

**CITY OF BIG SPRING, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**CAFR Prepared by the Finance Department**

CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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## **INTRODUCTORY SECTION**



March 21, 2016

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

State law requires every general-purpose local government to publish complete audited financial statements within six months of the close of each fiscal year. This report is published to fulfill such requirement for the fiscal year ended September 30, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls which has been established for this purpose. Because the cost of internal controls 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, 2016. 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 19.2 square miles and serves a population of 28,472. 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, 911 emergency medical services, 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 numerous oilfield related businesses, manufacturers of plastic bottles and hydraulic components, carbon black, five prison facilities (four owned by the city and one federal institution), a large oil refinery, a railroad, 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.

Unemployment rates for the last ten years have varied from a low of 4.4% in 2008 to a high of 7.5% in 2009. The City's unemployment rate for 2016 was 5.7%, which was slightly above the national unemployment rate of 5.0%. Trends in unemployment rates are one indicator of economic strength and the City's rates for the past ten years are presented in Table E-16 in the statistical section.

Property tax revenue (using the modified accrual basis of accounting) rose in 2015-16 year from \$6,147 to \$6,520, a 6.1% increase. Although property tax rate fell, from 85.66 cents, per \$100 of assessed value, to 77.05 cents, the adjusted taxable value from the Assessor's 2015 Effective and Rollback Tax Worksheet increased from \$714,075,479 for 2014 to \$873,299,104 for 2015. This was due to an effort from the State and local Howard County Tax Appraisal District to bring appraised values to within 95 to 105% of fair market value. The 2016 year increase represents the second 2/3 of new appraisals to bring appraised value up to market value. The remaining 1/3 of property yet to be appraised should be appraised within the next year.

After several years of growth, sales tax revenue decreased from an all-time high of \$7,652,209 for year ending 9/30/2015 to \$6,319,267 for 9/30/2016, a 17% decrease. This new lower sales tax revenue is close to the sales tax revenue for year ending 9/30/2013. The city's hotel occupancy tax revenue also decreased from \$1,413,372 for year ending 9/30/2014 to \$967,870 for 9/30/2016, a 32% decrease after several years of increasing. Hotel occupancy tax, by law, is restricted to uses which should have a direct impact on bringing more overnight visitors to the City of Big Spring. It is not available to meet many of the City's governmental needs.

Much of the increase in business activities from 2012 to 2015 in the city is related to the exploration and production of the Cline Shale oil and gas formation. The City of Big Spring is the largest city within the boundaries of the shale formation. Although the local economy has gone down since 2015, the price of oil has increased from its lowest point in 2015 of \$26 to today current price of \$48 a barrel. The city continues to realize a increases in new business, houses, condominiums, hotel, restaurants, and other business during the 2015-16 year and new construction continues in the 2016-17 year. The construction of the Hwy 87 South Reliever Route for approximately \$62.7 million was opened in August of 2016. Texas Department of Transportation has started on the North Reliever Route for approximately \$80 million has kept many contractors in the City and will continue to as the south portion is concluded during 2016 and work shifts to the north portion for approximate another 2 years. The estimated cost of the north portion is \$80 million which should again bring many construction workers and jobs into Big Spring.

The five year federal tax credit extension for wind energy construction is having a positive economic on Big Spring as wind energy companies have established operations here.

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

Unassigned fund balance in the General Fund was 33.3% of total General Fund expenditures. The fund balance has increased significantly over the past ten years because of diligence in budgeting and the willingness of the elected officials to plan for the future (e.g. the building up of fund balances now for the new landfill, water and waste water plant upgrades, and other infrastructure planned improvements).

Total long-term debt, not due within one year, including capital leases, compensated absences, landfill closure and post closure totaled \$47,146,499, on September 30, 2016.

## **Relevant Financial Policies**

The city anticipates opening a cell in a new landfill (with 100 year useful life) in approximately three years, with an anticipated cost of approximately \$6.7 million. To pay for this new landfill the elected officials approved the raising of sanitation rates and landfill gate fees, and Howard County has agreed to contribute \$1 million (\$500,000 in year 2015 and \$250,000 in years 2016 and 2017). The landfill and sanitation departments were set up in individual enterprise funds so actual revenues and expenses could be easily identified and tracked. Landfill and sanitation service will eventually operate independently of the city's general fund and the County contribution by paying for its expenses from the fees of the users who use its services. Preliminary forecasting indicates the fund balance of the combined two funds will be negative in years 2019-2020, but will soon recover to a positive balance in years 2021-2022, and start to accumulate an ongoing balance to help pay for the next cell opening.

Additionally, the city is required to set aside money for closure and post-closure of the current landfill. As of September 30, 2016 the city had \$3,923,146 set aside in investments for anticipated closure and post-closure expenditures.

## **Internal Controls**

The City of Big Spring has established an internal control framework designed both to protect the City's assets from loss, theft, or misuse and provide reasonable, but not absolute, assurance of the safeguarding of assets against loss from unauthorized use or disposition. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived. All internal control evaluations occur within the above frame work. We believe the city's internal controls adequately safeguard assets, ensure compliance with laws and regulations and provide reasonable assurance of proper recording of financial transactions.

## **Major Initiatives**

The city is currently in the planning and permitting process of a new landfill and a new cell within it. The new landfill's useful life is estimated to between 80 and 100 years, with individual cells between 10 and 15 years. The city has finished constructing on a sewer bore underneath I-20 extension to the north of side of the city.

With approximately \$1.8 purchases, the city maintains high standards of water delivery and consumption. Over the course of two years, there have been significant improvements in the water consumption and loss ratio. These goals were reached through constant monitoring, review, and implementation of new procedures. The result has been a reduction of water loss, thereby, greatly increasing our earnings potential.

The city also realized savings though replacement and conditioning, reduction in employee turnover, staffing and scheduling. These measures not only improved water loss ratio, but also had a positive impact on productivity and efficiency at the Water Office as well as in other divisions of Public Works Department.

In addition to staffing and water monitoring, the city successfully implemented new sanitation routes and adjusted water rates of key users to maximize revenues. This resulted in an increase in water sales while keeping output relatively stable for those accounts affected by rate changes.

Another area in which the city continues to make improvements is Airpark fund. The Aviation Division awards several grants that city management coordinates and seeks every year. And this is because our staff knows the challenges and shortcomings of lower revenues due to Western Containers ending their operations in the area, and diligently works on securing the needed funds to maintain and improve our Airpark facilities, services and upkeep.

In September of 2016 the City finished a one mile expansion of its rail track in the Airpark Industrial Facility at a cost of \$3.38 million. The Big Spring Economic Corporation (BEDC) granted the money for this, so it did not come from City fund balances. The BEDC and the City has received many inquiries from business, because of the access of rail, West to East Interstate, South to North highway, and airport.

We have also made improvements in our EMS operations. These services are provided to citizens, using funds generated from EMS revenues and collected for the city; ambulance transport fees, subsidy from general fun, and through an agreement with Howard County, which covers a large portion of our EMS operations expenses yearly. Although our revenues of EMS are expected to increase in the next fiscal year, we are still struggling with a deficit that has required increasing subsidies in previous years. In recent years, however, these subsidies have diminished, as management made cuts in costs and increase efficiencies in collections and operations.

