



FINANCIAL STATEMENT

FINANCIAL STATEMENT (As of January 01, 2016)

Table with 2 columns: Description and Amount. Rows include Taxable Assessed Valuation, New Debt, Outstanding Debt, Total General Obligation Debt, Less: Self-Supporting (a) Water & Sewer, GO Debt payable from Ad Valorem Taxes, Less: I&S Fund, and Net Debt.

(a) The September 30, 2015 Audit reports the following General Obligation Debt being paid from revenues other than ad valorem taxes; thus considered self-supporting.

Net Debt Per Net Assessed Valuation - 1.45%
Net Debt Per Sq mile - \$664,692.62

Net Debt Per Capita - \$445.90
Net Assessed Valuation Per Capita - \$30,779.52

Bureau of Census Pop: 2000 - 25,233
Bureau of Census Pop: 2010 - 27,282
2015 Estimated Population - 28,472
Area: 19.10 Sq mile

PAYMENT RECORD: The City has never defaulted on General Obligation Bonds. The City has not defaulted on Revenue Bonds since 1945 when an issue of Swimming Pool Revenue Bonds was retired at par and accrued interest.

TAX DATA

Table with 7 columns: Tax Year, Assessed Valuation\*, Tax Rate, Adjusted Levy, % Collections Current, % Collections Total, Year Ended. Rows for years 2010 through 2015.

\* Increase due to mineral valuations.

Table with 5 columns: Tax Rate Distribution, 2015, 2014, 2013, 2012. Rows for Operations, I&S, and Totals.

Tax Rate Limitation: Article XI, Section 5 of Texas Constitution, applicable to cities of more than 5,000 population - \$2.50 per \$100 assessed valuation. City operates under a Home Rule Charter which adopts the constitutional provisions.

TAX ABATMENTS The City has established a tax abatement program to encourage economic development. In order to be considered for tax abatement, a project must meet several criteria pertaining to job creation and property value enhancement. The City has two tax abatement agreements currently in force. The tax abatement for the 2015 tax year is \$515,964.

CHAPTER 380 AGREEMENTS The City has a policy in place relating to Chapter 380

economic development incentive programs, and has entered into two such agreements.

SALES TAX

Municipal Sales Tax: The City has adopted the provisions of Municipal Sales and Use Tax Act V.T.C.A., Tax Code, Chapter 321, which grants the City power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the bonds in this report. Voters approved an additional sales and use tax of 1/2 of 1% for the Economic Development Corporation (Type A), and 1/2 of 1% for property tax reduction, effective October of 1990. Net allocations on calendar year basis are as follows:

Table with 5 columns: Calendar Year, Rate, Total Collected, % of Ad Val Tax Levy, Equiv of Ad Val Tax Rate. Rows for years 2012 through 2015.

DETAILS OF OUTSTANDING DEBT

Details of Limited Tax Debt (Outstanding 1/1/2016)

Comb Tax & Rev C/O Bds Ser 2007

Tax Treatment: Tax Exempt
Original Issue Amount \$1,100,000.00
Dated Date: 02/01/2007
Sale Date: 02/13/2007
Delivery Date: 03/20/2007
Sale Type: Negotiated
Record Date: MSRB
Bond Form: BE
Denomination \$5,000
Interest pays Semi-Annually: 08/15, 02/15
1st Coupon Date: 02/15/2008

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX
Bond Counsel: McCall Parkhurst & Horton L.L.P.
Financial Advisor: First Southwest Company, Lubbock, TX
Co-Financial Advisor: First Southwest Company, Dallas, TX
Lead Manager: Southwest Securities
Co-Manager: Edward Jones

Insurance: FGIC

Security : Limited Tax and a lien on the surplus revenues of the Waterworks & Sewer System not to exceed \$1,000.

Water & Sewer 73.17%

Use of Proceeds: Water & Sewer, Animal Shelter.

Table with 4 columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Rows for maturities from 02/15/2016 to 02/15/2025, with a total of \$615,000.00.

