,450	419,574,186	419,574,186	0.7163	100.00%
2007	319,327,683	319,327,683	125,210,676	125,210,676	444,538,359	444,538,359	0.7163	100.00%

Source: Central Appraisal District  
Note: Tax rates are per \$100 of assessed value

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CITY OF BIG SPRING

TABLE E-8

**PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2007			1997		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Western Container	\$ 22,789,860	1	5.13%	\$ 70,373,680	1	17.40%
Scenic Mountain Hospital	10,403,246	2	2.34%	11,859,183	3	2.90%
TXU Electric Delivery Co.	9,500,440	3	2.14%	8,613,760	4	2.10%
Southwestern Bell Telephone	6,716,060	4	1.51%	8,354,900	5	2.10%
Wal-Mart Real Estate	6,370,000	5	1.44%			
Wal-Mart Stores Texas LP	5,764,690	6	1.30%	14,281,194	2	3.50%
General Electric Capital	4,013,540	7	0.91%			
Scenic Mountain Medical	3,905,277	8	0.88%			
Fifth Third Leasing Co.	3,816,730	9	0.86%			
Cox Com., Inc.	3,635,450	10	0.82%			
HEB Grocery Store Inc.				3,920,977	6	1.00%
Rip Griffin Truck Stop				2,811,538	7	1.00%
Energas				2,441,010	8	1.00%
Fiberflex, Inc.				2,257,770	9	1.00%
Cerros Medical Corp.				1,816,104	10	0.45%
Total	\$ <u>76,915,293</u>		<u>17.33%</u>	\$ <u>126,730,116</u>		<u>32.45%</u>

Source: Texas State Comptroller

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CITY OF BIG SPRING

TABLE E-9

**PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections to Date</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
1998	\$ 2,474,193	\$ 2,389,914	\$ 96.59%	\$ 69,347	\$ 2,459,261	\$ 99.40%
1999	2,462,608	2,379,106	96.61%	59,864	2,438,970	99.04%
2000	2,513,551	2,414,365	96.05%	56,464	2,470,829	98.30%
2001	2,497,899	2,377,916	95.20%	73,619	2,451,535	98.14%
2002	2,644,134	2,511,365	94.98%	65,594	2,576,959	97.46%
2003	2,693,926	2,549,800	94.65%	73,904	2,623,704	97.39%
2004	2,699,300	2,530,568	93.75%	99,342	2,629,910	97.43%
2005	2,830,926	2,687,521	94.93%	92,805	2,780,326	98.21%
2006	3,005,417	2,815,327	93.68%	128,267	2,943,594	97.94%
2007	3,186,071	2,876,799	90.29%	135,280	3,012,079	94.54%

Source: Howard County

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CITY OF BIG SPRING

TABLE E-10

**SALES TAX REVENUE PAYERS BY INDUSTRY  
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2007			1997		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Limited Service Restaurants	\$ 223,800	1	4.06%	\$ 65,814	5	1.81%
Electric Power Distribution	216,304	2	3.92%			
Supermarket and Other Grocery	201,860	3	3.66%	232,275	2	6.37%
All Other Miscellaneous Manufacturers	192,438	4	3.49%			
Gasoline Stations and Convenience Stores	181,875	5	3.30%	165,427	3	4.54%
Wired Telecommunications Carriers	155,514	6	2.82%	89,832	4	2.46%
Eating Places	154,487	7	2.80%	274,859	1	7.54%
Full Service Restaurants	151,870	8	2.76%	54,184	7	1.49%
Wireless Telecommunications Carriers	138,742	9	2.52%			
Gasoline Service Stations	130,980	10	2.38%	41,707	8	1.14%
Department Stores	124,441	11	2.26%			
Crude Petroleum and Natural Gas Extractions	101,864	12	1.85%			
All Other Miscellaneous Store Retailers (except tobacco stores)				57,347	6	1.57%
Hardware Stores				40,221	9	1.10%
Communications Services, Not Elsewhere Classified				35,937	10	0.99%
Furniture Stores				27,792	11	0.76%
Radio/Telephone Communications				27,509	12	0.75%
<b>Total</b>	<b>\$ 1,974,175</b>		<b>35.82%</b>	<b>\$ 1,112,904</b>		<b>30.52%</b>