In spite of all the challenges in rising costs and dwindling revenues in sales tax, and other categories, the always invests in community programs. We continue to enhance the experience of every visitor, and promote cultural and educational events. The city invested in Meals on Wheels, Emergency Services Chaplin Corps, Potton House, Victim Services, State Park and Heritage Museum. These contributions are practically yearly and may most of the time are over \$60,000.

The city's hotel/Motel income has also been decreasing since fiscal year 2013-2014 when it reached the highest of last 5 years recorded of \$1.5 million. After that high point, these revenues decreased 6% and 15% in the next 2 years, forcing the city to adjust the next year projections to \$1.2 million.

As a means to cut costs and increase productivity in maintenance of vehicle fleet and equipment, the city has worked closely with outsourcing company that performs all necessary duties to keep our fleet in good operating condition. Because it is a fixed-cost agreement that separates normal maintenance versus non-maintenance repairs, the city does not have drastic cost increases in maintenance during the year. This has been a successful program that was started in 2013. We have the intention of keeping the partnership in years to come. For fiscal year 2016-2017, the city has projected total fleet and maintenance costs of \$1.1 million.

One very exciting project going on within the city, or soon to be annexed area, is the south and north Hwy 87 bypass being done by the Texas Department of Transportation. TxDOT first announced funding for the South 87 Bypass at approximately \$62.7 million and broke ground in April of 2014. Later in 2014 the Department announced funding of \$80 million for construction of the North bypass. This project will result in trucks being able to bypass the hilly downtown area of Big Spring and connect with I-20 for west and east national access. The south and north bypasses are part of a larger project commonly referred to as “Ports-To-Plains” which is an initiative to make US Hwy 87 into a national north and south transportation corridor, capable of transporting goods from Mexico to Canada. There is also talk of making this portion of Hwy 87 into Interstate 27, which would even further boost economic activity and transportation through Big Spring. This “Ports-to-Plains” corridor will increase commerce routes and business activity all along the highway where cities connect. Fortunately, the city is located right on the path of this road that will link not only communities but also businesses from North to South. The city expects transportation industry to be impacted passively the most as a result of the opening of this new corridor.

Other projects include annual water line replacement and street resurfacing/seal coating, and the construction of the historic spring, from which the city derives its name. The Hotel/Motel fund, restricted to this type of expense, hired KDC Associates, a well-known Landscape Architect Firm, to develop a plan and oversee the construction. The project is currently underway and expected to be completed late this summer of 2017. It will provide both citizens and guests several venues of historical information, music entertainment, and more.

A major renovation, other the last two years has been finished on the City Auditorium an historic building built in 1931 at a cost of \$1.2 million dollars. This auditorium seats 2,000 people and has entertainers seen Elvis, Agnes Moorehead, Willie Nelson, Charlie Pride, and more perform there. Parts of the renovations include lighting and sound. The auditorium hosts a variety of events like choir and symphonic concerts.

The owner of the Hotel Settles, a beautifully restored 15-story hotel in the heart of Big Spring downtown, and the jewel of City, is in negotiation with the City to co-partner the development, maintenance, and running of an event park located between the Settles and City Hall and Auditorium, which are also historic buildings. The City’s total forecasted investment, at this point, is around \$1.5 million dollars. The conceptual design has been submitted and the investment enjoys the support of our local community and staff. This events park will have major musical events and will enhance and promote growth in our downtown area.

### **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, 2015. This was the seventeenth 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.

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,



Todd Darden  
City Manager



Donald Moore, CPA  
Finance Director



Government Finance Officers Association

**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

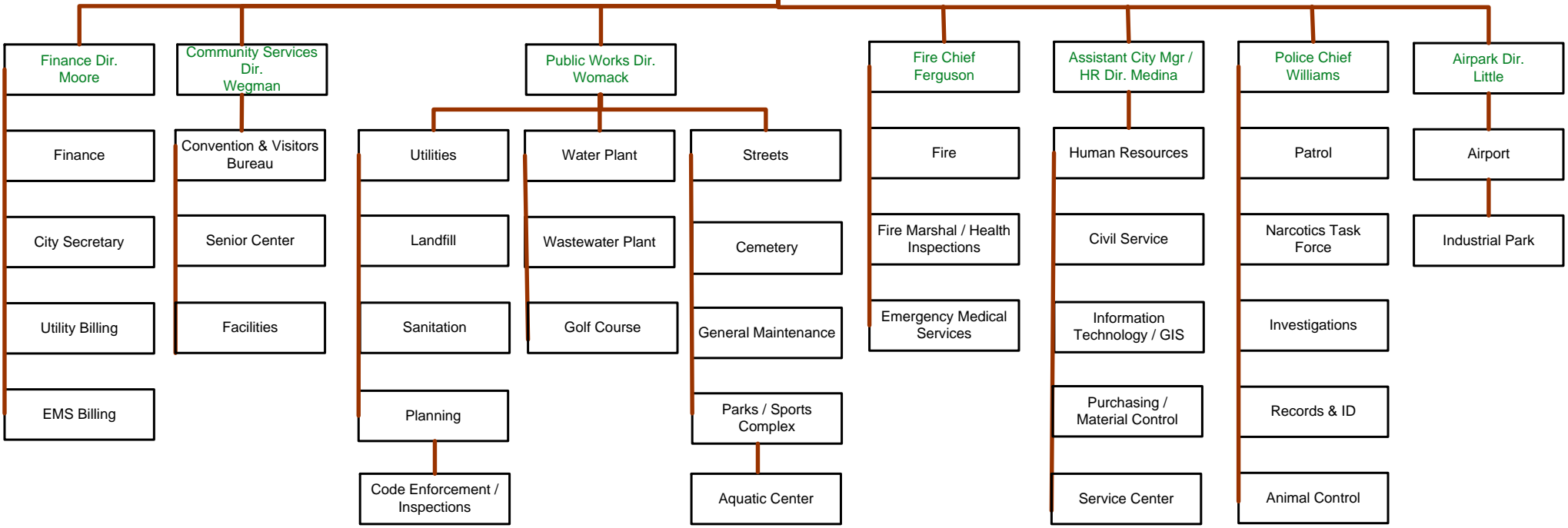
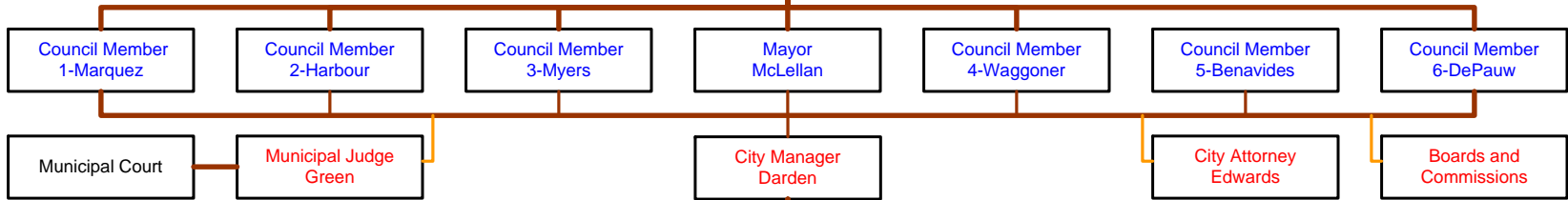
**September 30, 2015**