Call Option: Bonds maturing on 02/15/2018 to 02/15/2025 callable in whole or in

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part on any date beginning 02/15/2017 @ par.

Refunded Notes: Maturities refunded by GO Ref Bds Ser 2016

Refunded Amount	Mat Date	Coupon	Price	Sched Call
80,000.00	02/15/2026	4.375	Par	02/15/2017
80,000.00	02/15/2027	4.375	Par	02/15/2017

GO Bds Ser 2007

Tax Treatment: Tax Exempt  
 Original Issue Amount \$14,285,000.00  
 Dated Date: 02/01/2007  
 Sale Date: 02/13/2007  
 Delivery Date: 03/20/2007  
 Sale Type: Negotiated  
 Record Date: MSRB  
 Bond Form: BE  
 Denomination \$5,000  
 Interest pays Semi-Annually: 08/15, 02/15  
 1st Coupon Date: 02/15/2008

Paying Agent: The Bank of New York Mellon Trust Company, N.A., Dallas, TX  
 Bond Counsel: McCall Parkhurst & Horton L.L.P.  
 Financial Advisor: First Southwest Company, Lubbock, TX  
 Co-Financial Advisor: First Southwest Company, Dallas, TX  
 Lead Manager: Southwest Securities  
 Co-Manager: Edward Jones

Insurance: FGIC

Use of Proceeds: Streets & Drainage, Park.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	660,000.00	4.0000%	3.960%
02/15/2017	685,000.00	4.0000%	100.00%
02/15/2018	715,000.00	4.0000%	4.130%
-----\$2,060,000.00			

Call Option: Non-callable

Refunded Notes: Maturities refunded by GO Ref Bds Ser 2016

Refunded Amount	Mat Date	Coupon	Price	Sched Call
745,000.00	02/15/2019	4.000	Par	02/15/2017
775,000.00	02/15/2020	4.200	Par	02/15/2017
1,670,000.00	02/15/2022	5.000	Par	02/15/2017
1,845,000.00	02/15/2024	5.000	Par	02/15/2017
985,000.00	02/15/2025	4.375	Par	02/15/2017
1,030,000.00	02/15/2026	4.375	Par	02/15/2017
1,080,000.00	02/15/2027	5.000	Par	02/15/2017

Comb Tax & Surplus Rev C/O Ser 2010

Tax Treatment: Bank Qualified  
 Original Issue Amount \$4,200,000.00  
 Dated Date: 03/01/2010  
 Sale Date: 03/08/2010  
 Delivery Date: 04/13/2010  
 Sale Type: Negotiated  
 Record Date: MSRB  
 Bond Form: BE  
 Denomination \$5,000  
 Interest pays Semi-Annually: 08/15, 02/15  
 1st Coupon Date: 02/15/2011

Paying Agent: US Bank N.A., Dallas, TX  
 Bond Counsel: McCall Parkhurst & Horton L.L.P.  
 Financial Advisor: First Southwest Company, Dallas, TX  
 Lead Manager: Morgan Keegan & Co., Inc.  
 Co-Manager: Crews & Associates, Inc.

Insurance: Assured Guaranty Municipal Corp. (FSA)

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water Park

Use of Proceeds: Public Improvements.

Maturity	Amount	Coupon	Orig Reoffering Price/Yield
02/15/2016	175,000.00	3.0000%	2.300%
02/15/2017	180,000.00	3.0000%	2.600%
02/15/2018	185,000.00	3.5000%	2.900%
02/15/2019	195,000.00	3.5000%	3.100%
02/15/2020	200,000.00	3.7500%	3.250%
02/15/2021	210,000.00	4.0000%	3.450%
02/15/2022	215,000.00	4.0000%	3.600%
02/15/2024T	460,000.00	4.0000%	3.800%
02/15/2026T	500,000.00	4.0000%	100.00%
02/15/2028T	540,000.00	4.0000%	4.150%
02/15/2030T	590,000.00	4.1250%	4.300%
------\$3,450,000.00			

Call Option: Bonds maturing on 02/15/2021 to 02/15/2022 and term bonds maturing on 02/15/2024 and 02/15/2026 and 02/15/2028 and 02/15/2030 callable in whole or in part on any date beginning 02/15/2020 @ par.