Source: Texas State Comptroller

CITY OF BIG SPRING

TABLE E-11

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST FIVE FISCAL YEARS

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government	Percentage Of Personal Income	Per Capita
	General Obligation Bonds	Certificate Of Obligation	Capital Leases	General Obligation Bonds	Certificate Of Obligation	Capital Leases			
2003	\$ 1,360,000	\$	\$ 1,186,532	\$ 4,840,000	\$	\$ 657,826	\$ 8,044,358	1.57%	\$ 319
2004	1,125,000		1,131,998	4,475,000		607,286	7,339,284	1.35%	291
2005	895,000		1,270,973	4,095,000		497,681	6,758,654	1.22%	268
2006	665,000		1,211,763	3,705,000		308,080	5,889,843	1.01%	233
2007	14,725,000	460,000	1,364,927	3,305,000	640,000	333,377	20,828,304	3.46%	825



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CITY OF BIG SPRING

TABLE E-12

**DIRECT AND OVERLAPPING  
GOVERNMENTAL ACTIVITIES DEBT**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt Repaid with Property Taxes			
Big Spring Independent School District*	\$ 9,170,000	55.51%	\$ 5,090,267
Forsan Independent School District	449,074	0.77%	3,458
Coahoma Independent School District	13,899,993	0.49%	68,110
Howard County*	970,000	29.46%	<u>285,762</u>
Subtotal, Overlapping Debt			<u>5,447,597</u>
Cityof Big Spring Direct Debt	15,015,550	100.00%	<u>15,015,550</u>
Total Direct and Overlapping Debt			<u>\$ 20,463,147</u>

Sources: Debt outstanding data provided by each governmental unit.

\* Gross debt

**LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt Limit	\$ 6,055,586	\$ 6,180,886	\$ 6,040,840	\$ 6,043,167	\$ 6,156,826	\$ 6,169,359	\$ 6,187,365	\$ 6,202,284	\$ 6,293,613	\$ 6,668,075
Total Net Debt Applicable to Limit	(144,474)	(144,071)	(153,520)	(149,877)	(225,000)	(237,110)	(233,038)	(224,408)	(219,538)	(146,016)
Legal Debt Margin	5,911,112	6,036,815	5,887,320	5,893,290	5,931,826	5,932,249	5,954,327	5,977,876	6,074,075	6,522,059
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.39%	2.33%	2.54%	2.48%	3.65%	3.84%	3.77%	3.62%	3.49%	2.19%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ <u>444,538,359</u>
Debt Limit (1.5% Assessed Value) Assessed Value	<u>6,668,075</u>
Debt Applicable to Limit:	
General Obligation Bonds	\$ 225,000
Less: Amount Set Aside for Repayment	<u>(78,984)</u>
Net Debt Applicable to Limit	<u>146,016</u>
Legal Debt Margin	\$ <u>6,522,059</u>

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Population (1)	23,977	23,977	25,233	25,233	25,233	25,233	25,233	25,233	25,233	25,233
Total Personal Income	\$ 539,482,500	\$ 539,482,500	\$ 567,742,500	\$ 540,089,132	\$ 512,810,259	\$ 512,810,259	\$ 542,534,733	\$ 553,233,525	\$ 585,052,338	\$ 602,008,914
Per Capita Personal Income (2)	\$ 22,500	\$ 22,500	\$ 22,500	\$ 21,404	\$ 20,323	\$ 20,323	\$ 21,501	\$ 21,925	\$ 23,186	\$ 23,858
Median Age (2)	34	34	36	36	35	36	36	36	36	36
Unemployment (3)	4.9%	6.1%	5.1%	5.1%	6.4%	6.6%	5.9%	5.6%	5.2%	4.4%

Data Sources:

- (1) Bureau of Census
- (2) Texas Workforce Commission
- (3) Bureau of Labor Statistics

CITY OF BIG SPRING

TABLE E-15

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO

Employer	2007			1997		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Big Spring State Hospital	605	1	4.70%	655	1	N/A
Big Spring ISD	597	2	4.63%	610	2	N/A
Cornell Corrections, Inc.	485	3	3.76%	449	4	N/A
Veterans Administration Hospital	480	4	3.73%	508	3	N/A
Price Construction	450	5	3.49%	125	16	N/A
Scenic Mountain Medical Center	350	6	2.72%	340	6	N/A
Wal-Mart	350	7	2.72%	358	5	N/A
City of Big Spring	268	8	2.08%	266	9	N/A
Howard College and SWCID	255	9	1.98%	235	10	N/A
U.S. Justice Department	250	10	1.94%	292	7	N/A
Alon USA	204	11	1.59%	190	12	N/A
Howard County	170	12	1.32%	170	13	N/A
Total	<u>4,464</u>		<u>34.66%</u>	<u>4,198</u>		