Executive Director/CEO



# Big Spring, Texas

## Citizens of Big Spring



**CITY OF BIG SPRING, TEXAS**

**LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2016**

Elected Officials

Name	Office
Larry McLellan	Mayor
	Mayor Pro Tem -
Raul Benavides	District 5 Council Member
Raul Marquez	District 1 Council Member
Carmen Harbour	District 2 Council Member
Justin Myers	District 3 Council Member
Terry McDaniel	District 4 Council Member
Jim DePauw	District 6 Council Member

Appointed Officials

Name	Position
Todd Darden	City Manager
Donald Moore	Finance Director/City Secretary
Kaye Edwards	City Attorney
Chad Williams	Chief of Police
Craig Ferguson	Fire Chief
Timothy Green	Municipal Judge
John Medina	Asst. City Manager and Human Resource
Jim Little	Airpark Director

## **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 Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas (the City), as of and for the fiscal year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Big Spring Economic Development Corporation (the Corporation), component unit of the City, which represents 100% of the assets, net position, and revenues of the Corporation. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Corporation, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of September 30, 2016, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of funding progress, and budgetary information on pages 14 through 24 and 64 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining statements and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2017 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of the City's internal control over financial reporting and compliance.

*Bolinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

March 22, 2017

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## City of Big Spring, Texas

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Big Spring, Texas (the City) we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2016. 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 on September 30, 2016 by \$119,636 (net position). Of this amount, the negative unrestricted net position improved from (\$2,039) to (\$475).
- The City's total net position increased by \$2,891. This is despite an increase in Texas Municipal Retirement System (TMRS) Net Pension Liability of \$3,069, because the TMRS lowered the assumed investment return rate from 7.00% to 6.75%. Although the TMRS net pension liability increased, the required contributions the City and Employees are making are still significantly lowering the projected net pension liability and the amortization period.
- The City's governmental funds reported combined ending fund balance is \$8,211, of which \$6,090 is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$6,090, or 37.7% of total general fund revenues and 33.3% of total expenditures.
- Resources available for appropriation in 2015-16 were \$32 less than anticipated in the final revised budget for the general fund.

#### 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 Position and the Statement of Activities. These provide information about the activities of the City as a whole and present a long-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 Position and the Statement of Activities***

The Statement of Net Position 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 Position 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 method used by most 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 position and changes in them. The City's net position (the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position 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 Position 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 Position 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 Position 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 an annual appropriated budget for its general fund (major fund). A budgetary comparison schedule has been provided for this fund to demonstrate budgetary compliance.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The City of Big Spring's assets and deferred outflows exceeded inflows of resources and liabilities by \$119,636 at September 30, 2016. The largest portion of the City's net position (98.8%) 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.

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

**NET POSITION**  
**(in thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 8,409	\$ 11,043	\$ 13,230	\$ 12,134	\$ 21,640	\$ 23,177
Receivables	757	880	2,569	2,516	3,326	3,396
Internal Balances	695	1,090	(695)	(1,090)		
Due from Other Governments	677	780			677	780
Capital Assets	88,178	88,812	59,099	56,550	147,277	145,362
Other Assets	22	24	438	417	460	441
<b>Total Assets</b>	<b>\$ 98,738</b>	<b>\$ 102,629</b>	<b>\$ 74,641</b>	<b>\$ 70,527</b>	<b>\$ 173,380</b>	<b>\$ 173,156</b>
Deferred Outflows of Resources - Pensions	\$ 5,728	\$ 1,608	\$ 586	\$ 586	\$ 5,728	\$ 1,608
<b>Liabilities:</b>						
Accounts Payable and Other Current Liabilities	\$ 1,903	\$ 2,955	\$ 1,370	\$ 2,357	\$ 3,273	\$ 5,312
Current Portion of Long-term Liabilities	6,109	4,607	2,944	2,091	9,053	6,698
Long-term Liabilities	27,031	28,349	20,116	18,224	47,146	46,573
<b>Total Liabilities</b>	<b>\$ 35,043</b>	<b>\$ 35,911</b>	<b>\$ 24,430</b>	<b>\$ 22,672</b>	<b>\$ 59,472</b>	<b>\$ 58,583</b>
Deferred Inflows of Resources - Grants	\$	\$ 22	\$ 0	\$ 0	\$ 0	\$ 22
<b>Net Position:</b>						
Invested in Capital Assets	\$ 72,636	\$ 72,253	\$ 45,556	\$ 42,006	\$ 118,192	\$ 114,259
Restricted	1,919	3,390		1,135	1,919	4,525
Unrestricted	(6,419)	(7,339)	5,944	5,300	(475)	(2,039)
<b>Total Net Position</b>	<b>\$ 68,136</b>	<b>\$ 68,304</b>	<b>\$ 51,500</b>	<b>\$ 48,441</b>	<b>\$ 119,636</b>	<b>\$ 116,745</b>

The City has restricted net position totaling 3.9% of total net position, which represent resources subject to restrictions on how they may be used. Such resources include special revenue funds restricted for specific purposes. The unrestricted net position is negative \$(2,039).

There was an overall increase of \$3,932 in net investment in capital assets, with capital assets in governmental activities increasing by \$382 and capital assets in business-type activities increasing by \$3,550. The net investment in capital assets for the primary government has increased due to more capital additions compared to depreciation being taken.