Term Call: Term bonds maturing on 02/15/2024:

Mandatory Redemption Date	Principal Amount
02/15/2023	\$225,000
02/15/2024	\$235,000

Term bonds maturing on 02/15/2026:

Mandatory Redemption Date	Principal Amount
02/15/2025	\$245,000
02/15/2026	\$255,000

Term bonds maturing on 02/15/2028:

Mandatory Redemption Date	Principal Amount
02/15/2027	\$265,000
02/15/2028	\$275,000

Term bonds maturing on 02/15/2030:

Mandatory Redemption Date	Principal Amount
02/15/2029	\$290,000
02/15/2030	\$300,000

Comb Tax & Surplus Rev C/O Ser 2012

Tax Treatment: Tax Exempt  
 Original Issue Amount \$11,725,000.00  
 Dated Date: 07/15/2012  
 Sale Date: 07/10/2012  
 Delivery Date: 08/10/2012  
 Sale Type: Negotiated  
 Record Date: MSRB  
 Bond Form: BE  
 Denomination \$5,000  
 Interest pays Semi-Annually: 08/15, 02/15  
 1st Coupon Date: 02/15/2013

Paying Agent: US Bank N.A., Dallas, TX  
 Bond Counsel: McCall Parkhurst & Horton L.L.P.  
 Financial Advisor: First Southwest Company, Dallas, TX  
 Lead Manager: Raymond James | Morgan Keegan  
 Co-Manager: Crews & Associates, Inc.  
 Underwriter's Counsel: Fulbright & Jaworski L.L.P.

Insurance: Assured Guaranty Municipal Corp. (FSA)

Security : Limited Tax and a Subordinate lien on the Surplus revenues of the Water & Sewer system.

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Water & Sewer 100.00%

Use of Proceeds: Water & Sewer.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond maturities from 02/15/2016 to 02/15/2032T with amounts up to \$1,560,000.00 and yields up to 5.0000%.

Call Option: Bonds maturing on 02/15/2023 to 02/15/2030 and term bonds maturing on 02/15/2032 callable in whole or in part on any date beginning 02/15/2022 @ par.

Table with columns: Mandatory Redemption Date, Principal Amount. Shows dates 02/15/2031 and 02/15/2032 with amounts \$760,000 and \$800,000.

GO Ref Bds Ser 2016

Tax Treatment: Bank Qualified
Original Issue Amount \$7,980,000.00
Dated Date: 03/01/2016
Sale Date: 02/24/2016
Delivery Date: 03/30/2016
Sale Type: Negotiated
NIC: 1.7737%
Record Date: MSRB
Bond Form: BE
Denomination: \$5,000
Interest pays: Semi-Annually: 02/15, 08/15
1st Coupon Date: 08/15/2016

Paying Agent: US Bank N.A., Dallas, TX
Bond Counsel: McCall, Parkhurst & Horton L.L.P., Dallas, TX
Financial Advisor: SAMCO Capital Markets, Inc., San Antonio, TX
Lead Manager: Coastal Securities, Inc.
Co-Manager: Frost Bank
Underwriter's Counsel: Norton Rose Fulbright US LLP, San Antonio, TX

Insurance: Build America Mutual

Water & Sewer 1.47%

Use of Proceeds: Refunding.

Refunding Notes: This bond refunded maturities from the following issues:
GO Bds Ser 2007

Table with columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Lists refunded amounts from 745,000.00 to 1,030,000.00 with mat dates from 02/15/2019 to 02/15/2026.

Table with columns: Refunded Amount, Mat Date, Coupon, Price, Sched Call. Lists refunded amounts from 80,000.00 to 80,000.00 with mat dates from 02/15/2026 to 02/15/2027.

Table with columns: Maturity, Amount, Coupon, Orig Reoffering Price/Yield. Lists bond maturities from 02/15/2017 to 02/15/2027 with amounts up to \$995,000.00 and yields up to 3.0000%.