Source: Economic Development Corporation

CITY OF BIG SPRING

TABLE E-16

FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Full-Time-Equivalent Employees as of Year End									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Management Services	16	17	16	9	9	8	8	7	7	8
Finance	7	7	7	6	6	6	6	6	6	6
Other	5	5	7	4	6	6	5	5	5	8
Information Technology				1	1	1	1	1	1	2
Convention and Visitors Bureau							1	1	1	1
Police										
Officers	47	47	46	46	48	48	56	56	56	50
Civilians	20	20	20	20	19	16	8	8	8	8
Fire										
Firefighters and Officers	50	50	49	49	49	46	46	46	46	46
Civilians			1				1	1	1	1
EMS										
EMS and Officers	15	14	14	14	13	16	16	16	16	16
Civilians	1	1	1	2	2	2	1	2	2	2
Refuse Collection (Landfill)	8	8	8	7	6	6	8	7	7	6
Other Public Works	11	12	8	7	7	7	8	9	9	9
Parks and Recreation	24	23	10	10	9	8	9	9	9	10
Service Center	10	10	10	9	9	8	8	8	8	8
Streets	13	13	16	16	13	14	14	14	14	14
Sanitation	8	8	8	8	8	8	8	8	8	7
Airpark	9	9	8	7	7	7	7	7	7	7
Water	35	40	40	40	41	41	41	41	41	36
Wastewater	11	9	9	9	9	9	8	9	9	8
Total	<u>290</u>	<u>293</u>	<u>278</u>	<u>264</u>	<u>262</u>	<u>257</u>	<u>260</u>	<u>261</u>	<u>261</u>	<u>253</u>

Source: City Budget Office

CITY OF BIG SPRING

TABLE E-17

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General Government										
Building Permits Issued		27	1,728	273	372	269	1,170	966	1,351	1,460
Police										
Physical Arrests	2,082	1,972	1,552	1,619	1,668	1,613	1,574	1,730	1,904	1,704
Number of Calls for Service	32,155	36,072	32,662	33,344	32,130	33,344	38,411	26,961	19,431	19,200
Alarm Responses	546	1,074	802	726	878	726	832	1,132	1,057	647
Fire										
Emergency Responses			344	300	288	327	333	281	431	427
EMS Service										
Number of Runs		355	2,563	2,038	2,243	2,175	2,293	2,546	3,265	3,164
Refuse Collection										
Collected (Tons per Day)		90	100	100	100	110	110	120	120	115
Water										
Active Accounts		8,746	8,655	8,644	8,473	8,649	8,471	8,311	8,626	8,677
Water Main Breaks	236	301	307	321	187	225	228	200	199	206
Average Daily Consumption (Thousands of Gallons)		5,800	5,800	5,380	3,853	5,380	5,380	4,919	4,919	4,412
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,605	2,561	2,874	2,599	2,493	2,450	2,183	2,054	2,205	2,730

Data Sources: Various City Departments

**CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function/Program	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	34	34	34	34	34	34	34	34	34	34
Unmarked	17	17	17	17	17	17	17	17	17	17
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	6	6	6	6	6	6	6
Other Public Works										
Streets										
Paved (Miles)	171	171	171	171	171	174	177	158	158	189
Unpaved (Miles)	18	18	18	18	18	15	12	12	12	5
Street Lights	1,879	1,879	1,903	1,903	1,903	1,903	1,907	1,812	1,812	1,810
Parks and Recreation										
Acreage	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069	1,069
Parks	5	5	5	5	5	5	5	5	5	5
Lakes	2	2	2	2	2	2	2	2	2	5
Baseball/Softball Fields	6	6	6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	150	150	150	153	240	240	240	177	177	177
Fire Hydrants	1,120	1,120	1,120	1,145	1,145	1,510	1,510	722	722	722
System Capacity (Thousands of Gallons)	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Wastewater										
Sanitary Sewers (Miles)	140	140	140	140	140	170	170	125	125	125
Treatment Capacity (Thousands of Gallons)	2,605	2,561	2,874	2,559	2,493	2,450	2,183	2,054	2,205	2,205

Sources: Various City Departments

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