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

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

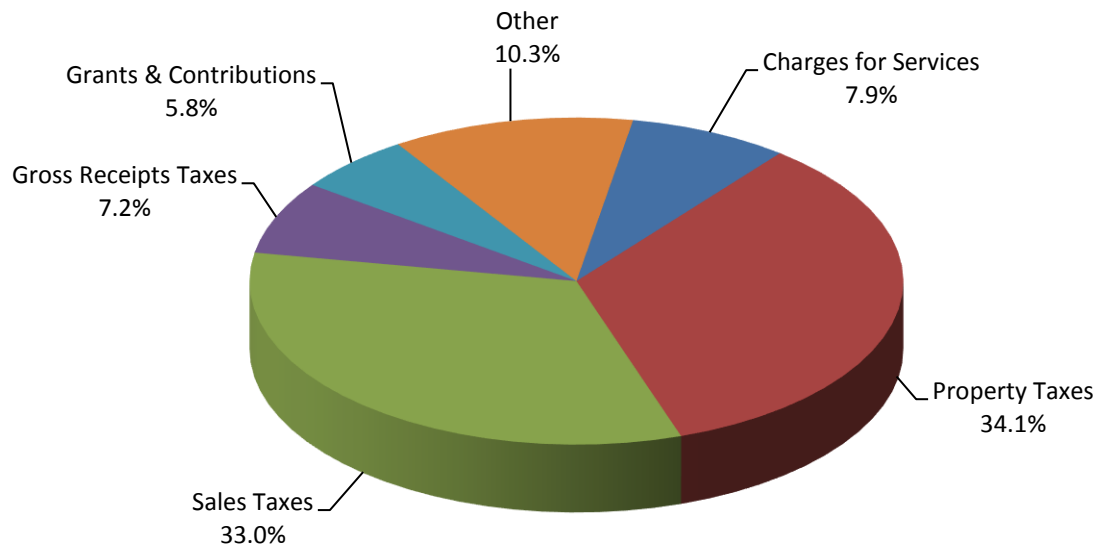
	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 1,720	\$ 1,720	\$ 21,528	\$ 20,756	\$ 23,248	\$ 22,476
Operating Grants and Contributions	179	162	454	457	633	619
Capital Grants and Contributions			5,262	2,569	5,262	2,569
General Revenues						
Property Taxes	6,575	6,172			6,575	6,172
Sales Taxes	6,354	7,652			6,354	7,652
Gross Receipts Taxes	1,392	1,587			1,392	1,587
Motel Occupancy Tax	968	1,413			968	1,413
Grants and Contributions Not						
Restricted to Specific Programs	757	964			757	964
Unrestricted Investment Earnings	33	17	38	13	71	30
Miscellaneous	1,321	1,002	(500)	139	821	1,141
Total Revenues	\$ 19,299	\$ 20,689	\$ 26,782	\$ 23,934	\$ 46,081	\$ 44,623
<b>Expenses:</b>						
Water and Sewer	\$	\$	\$ 12,870	\$ 11,630	\$ 12,870	\$ 11,630
Airport/Industrial Park			2,198	1,926	2,198	1,926
Emergency Medical Services			4,748	2,264	4,748	2,264
Landfill			912	957	912	957
Sanitation			2,510	2,604	2,510	2,604
Malone & Hogan Clinic			149	333	149	333
General Government	3,610	2,827			3,610	2,827
Public Safety	8,122	9,793			8,122	9,793
Highways and Streets	3,078	2,753			3,078	2,753
Recreation and Parks	2,922	2,885			2,922	2,885
Economic Development	884	1,886			884	1,886
Other	1,187	1,223			1,187	1,223
Total Expenses	\$ 19,803	\$ 21,367	\$ 23,387	\$ 19,714	\$ 43,190	\$ 41,081
Increase in Net Position Before Transfers	\$ (504)	\$ (678)	\$ 3,395	\$ 4,220	\$ 2,891	\$ 3,542
Transfers	336	170	(336)	(170)		
Increase (Decrease) in Net Position	\$ (168)	\$ (508)	\$ 3,059	\$ 4,050	\$ 2,891	\$ 3,542
Net Position-Beginning	68,304	82,159	48,441	46,113	116,745	128,272
Prior Period Adjustments (Pensions & OPEB)		(13,347)		(1,722)		(15,069)
Net Position-Ending	\$ 68,136	\$ 68,304	\$ 51,500	\$ 48,441	\$ 119,636	\$ 116,745

**Governmental Activities** - Governmental activities resulted in a decrease of \$333 in the City's net position. Key elements of this decrease are as follows:

- Sales Tax Revenue fell by \$1,298 or 17.0% due to a slowing down of the local economy from the oil and gas exploration and production industry.
- Hotel/Motel Occupancy tax decreased \$404 or 28.6%.

- Somewhat offsetting the low in revenues from the downturn in the local economy was the \$571, up 500% from the previous year of Insurance reimbursement revenue. This was mainly due the hail storms the city experience in April and May, but the many of the expenditures on the hail damage were not incurred by September 30, 2016, the year ending date of this consolidated annual financial statement. Fortunately the City’s insurance carrier with some of the claims until the structures are repaired, so there will be more insurance revenue coming in the 2016-17 year to help offset the costs of repairs.
- The other item which kept both Governmental Activities from recognizing more of a loss to net position was a reduction in expenses. A hiring freeze was implemented and department budgets were lowered.
- This year the transfers from Business Activities to Governmental Activities mainly represent administrative overhead paid by the business-type activities to the General Fund.

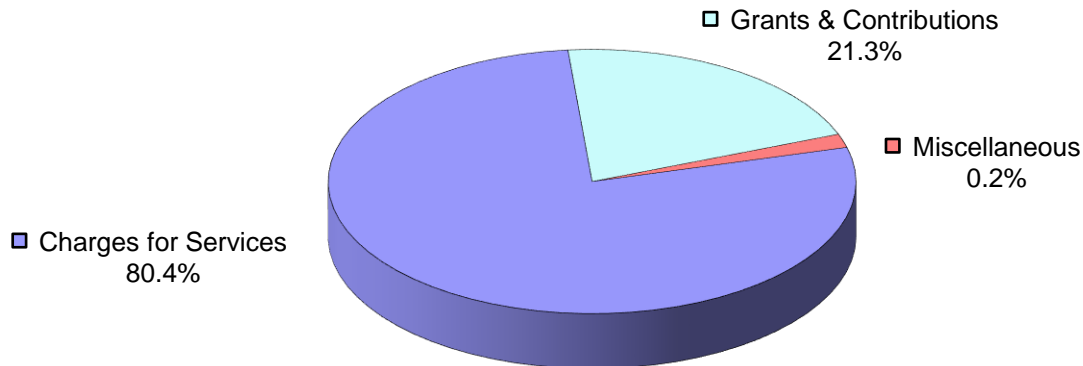
**Revenues by Source  
Governmental Activities  
Fiscal Year 2015-16**



**Business-type Activities** - Business-type activities increased the City of Big Spring’s total net position by \$3,058 in the current fiscal year. Key elements of this increase are as follows.

- Airpark received an increase in mineral royalties of \$818 for the year.
- The Emergency Medical Services enterprise fund increased its charges for services by \$616 from \$1,172 to \$1,788.
- Landfill net position increased from \$5,483 to \$6,649 as the city saves for the major cost of the new landfill to be open around 2020.

**Revenues by Source  
Business-type Activities  
Fiscal Year 2015-16**



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

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

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. With the implementation of GASB No. 54 in fiscal year 2011, the City changed its presentation of fund balances in governmental funds. The GASB has defined five types of fund balances, which are more fully described in the footnotes to the financial statements. The City uses all five categories of fund balance.

As the City completed the 2015-16 year, its governmental funds reported combined ending fund balances of \$8,211, representing a decrease of \$1,696 from the prior year's balance of \$9,907. Unassigned fund balance at the end of the current year is \$6,090, as compared to the prior year's unassigned fund balance of \$6,094. Unassigned fund balance that is available for spending at the City's discretion amounts to 74.2% of total fund balances.

The General Fund is the major operating fund of the City. Unassigned fund balance represents slightly more than 33.3% of total General Fund expenditures.

Total fund balance in the City's General Fund increased by \$15 during fiscal year 2015-16.

**Proprietary funds.** The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, Business-Type Activities, but in more detail. Unrestricted net position of the City's enterprise funds at the end of the fiscal year are as follows:

	2016	2015	Change
Water and Sewer Fund	\$ 2,771	\$ 2,630	\$ 141
Airport/Industrial Park	3,773	2,663	1,110
Emergency Medical Services	(3,510)	(1,798)	(1,712)
Landfill	2,071	981	1,090
Sanitation	838	795	43
Malone & Hogan Clinic		30	(30)
	<u>\$ 5,943</u>	<u>\$ 5,301</u>	<u>\$ 642</u>

Unrestricted net position increased by \$141 in the Water and Sewer Fund and increased by \$1,110 in the Airport/Industrial Park. The Emergency Medical Services Fund and decreased by \$1,712 due to a more correct allocation of the Big Spring Fire Retirement Fund. The Landfill and Sanitation fund increased by \$1,090 and \$43 respectively as fund balance is growing to pay for the coming new landfill.

## GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$208 increase in appropriations between the original and final amended budget. The following details the main components of the increase, which represents an increase of 1.2 percent over the original budget.

- The Human Resource Department experienced a \$41 increase amended budget to cover increased costs of Civil Service compliance with the employees of the Fire and Emergency Services Departments.
- Special Projects final budget increased by \$75 for the demolition and asbestos removal of dilapidated, health hazard, structures.
- Planning department final budget was decreased by \$56 for less professional planning consulting than originally expected.
- The Police Department's final budget was decreased \$877 due to vacancies in policemen positions.
- Narcotics Task Force was moved from a separate accounting fund to a department of the General Fund during the year, with expenditures moved as well. There was no beginning budget in the General Fund, since it was not part of the General Fund at the time of 2015-16 original budget. The final revised budget was \$476 of the department.
- Fire Department expenditures were \$266 above original budget due to damaged to fire stations from the April and May hail storms. The City's insurance, shown in the General Fund revenues, paid for most of the repair.

## 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, 2016, amounts to \$147,277 (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 City investment in capital assets increased by \$1,914 or 1.3%.

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

- Capital equipment was purchased for various departments in the amount of \$2,379.
- Expenditures on Construction in Progress were \$6,017. Of this amount \$3,295 was railroad extension at the Airpark, which was paid by the Big Spring Economic Development Corporation, not the City.
- Annual Depreciation of Assets lowered net carrying value by \$5,960.

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

**CAPITAL ASSETS AT SEPTEMBER 30, 2016**  
**(Net of Depreciation, in thousands)**

	Governmental Activities		Business-Type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 72,792	\$ 72,787	\$ 6,231	\$ 6,355	\$ 79,023	\$ 79,142
Infrastructure	365	1			365	1
Buildings and Systems	3,347	3,355	20,684	20,748	24,031	24,103
Improvements Other Than Buildings	8,138	8,902	19,735	13,701	27,873	22,603
Machinery and Equipment	3,331	2,946	3,871	3,420	7,202	6,366
Construction in Progress	205	821	8,578	12,325	8,783	13,146
	<u>\$ 88,178</u>	<u>\$ 88,812</u>	<u>\$ 59,099</u>	<u>\$ 56,549</u>	<u>\$ 147,277</u>	<u>\$ 145,361</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***

In 2010, the City of Big Spring sold \$4,200 in Certificates of Obligation for the construction of a new family aquatic center. The debt service on this certificate of obligation is being paid from property tax revenue. In March 2011, the City refunded the 2002 Refunding Bonds in the amount of \$1,555. This refunding reduced debt service requirements over the life of the bonds by \$34.

In July 2012, the City issued \$11,725 of Combination Tax and Surplus Revenue Certificates of Obligation. The proceeds of this issue were expended to renovate both the water and wastewater treatment plant facilities. In addition, the City entered into a performance agreement with the Big Spring Economic Development Corporation (BSEDC) to use part of its sale tax revenue to meet debt service requirements on this issue. The BSEDC is a Type A Corporation, but in May of 2012, the voters of Big Spring approved the Type B treatment plant upgrades. BSEDC will contribute a maximum amount of \$13,000 over a twenty year term. The balance of the debt service requirements will be paid from utility system revenues.

In February of 2016, the City issued \$7,980 of General Obligation Refunding Bonds. These bonds, issued at a premium, defeased \$8,290 of the 2007 General Obligation Bonds and Certificate of Obligations Bond series. Defeasement means proceeds of the issue were put into an irrevocable trust to pay off the bonds on their call date. The call date is a feature where the issuer can pay off the bond before the maturity date. The call date for these two 2007 issues was 2/15/2017 so as of the date of this letter; the bonds have been called and paid. Because these 2007 bonds were defeased, only the remaining bonds due is shown in this Comprehensive Annual Financial Report. The City will save a net present value of approximately \$1,195 which will be incurred over the next 11 years.

The Latest City's Unenhanced Bond S&P Bond Rating is "A+", which was obtained on 2/22/2016.

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$23,135. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$12,890 of the total and the remaining \$10,245 is business-type activity debt, supported by water and sewer system revenues. Total long-term debt, not due within one year, including capital leases compensated absences, landfill closure and post closure is \$47,146.

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.

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.

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

**OUTSTANDING BONDED DEBT AT SEPTEMBER 30, 2016  
(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Serviced by Tax Revenues						
General Obligation Bonds	\$ 9,380	\$ 10,190	\$	\$	\$ 9,380	\$ 10,190
Certificates of Obligation Bonds	3,510	3,775			3,510	3,775
Serviced by Enterprise Funds						
Certificates of Obligation Bonds			10,245	10,535	10,245	10,535
	<u>\$ 12,890</u>	<u>\$ 13,965</u>	<u>\$ 10,245</u>	<u>\$ 10,535</u>	<u>\$ 23,135</u>	<u>\$ 24,500</u>

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**

For the general fund the two largest revenue contributors are property and sales tax, making up 31.1% and 39.3%, at \$5,026,938 and \$6,354,361. Due to the slowdown in the local economy sales tax fell in for the year ending 9/30/2016 and property tax, because of increase appraised value by the independent local appraisal district, increased. For the previous year ending 9/30/2015 property and sales tax were \$4,237,945, 25.7%, and \$7,652,209, 46.3% respectfully.

One of the main driving forces in the local economy is the price of oil since Big Spring sits on the Cline Shale oil formation. Oil prices have risen from the low of the \$26 a barrel, the lowest point in the previous fiscal year to a current \$48 a barrel. The City has seen some economic upturn from this increase, although it is not as much as for the year ending 9/30/2014.

Unemployment during 2016 increased, from 4.6% in 2015 to 5.7%, which compares to the state's unemployment rate of 4.7% and the national rate of 5.0% for September 2016. Per capita income (stated in actual dollars) fell by 4.6%, decreasing from \$36,313 to \$34,624.

The largest property tax payer, Western Container, announced plans in April of 2016 to leave the City by 9/30/2017. As of the time of this letter they have mostly pulled out. The City and Economic Development Corporation are involved in talks with business considering to move production to Big Spring and use the former facilities of Western Container, which is located on the Airpark, former military base, of the City.

Texas Department of Transportation has finished the South portion of the Big Spring Highway 87 Reliever Route and has starting on the North Portion. The North portion is expected to cost \$80 million and bring several workers into Big Spring.