Call Option: Bonds maturing on 02/15/2025 to 02/15/2027 callable in whole or in part on any date beginning 02/15/2024 @ par.

Grand Total =====> \$24,490,000.00

Bond Debt Service

Table with columns: Period Ending, Principal, Interest, Debt Service. Shows debt service from 09/30/16 to 09/30/32 with principal amounts up to \$1,695,000.00 and total debt service of \$31,059,570.63.

COMPUTED ON BASIS OF MANDATORY REDEMPTION

Debt Amortization Rates

Table with columns: Period Ending, Principal, % of Principal Retired. Shows amortization rates from 09/30/2016 to 09/30/2023 with rates ranging from 12.03% to 51.57%.

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09/30/2024	1,745,000.00	58.70%
09/30/2025	1,800,000.00	66.05%
09/30/2026	1,860,000.00	73.64%
09/30/2027	1,920,000.00	81.48%
09/30/2028	955,000.00	85.38%
09/30/2029	995,000.00	89.44%
09/30/2030	1,025,000.00	93.63%
09/30/2031	760,000.00	96.73%
09/30/2032	800,000.00	100.00%

DEBT SERVICE FUND MANAGEMENT INDEX

G.O. Debt Service Requirements for fiscal year-ending 09/30/2016	\$2,208,183
I&S Fds all G.O. issues 09/30/2015	\$518,811
2015 I&S Fund Tax Levy @ 90%	1,399,976
Water & Sewer	874,647

OPERATING STATEMENT

WATERWORKS & SEWER SYSTEM OPERATING EXPERIENCE The following condensed statements have been compiled using accounting principles customarily employed in the determination of net revenues available for debt service, and in all instances exclude depreciation, transfers, debt service payments and expenditures identified as capital.

	Fiscal Year Ended			
	09-30-2015	09-30-2014	09-30-2013	09-30-2012
Revenues:				
W & S Service	\$12,422,561	\$11,512,982	\$11,722,071	\$12,138,174
Other	401,082	379,118	429,565	372,329
Total Revenues	\$12,823,643	\$11,892,100	\$12,151,636	\$12,510,503
Expenses	\$9,601,373	\$9,150,716	\$8,585,606	\$8,528,681
Available For Debt Service	\$3,222,270	\$2,741,384	\$3,566,030	\$3,981,822

ECONOMIC DEVELOPMENT

	Fiscal Year Ended			
	09-30-2015	09-30-2014	09-30-2013	09-30-2012
Revenue	\$2,678,658	\$2,560,086	\$2,228,827	\$1,930,370
Expense	\$1,899,305	\$4,157,682	\$2,228,827	\$1,930,370
Available For Debt Service	\$779,353	(\$1,597,596)*	\$0	\$0

\* The District had a Fund Balance of 6,067,972 for the year end.

SYSTEM DESCRIPTION AND PERTINENT CONTRACTS

WATER SUPPLY CONTRACT The Colorado River Municipal Water District was created in 1949 primarily to collect and deliver water to meet the contractual requirements of member cities, Odessa, Big Spring and Snyder, of the contract cities, Grand Falls, Millersview/Dooile, Midland, Stanton, San Angelo, Robert Lee and Pyote, University Lands and non-municipal customers.

COLORADO MUNICIPAL WATER DISTRICT - WATER SUPPLY PROJECT (See Texas Municipal Report #5154 for additional information, including all contracting parties)

Date of Contract: February 12, 1982
Length of contract: The life of the Bonds
Bonds Outstanding: \$197,460,000 as of 9-30-15

Payments made under the contract constitute operating expenses of the waterworks system as defined by Article 1113, RCST, 1925.

Nature of Contract: (O.H. Ivie Reservoir Water Transmission Contract) The CRMWD issued Revenue Bonds to construct a water transmission system from Stacy Reservoir to the Odessa/Midland area by way of San Angelo.

Terms of Contract: The City will pay its pro rata share of transmission system fixed costs, including debt service, and its share of operation and maintenance expenses; these payments will be an operating expense of the System.

SPECIAL WATER AND SEWER CUSTOMERS

Howard County WC&ID #1 - The City sells treated water to the District (City of Coahoma) at cost plus 10%.

The City sells treated water to and accepts sewage for treatment from the Big Spring State Hospital, a facility of the Texas Department of MHMR. The State Hospital owns and operates its water storage and distribution system and sewage collection system. In 1990, the City constructed various improvements to the State Hospital's water storage and distribution system.

The City sells raw water to Alon USA, LP (formerly Cosden Petroleum Corporation ("Alon") and Sid Richardson Carbon, LTD (formerly Cabot Carbon Company) ("Sid Richardson") under a 1957 contract, as amended in 2012, for use in an oil refining and chemical production plant located adjacent to the City; raw water is supplied a cost equal to the percentage of the monthly fixed charge that CRMWD charged the City that is attributable to the actual amount of raw water that the City delivered to Alon and Sid Richardson during the previous month; provided, however, that no monthly payment may be less than 20% of the total monthly fixed charge that CRMWD charged the City for the applicable month. In addition to the foregoing payment, Alon and Sid Richardson must pay to the City each month CRMWD's then current delivery fee plus \$0.25 for each 1,000 gallons of raw water supplied to them during the applicable month.

RATES, FEES AND OPERATING DATA

WATER RATES (Monthly billing) (Monthly billing) Historical rate changes were effective October 1, 2011 and October 1, 2015.

Old Rates (Effective October 1, 2011)

Inside City Limits - Residential		
Minimum - Water 5/8in	\$30.00	
First	10,000	3.00/M
Next	10,000	3.50/M
Next	30,000	3.75/M
Over	50,000	4.00/M

Outside City Limits - Residential		
Minimum - Water 5/8in	\$30.00	
First	10,000	6.00/M
Next	10,000	7.00/M
Next	30,000	7.50/M
Over	50,000	8.00/M

Inside City Limits - Commercial		
Minimum - Water 5/8in	\$30.00	
First	50,000	3.00/M
Next	50,000	3.25/M
Over	100,000	3.50/M

Outside City Limits - Commercial		
Minimum - Water 5/8in	\$30.00	
First	50,000	6.00/M
Next	50,000	6.50/M
Over	100,000	7.00/M

New Rates (Effective October 1, 2015)

Inside City Limits - Residential		
Minimum - Water 5/8in	\$30.00	
First	2,000	1.50/M
Next	8,000	3.75/M

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Next	10,000	4.50/M
Next	30,000	4.75/M
Over	50,000	5.00/M

Outside City Limits - Residential

Minimum - Water 5/8in	\$30.00
First	2,000 3.00/M
Next	8,000 7.50/M
Next	10,000 9.00/M
Next	30,000 9.50/M
Over	50,000 10.00/M

Inside City Limits - Commercial

Minimum - Water 5/8in	\$30.00
First	50,000 3.75/M
Next	50,000 4.20/M
Over	100,000 4.50/M

Outside City Limits - Commercial

Minimum - Water 5/8in	\$30.00
First	50,000 7.50/M
Next	50,000 8.40/M
Over	100,000 9.00/M

SEWER RATES (Monthly billing) Historical rate changes were effective October 1, 2011, November 6, 2014 and October 1, 2015.

Old Rates (Effective as of November 6, 2014)

Commercial\*

Base Rate per Connection/Living Unit	\$18.00
Plus: Water Volume Charge	2.00/M

\* Water volume charge is based on 90% of actual water usage each month.

New Rates (Effective as of October 1, 2015)

Residential

Base Rate per Connection/Living Unit	\$13.00
Plus: Water Volume Charge	1.50/M

Commercial\*

Base Rate per Connection/Living Unit	\$20.00
Plus: Water Volume Charge	2.00/M

\* Water volume charge is based on 90% of actual water usage each month.

**AUTHORIZED BUT UNISSUED**

GENERAL OBLIGATION BONDS AUTHORIZED BUT UNISSUED None

**PENSION FUND LIABILITY**

All qualified employees of the City are members of the Texas Municipal Retirement System. The City employees also participate in the U.S. Social Security program.