## **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**

CITY OF BIG SPRING, TEXAS

EXHIBIT A-1

GOVERNMENT-WIDE - STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 8,409,255	\$ 9,307,337	\$ 17,716,592	\$ 2,263,052
Cash and Cash Equivalents - Restricted		3,923,146	3,923,146	
Receivables (Net of Allowances for Uncollectibles)	757,418	2,568,744	3,326,162	358,477
Internal Balances	695,490	(695,490)		
Due from Other Governments	676,969		676,969	
Inventories		409,906	409,906	
Prepaid Items	22,240	28,061	50,301	5,590
Notes Receivable				781,000
Other Assets				85,180
Capital Assets, Not Being Depreciated				
Land	72,791,883	6,231,414	79,023,297	25,000
Construction in Progress	205,425	8,577,934	8,783,359	
Capital Assets, Net of Accumulated Depreciation				
Buildings and Systems	3,346,628	20,683,751	24,030,379	116,850
Improvements Other Than Buildings	8,137,643	19,735,342	27,872,985	
Machinery and Equipment	3,331,466	3,870,924	7,202,390	3,373
Infrastructure	364,542		364,542	
Total Assets	\$ 98,738,959	\$ 74,641,069	\$ 173,380,028	\$ 3,638,522
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred Outflows - Pension Plan - BSFRRF	\$ 1,233,908	\$ 105,623	\$ 1,339,531	\$
Deferred Outflows - Pension Plan - TMRS	2,766,609	1,181,792	3,948,401	62,770
Deferred Outflows - Loss on Refunding	439,736		439,736	
Total Deferred Outflows of Resources	\$ 4,440,253	\$ 1,287,415	\$ 5,727,668	\$ 62,770
<b>LIABILITIES:</b>				
Accounts Payable	\$ 1,030,012	\$ 943,807	\$ 1,973,819	\$ 57,890
Claims and Judgments Payable	564,844		564,844	
Accrued Interest Payable	66,405	73,906	140,311	
Accrued Wages	176,238	56,818	233,056	
Unearned Revenue	48,547		48,547	
Customer Deposits	16,637	265,490	282,127	
Unclaimed Property		29,927	29,927	
Noncurrent Liabilities				
Due Within One Year	6,109,445	2,943,535	9,052,980	49,664
Due In More Than One Year	27,030,789	20,115,710	47,146,499	157,269
Total Liabilities	\$ 35,042,917	\$ 24,429,193	\$ 59,472,110	\$ 264,823
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 72,635,698	\$ 45,555,637	\$ 118,191,335	\$ 145,223
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	81,151		81,151	
Restricted for Public Safety Improvements	19,671		19,671	
Grants				866,180
Economic Development				2,425,066
Advertising and Promotions	1,026,244		1,026,244	
Debt Service	428,564		428,564	
Court Technology	10,773		10,773	
Court Security	1,291		1,291	
Unrestricted	(6,418,616)	5,943,654	(474,962)	
Total Net Position	\$ 68,136,295	\$ 51,499,291	\$ 119,635,586	\$ 3,436,469

The accompanying notes are an integral part of this statement.

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
<b>PRIMARY GOVERNMENT:</b>								
Governmental Activities:								
General Government	\$ 3,610,242	\$ 425,291	\$ 51,690	\$	\$ (3,184,951)	\$	\$ (3,184,951)	\$
Public Safety	8,121,985	463,439	106,893	20,402	(7,606,856)	(3,074,989)	(7,606,856)	(3,074,989)
Highways and Streets	3,074,989	21,532	106,893	20,402	(3,074,989)	(3,074,989)	(3,074,989)	(3,074,989)
Community Service	485,436	21,532	106,893	20,402	(357,011)	(357,011)	(357,011)	(357,011)
Recreation and Parks	2,922,106	689,922	20,402	20,402	(2,211,782)	(2,211,782)	(2,211,782)	(2,211,782)
Cemetery	157,622	104,927	104,927	104,927	(52,695)	(52,695)	(52,695)	(52,695)
Economic Development	884,174	15,046	15,046	15,046	(869,128)	(869,128)	(869,128)	(869,128)
Interest on Long-Term Debt	545,700	545,700	545,700	545,700	(545,700)	(545,700)	(545,700)	(545,700)
Total Governmental Activities	<u>\$ 19,802,254</u>	<u>\$ 1,720,157</u>	<u>\$ 178,985</u>	<u>\$ 0</u>	<u>\$ (17,903,112)</u>	<u>\$ 0</u>	<u>\$ (17,903,112)</u>	<u>\$ 0</u>
Business-Type Activities:								
Water and Sewer	\$ 12,870,168	\$ 13,328,561	\$	\$ 750,000	\$	\$ 1,208,393	\$ 1,208,393	\$
Airport/Industrial Park	2,197,454	1,184,708	453,867	4,011,762	2,999,016	2,999,016	2,999,016	2,999,016
Emergency Medical Services	4,748,202	1,788,374	453,867	453,867	(2,505,961)	(2,505,961)	(2,505,961)	(2,505,961)
Landfill	911,517	1,883,292	1,883,292	500,000	1,471,775	1,471,775	1,471,775	1,471,775
Sanitation	2,510,088	3,203,951	3,203,951	3,203,951	693,863	693,863	693,863	693,863
Malone & Hogan Clinic	149,171	138,695	138,695	138,695	(10,476)	(10,476)	(10,476)	(10,476)
Total Business-Type Activities	<u>\$ 23,386,600</u>	<u>\$ 21,527,581</u>	<u>\$ 453,867</u>	<u>\$ 5,261,762</u>	<u>\$ 0</u>	<u>\$ 3,856,610</u>	<u>\$ 3,856,610</u>	<u>\$ 0</u>
<b>Total Primary Government</b>	<u><b>\$ 43,188,854</b></u>	<u><b>\$ 23,247,738</b></u>	<u><b>\$ 632,852</b></u>	<u><b>\$ 5,261,762</b></u>	<u><b>\$ (17,903,112)</b></u>	<u><b>\$ 3,856,610</b></u>	<u><b>\$ (14,046,502)</b></u>	<u><b>\$ 0</b></u>
<b>COMPONENT UNIT:</b>								
Economic Development Corporation	<u>\$ 5,452,846</u>	<u>\$ 10,985</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (5,441,861)</u>
General Revenues:								
Property Taxes					\$ 6,575,360	\$	\$ 6,575,360	\$
Sales Taxes					6,354,361	6,354,361	6,354,361	2,095,168
Gross Receipts Taxes					1,392,071	1,392,071	1,392,071	1,392,071
Motel Occupancy Taxes					967,870	967,870	967,870	967,870
Grants and Contributions Not Restricted to Specific Programs					756,762	756,762	756,762	756,762
Unrestricted Investment Earnings					33,262	37,572	70,834	95,122
Miscellaneous					1,320,595	(500,275)	820,320	209,667
Transfers					335,522	(335,522)	(335,522)	(335,522)
Total General Revenue and Transfers					<u>\$ 17,735,803</u>	<u>\$ (798,225)</u>	<u>\$ 16,937,578</u>	<u>\$ 2,399,957</u>
Change in Net Position					(167,309)	3,058,385	2,891,076	(3,041,904)
Net Position - Beginning					68,303,604	48,440,906	116,744,510	6,478,373
Net Position - Ending					<u>\$ 68,136,295</u>	<u>\$ 51,499,291</u>	<u>\$ 119,635,586</u>	<u>\$ 3,436,469</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 4,971,015	\$ 2,223,880	\$ 7,194,895
Receivables (Net of Allowances for Uncollectibles)	576,646	180,772	757,418
Due from Other Funds	962,939		962,939
Due from Other Governments	676,969		676,969
Prepaid Items	<u>22,240</u>		<u>22,240</u>
 Total Assets	 <u>\$ 7,209,809</u>	 <u>\$ 2,404,652</u>	 <u>\$ 9,614,461</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 737,425	\$ 86,056	\$ 823,481
Accrued Wages	136,042	40,196	176,238
Unearned Revenue		48,547	48,547
Due to Other Funds		61,760	61,760
Customer Deposits	<u>200</u>	<u>16,437</u>	<u>16,637</u>
Total Liabilities	<u>\$ 873,667</u>	<u>\$ 252,996</u>	<u>\$ 1,126,663</u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable Revenue - Property Taxes	<u>\$ 213,303</u>	<u>\$ 63,618</u>	<u>\$ 276,921</u>
Total Deferred Inflows of Resources	<u>\$ 213,303</u>	<u>\$ 63,618</u>	<u>\$ 276,921</u>
 <b>FUND BALANCES:</b>			
Nonspendable Fund Balances:			
Prepays	\$ 22,240	\$	\$ 22,240
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		1,026,244	1,026,244
Restricted for Court Security		1,291	1,291
Restricted for Court Technology	10,773		10,773
Restricted for Public, Educational and Governmental Television Access		81,151	81,151
Restricted for Public Safety Improvements		19,671	19,671
Restricted for Debt Service		428,564	428,564
Committed Fund Balances:			
Committed for Employee Education		37,283	37,283
Committed for Cemetery Operations		134,255	134,255
Committed for Senior Center Operations		8,060	8,060
Unassigned Fund Balance	<u>6,089,826</u>		<u>6,089,826</u>
Total Fund Balances	<u>\$ 6,122,839</u>	<u>\$ 2,088,038</u>	<u>\$ 8,210,877</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 7,209,809</u>	 <u>\$ 2,404,652</u>	 <u>\$ 9,614,461</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
SEPTEMBER 30, 2016

Total Fund Balances - Governmental Funds Balance Sheet	\$ 8,210,877
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	88,163,682
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	276,921
Deferred outflows of resources related to pensions are not reported in the funds.	4,000,517
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	243,571
Payables for bond principal which are not due in the current period are not reported in the funds.	(12,890,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,816,467)
Payables for notes payable which are not due in the current period are not reported in the funds.	(835,421)
Payables for bond interest which are not due in the current period are not reported in the funds.	(66,405)
Bond Premiums are not recorded in the funds.	(449,717)
Deferred Inflows of Resources - Gain on Refundings are not recorded in the funds.	439,736
Net pension liabilities are not reported in the funds.	(15,190,153)
Net OPEB Obligations are not reported in the funds.	(342,641)
Payables for compensated absences which are not reported in the funds.	<u>(1,608,205)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>68,136,295</u></u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-5

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Revenue:			
Taxes:			
General Property Taxes	\$ 5,026,938	\$ 1,492,870	\$ 6,519,808
General Sales Taxes	6,354,361		6,354,361
Gross Receipts Business Taxes	1,353,377	38,694	1,392,071
Motel Occupancy Taxes		967,870	967,870
License and Permits	378,798		378,798
Intergovernmental	925,176	140,916	1,066,092
Charges for Services		28,537	28,537
Fines	413,966	8,184	422,150
Recreation	689,922		689,922
Investment Earnings	21,907	8,000	29,907
Rents and Royalties	672,471	160,860	833,331
Miscellaneous	310,513	62,095	372,608
Contributions and Donations	9,465	60,940	70,405
Total Revenues	<u>\$ 16,156,894</u>	<u>\$ 2,968,966</u>	<u>\$ 19,125,860</u>
Expenditures:			
Current:			
General Government	\$ 2,587,967	\$ 102,619	\$ 2,690,586
Public Safety	10,138,744	18,055	10,156,799
Highways and Streets	2,788,053		2,788,053
Community Service		441,448	441,448
Recreation and Parks	1,929,483		1,929,483
Economic Development		1,443,657	1,443,657
Cemetery		179,392	179,392
Debt Service:			
Principal	784,009	867,646	1,651,655
Interest	67,360	474,659	542,019
Bond Issuance Costs		60,454	60,454
Fiscal Agent's Fees		1,525	1,525
Total Expenditures	<u>\$ 18,295,616</u>	<u>\$ 3,589,455</u>	<u>\$ 21,885,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,138,722)</u>	<u>\$ (620,489)</u>	<u>\$ (2,759,211)</u>
Other Financing Sources (Uses):			
Transfers In (Out)	\$ 1,299,657	\$ (913,628)	\$ 386,029
Capital Lease	824,479	38,459	862,938
Refunding Bonds Issued		7,980,000	7,980,000
Premium on refunding Bonds Issued		473,629	473,629
Payment to Refunded Bonds Escrow Agent		(8,639,736)	(8,639,736)
Total Other Financing Sources (Uses)	<u>\$ 2,124,136</u>	<u>\$ (1,061,276)</u>	<u>\$ 1,062,860</u>
Net Change in Fund Balances	\$ (14,586)	\$ (1,681,765)	\$ (1,696,351)
Fund Balances - Beginning	<u>6,137,425</u>	<u>3,769,803</u>	<u>9,907,228</u>
Fund Balances - Ending	<u>\$ 6,122,839</u>	<u>\$ 2,088,038</u>	<u>\$ 8,210,877</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-6

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, 2016

Net Change in Fund Balances - Total Governmental Funds	\$ (1,696,351)
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	2,028,020
Losses on the undepreciated values of capital assets are not recorded in the funds.	(49,013)
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,611,063)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(862,938)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	55,552
Change in Deferred Outflows related to Pensions is not reported in the funds.	2,392,788
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	855,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	649,178
Repayment of notes payable principal is an expenditure in the funds but is not an expense in the SOA.	147,478
Net Changes on Refundings are recorded as other financing sources and uses in the funds.	659,736
Bond Premiums and related amortization is not recorded in the funds.	(449,717)
Change in accrued interest from beginning of period to end of period.	34,761
The net revenue of internal service funds is reported with governmental activities.	(576,189)
Change related to pension liabilities is not recorded in the funds.	(647,572)
Change related to Net OPEB Obligations is not recorded in the funds.	(68,316)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(28,663)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>(167,309)</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2016**