Changes in Texas Municipal Retirement System (TMRS) Actuarial Method and Plan Assumptions

In early 2007, TMRS informed each of the member cities that the current actuarial assumptions did not take into account updated service credits or cost of living increases which are granted to retirees. These benefits, which some cities adopted, have been historically funded on a pay-as-you-go basis. This has led to regular increases in member cities' rates and a decrease in the overall funding of the retirement system. TMRS announced that it intended to study the impact of these benefit components and make potential changes in the way benefits are being funded.

After careful deliberation, the TMRS board approved several changes at its November and December meetings to the actuarial methods and plan assumptions.

The board changed the actuarial method from unit credit to projected unit credit. Projected unit credit will allow the actuaries to consider the future financial impact of updated service credits and cost of living increases, and these benefits will begin to be pre-funded instead of funded on a pay-as-you-go basis. To mitigate the impact of this change, the board approved an eight year transition period. During this time, cities will be able to phase in the higher contribution rates instead of being required to fund these new rates immediately. Also, the board changed the amortization period from a 25-year open period to a 30-year closed period. Under a closed amortization period, contribution rates are higher, but a greater percentage of the unfunded balance is paid off each year. Finally, the board approved changes to the investment policy. TMRS has historically invested solely in fixed income investments. The board authorized the selection of an investment advisor to begin shifting a portion of investments into equity securities as a way to diversify the portfolio's holdings and earn higher returns than could be obtained with fixed income investments.

Required Contribution Rates (Percentage of gross covered salary)

	2016	2015
Employee:	7.00%	7.00%
City:	16.33%	16.50%

Actuarial Valuation as of	12/31/2014	12/31/2013
Assets	\$37,455,217	\$35,157,823
Accrued Liabilities	\$47,402,534	\$45,456,235
	-----	-----
(Unfunded)/Overfunded Liab.	(\$9,947,317)	(\$10,298,412)

Funded Ratio	79.02%	77.34%
Annual Covered Payroll	\$8,616,222	\$8,147,910
(Unfunded)/Overfunded Liability as a % of Covered Payroll	(115.45)%	(126.39)%

2014 Source: City of Big Spring 09/30/2015 CAFR

2013 Source: City of Big Spring 09/30/2014 CAFR

SCHEDULE OF CHANGES IN NET POSITION LIABILITY AND RELATED RATIOS

	12-31-2014	
	City	Fire
Pension Liability - Beginning	\$44,944,061	\$19,372,325
Pension Liability -Ending (a)	\$46,884,193	\$19,996,433
	-----	-----
Contributions Employer	\$ 1,513,350	\$ 496,046
Contributions Employee	\$ 621,774	\$ 496,045
	-----	-----
Plan Fiduciary Net Position - Beg	\$36,945,424	\$10,927,280
Plan Fiduciary Net Position - End (b)	\$38,726,370	\$11,157,023
	-----	-----
Net Pension Liability (a) - (b)	\$ 8,157,823	\$ 8,839,410
(Pension Liab - Fiduciary Position)		
	-----	-----
Plan Fiduciary Net Position as a % of Total Pension Liability	82.60%	55.80%
Covered Employee Payroll	\$ 8,616,222	\$ 3,634,001
	-----	-----
Net Pension Liability as a % of Covered Payroll	94.68%	243.24%

Membership data for the pension plans are as follows:

	City	Fire
Inactive employees or beneficiaries currently receiving benefits	134	45
Inactive employees entitled to but not yet receiving benefits	111	0
Active employees	182	61
	---	---
Total	427	106

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POST EMPLOYMENT HEALTH BENEFITS: GASB STATEMENT 45

GASB released the Statement of Governmental Accounting Standards No. 45 (GASB 45), Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions (OPEB), in June 2004. The County has implemented GASB 45 for the fiscal year beginning October 1, 2007. GASB 45 sets forth standards for measurement, recognition, and display of post-employment benefits, other than pensions, such as health and life insurance for current and future retirees.

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligations are as follows:

Table with 4 columns: Fiscal Year, Annual OPEB Costs, % of Annual OPEB Cost Contributed, Net OPEB Obligation. Rows for 2013, 2014, 2015.

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2,140,168; and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,140,168. The covered payroll was \$8,616,222, and the ratio of the UAAL to the covered payroll was 24.84%.

Source: City of Big Springs Comprehensive Annual Financial Report dated September 30, 2015.

NON FUNDED DEBT

NON-FUNDED DEBT PAYABLE (As of September 30, 2015)

The City reports additional debt in the principal amount of \$9,209,471 under Business Activities, \$8,839,410 under Fire Dept Fund and \$9,877,296 under Govt Activities as follows:

Table with 5 columns: Amount Outstanding, Int Rate, Next Year's Requirements, Reported Under, Description. Rows include Capital Leases, Conservation Energy, Compensated Absences, Landfill\*\*, OPEB\*, Net Pension Oblgn, etc.

\* See PENSION FUND LIABILITY section for details of this obligation.

\*\* LANDFILL CLOSURE/POSTCLOSURE COSTS

State and federal laws and regulations require a final cover to be placed on a landfill site when it stops accepting waste and certain maintenance and monitoring functions be performed at the site for thirty years after closure. Although closure costs will be paid as closure occurs and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, a portion of these closure and postclosure care costs are reported as an operating expense in each period based on landfill capacity used as of each balance sheet date.

The amount recorded as accrued landfill closure costs of \$2,611,286 as of September 30, 2015 represents the cumulative amount reported to date based on the use of 80.33% of the estimated capacity. It is estimated that an additional \$639,276 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to

capacity in 2034.

The City is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care. The City has not placed funds in a trust to cover these costs. However, at September 30, 2015 the City has designated an investment in the amount of \$3,682,989 for this purpose.

OVERLAPPING DEBT

ESTIMATED OVERLAPPING DEBT STATEMENT

Table with 5 columns: Taxing Body, Debt Amount, As Of, %Ovlp, Ovlp Amt. Rows include Big Spring ISD, Coahoma ISD, Forsan ISD, Howard Co, Howard Co JCD, Total Overlapping Debt, Big Spring, City of, Total Direct and Overlapping Debt, Total Direct and Overlapping Debt % of A.V., Total Direct and Overlapping Debt per Capita.

\* Gross Debt

ECONOMIC BACKGROUND

The City of Big Spring is the county seat and principal city of Howard County, located 39 miles northeast of Midland at the intersection of Interstate Highway 20 and U.S. Highway 87. The City's 2010 census was 27,282, increasing 8.12% from 2000. A Veterans Administration Medical Center hospital is located in Big Spring. The City has an inter-governmental agreement with the Federal Bureau of Prisons to operate four correctional facilities. Cornell Corrections, Inc. administers the prisons under a management contract with the City.

COUNTY CHARACTERISTICS: Howard County is a west Texas county. There were 5.3 million barrels of crude oil recovered in 2008.

COUNTY SEAT: Big Spring

2010 census: 35,012 increasing 4.1 % since 2000
2000 census: 33,627 increasing 4.0 % since 1990
1990 census: 32,343

ECONOMIC BASE

Mineral: stone, sand, oil, gravel and gas.

Industry: varied manufacturing, oil production, government, gas production, clothing manufacturing and agribusiness.

Agricultural: hay, cotton, beef and beans.

OIL AND GAS - 2015

The oil production for this county accounts for 1.46% of the total state production. The county ranks 22 out of all the counties in Texas for oil production. The county ranks 154 out of all the counties in Texas for gas production.

OIL PRODUCTION (Texas Railroad Commission)

Table with 4 columns: Year, Description, Volume, % Change From Previous Year. Rows for 2012, 2013, 2014, 2015.

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Year	Description	Volume	% Change From Previous Year
CASINGHEAD (Texas Railroad Commission)			
2012	Casinghead	21,003,014 MCF	68.80
2013	Casinghead	28,019,773 MCF	33.41
2014	Casinghead	37,926,267 MCF	35.36
2015	Casinghead	35,490,885 MCF	-6.42

Year	Description	Volume	% Change From Previous Year
GAS WELL PRODUCTION (Texas Railroad Commission)			
2012	GW Gas	362,237 MCF	-5.37
2013	GW Gas	319,538 MCF	-11.79
2014	GW Gas	262,722 MCF	-17.78
2015	GW Gas	237,230 MCF	-9.70

Year	Description	Volume	% Change From Previous Year
CONDENSATE (Texas Railroad Commission)			
2012	Condensate	8,183 BBL	4.47
2013	Condensate	7,357 BBL	-10.09
2014	Condensate	4,474 BBL	-39.19
2015	Condensate	2,931 BBL	-34.49

Year	Description	Volume
PARKS (Texas Parks & Wildlife)		
2012	Big Spring State Park	89,110 Visitors
2013	Big Spring State Park	107,522 Visitors
2014	Big Spring State Park	108,235 Visitors

Year	2014	2013	2012
RETAIL SALES & EFFECTIVE BUYING INCOME (The Nielsen Company)			
Retail Sales	\$418.0M	\$412.1M	\$414.8M
Effective Buying Income (EBI)	\$571.7M	\$528.3M	\$457.7M
County Median Household Income	\$38,936	\$35,452	\$31,090
State Median Household Income	\$50,464	\$48,646	\$47,613
% of Households with EBI below \$25K	14.1 %	16.8 %	18.4 %
% of Households with EBI above \$25K	63.0 %	62.6 %	55.6 %

	2015		2014		2013	
	Employed	Earnings	Employed	Earnings	Employed	Earnings
1st Q:	12,997	\$148.9M	12,765	\$139.0M	12,597	\$134.2M
2nd Q:	12,890	\$143.7M	12,861	\$141.2M	12,825	\$137.4M
3rd Q:	N/A	N/A	12,975	\$141.7M	12,735	\$135.1M
4th Q:	N/A	N/A	13,128	\$150.7M	12,827	\$143.3M

MAJOR COLLEGES AND UNIVERSITIES: Southwest Collegiate Institute for the Deaf, Howard County Junior College District, Howard College

Year	Total	Fall Enrollment
2014	1	3,920
2013	1	4,131
2012	2	4,555
2011	2	4,680
2010	2	4,661
2009	2	3,564
2008	2	3,612

TOP 10 EMPLOYERS

Major Employers(a)	# Employees
Big Spring ISD Education	626
Big Spring State Hospital Medical	577
Veterans Admin. Hospital Hospital	547
GEO Group Commercial	490
Wal-Mart	360

Retail	
Robinson Drilling of Texas	353
Oil Production	
Scenic Mountain Medical Ctr Medical Center	322
Price Construction	322
Highway Construction	
Howard College & SWICD	268
Federal Prison	
City of Big Spring	262
Municipal Government	

(a) Source: Official Statement dated March 1, 2016.

TOP 10 TAXPAYERS

Principal Taxpayers	2015 A.V.	% of A.V.
1. Western Container Corp. Plastic Bottle Mfg.	\$19,286,700	2.20%(a)
2. Weatherford Completion Drilling Services	18,448,020	2.11%
3. Scenic Mountain Medical Center Hospital	12,940,342	1.48%
4. Payal Hotel Enterprises Inc. Hotel	12,665,201	1.45%
5. Kerr Management Inc. Real Estate	10,328,406	1.18%
6. Oncor Electric Delivery Co. Electric Utility	9,690,870	1.11%
7. La Quinta Inn & Suites Hotel	8,849,042	1.01%
8. Big Spring Hotel Partners Hotel	8,146,582	0.93%
9. Wal-Mart Stores Texas LP Retail	8,067,873	0.92%
10. US Retail Ventures LLC Retail	7,881,546	0.90%
Total:	\$116,304,582	13.29%

(a) The Corporation is schedule to close in October 2017.

FINANCE CONNECTED OFFICIALS

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