	Major Proprietary Funds					Total	Internal
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Proprietary Funds	Service Funds
<b>ASSETS:</b>							
Current Assets							
Cash and Cash Equivalents	\$ 3,270,977	\$ 4,170,620	\$ 245	\$ 1,052,711	\$ 812,784	\$ 9,307,337	\$ 1,214,360
Cash and Cash Equivalents - Restricted				3,923,146		3,923,146	
Receivables (Net of Allowances for Uncollectibles)	1,934,822	62,128	102,502	70,544	398,748	2,568,744	
Due from Other Funds	410					410	4,028
Inventories	379,908		29,998			409,906	
Prepaid Items	603	5,000	3,614	7,787	11,057	28,061	
Total Current Assets	<u>\$ 5,586,720</u>	<u>\$ 4,237,748</u>	<u>\$ 136,359</u>	<u>\$ 5,054,188</u>	<u>\$ 1,222,589</u>	<u>\$ 16,237,604</u>	<u>\$ 1,218,388</u>
Noncurrent Assets							
Capital Assets (Net of Accumulated Depreciation)							
Land	\$ 5,036	\$ 5,590,113	\$	\$ 636,265	\$	\$ 6,231,414	\$ 10,000
Buildings and Systems	11,878,550	8,476,626		328,575		20,683,751	
Improvements Other Than Buildings	9,785,552	7,356,948		2,592,842		19,735,342	
Machinery and Equipment	697,265	721,577	462,487	652,511	1,337,084	3,870,924	3,905
Construction in Progress	4,778,875	3,298,487		500,572		8,577,934	
Total Noncurrent Assets	<u>\$ 27,145,278</u>	<u>\$ 25,443,751</u>	<u>\$ 462,487</u>	<u>\$ 4,710,765</u>	<u>\$ 1,337,084</u>	<u>\$ 59,099,365</u>	<u>\$ 13,905</u>
Total Assets	<u>\$ 32,731,998</u>	<u>\$ 29,681,499</u>	<u>\$ 598,846</u>	<u>\$ 9,764,953</u>	<u>\$ 2,559,673</u>	<u>\$ 75,336,969</u>	<u>\$ 1,232,293</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>							
Deferred Outflows - Pension Plan - TMRS	\$ 787,083	\$ 141,859	\$	\$ 113,077	\$ 139,773	\$ 1,181,792	\$
Deferred Outflows - Pension Plan - BSFRFF			105,623			105,623	
	<u>\$ 787,083</u>	<u>\$ 141,859</u>	<u>\$ 105,623</u>	<u>\$ 113,077</u>	<u>\$ 139,773</u>	<u>\$ 1,287,415</u>	<u>\$</u>
<b>LIABILITIES:</b>							
Current Liabilities							
Accounts Payable	\$ 736,611	\$ 52,450	\$ 30,047	\$ 32,849	\$ 91,850	\$ 943,807	\$ 206,531
Claims and Judgments Payable							564,844
Accrued Wages	26,792	4,701	15,959	3,843	5,523	56,818	
Due to Other Funds			695,900			695,900	209,717
Customer Deposits	219,256	46,234				265,490	
Unclaimed Property	29,927					29,927	
Accrued Interest Payable	73,906					73,906	
Accrued Compensated Absences - Current	61,317	19,607	71,218	5,491	6,525	164,158	
Net Pension Liability - TMRS - Current	528,962	98,879		77,047	93,444	798,332	
Net Pension Liability - BSFRFF - Current			644,562			644,562	
Long Term Debt - Current	883,343	33,404	104,599	71,650	243,487	1,336,483	1,403
Total Current Liabilities	<u>2,560,114</u>	<u>\$ 255,275</u>	<u>\$ 1,562,285</u>	<u>\$ 190,880</u>	<u>\$ 440,829</u>	<u>\$ 5,009,383</u>	<u>\$ 982,495</u>
Noncurrent Liabilities							
Accrued Compensated Absences	\$ 183,949	\$ 58,821	\$ 213,652	\$ 16,474	\$ 19,574	\$ 492,470	\$
Net Pension Liability - TMRS	1,675,048	313,117		243,984	295,908	2,528,057	
Net Pension Liability - BSFRFF			2,041,112			2,041,112	
Long Term Debt	11,470,680	120,157	205,821	61,631	348,956	12,207,245	6,227
Other Post Employment Benefit Obligation	66,896	12,851	39,430	7,437	11,140	137,754	
Closure/Post-closure Landfill Obligation				2,709,072		2,709,072	
Total Noncurrent Liabilities	<u>\$ 13,396,573</u>	<u>\$ 504,946</u>	<u>\$ 2,500,015</u>	<u>\$ 3,038,598</u>	<u>\$ 675,578</u>	<u>\$ 20,115,710</u>	<u>\$ 6,227</u>
Total Liabilities	<u>\$ 15,956,687</u>	<u>\$ 760,221</u>	<u>\$ 4,062,300</u>	<u>\$ 3,229,478</u>	<u>\$ 1,116,407</u>	<u>\$ 25,125,093</u>	<u>\$ 988,722</u>
<b>NET POSITION:</b>							
Net Investment in Capital Assets							
Unrestricted	\$ 14,791,255	\$ 25,290,190	\$ 152,067	\$ 4,577,484	\$ 744,641	\$ 45,555,637	\$ 6,275
	<u>2,771,139</u>	<u>3,772,947</u>	<u>(3,509,898)</u>	<u>2,071,068</u>	<u>838,398</u>	<u>5,943,654</u>	<u>237,296</u>
Total Net Position	<u>\$ 17,562,394</u>	<u>\$ 29,063,137</u>	<u>\$ (3,357,831)</u>	<u>\$ 6,648,552</u>	<u>\$ 1,583,039</u>	<u>\$ 51,499,291</u>	<u>\$ 243,571</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN FUND NET POSITION - PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Major Proprietary Funds					Non-Major Proprietary Fund	Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Malone & Hogan Clinic		
<b>OPERATING REVENUES:</b>								
Charges for Services:								
Water Sales	\$ 10,199,846	\$	\$	\$	\$	\$	\$ 10,199,846	\$
Sewer Charges	2,755,248						2,755,248	
Landfill Fees				1,880,314			1,880,314	
Sanitation Revenue					3,161,148		3,161,148	
Emergency Medical Services			1,788,374				1,788,374	
Commercial Rentals and Fees		1,184,708				138,695	1,323,403	
Billings to Departments and Employees								2,637,117
Other Services	373,467			2,978	42,803		419,248	
<b>Total Operating Revenues</b>	<b>\$ 13,328,561</b>	<b>\$ 1,184,708</b>	<b>\$ 1,788,374</b>	<b>\$ 1,883,292</b>	<b>\$ 3,203,951</b>	<b>\$ 138,695</b>	<b>\$ 21,527,581</b>	<b>\$ 2,637,117</b>
<b>OPERATING EXPENSES:</b>								
Personnel Services	\$ 3,041,783	\$ 536,595	\$ 3,546,175	\$ 457,288	\$ 532,047	\$	\$ 8,113,888	\$
Supplies and Materials	5,182,534	40,586	142,458	49,480	287,395	12,074	5,714,527	8,577
Contractual Services	1,030,851	146,054	91,155	121,795	1,018,646	89,153	2,497,654	2,860,480
Maintenance	1,388,437	155,052	40,305	47,181	330,443	20,633	1,982,051	15,743
Depreciation	1,632,471	1,207,447	84,294	131,628	262,320	27,311	3,345,471	3,334
Other	184,363	109,005	839,050	102,160	67,307		1,301,885	441,313
<b>Total Operating Expenses</b>	<b>\$ 12,460,439</b>	<b>\$ 2,194,739</b>	<b>\$ 4,743,437</b>	<b>\$ 909,532</b>	<b>\$ 2,498,158</b>	<b>\$ 149,171</b>	<b>\$ 22,955,476</b>	<b>\$ 3,329,447</b>
<b>Operating Income (Loss)</b>	<b>\$ 868,122</b>	<b>\$ (1,010,031)</b>	<b>\$ (2,955,063)</b>	<b>\$ 973,760</b>	<b>\$ 705,793</b>	<b>\$ (10,476)</b>	<b>\$ (1,427,895)</b>	<b>\$ (692,330)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>								
Intergovernmental Revenue	\$	\$	\$ 453,867	\$	\$	\$	\$ 453,867	\$
Interest Revenue	11,122	9,886		13,951	2,591	22	37,572	3,355
Rents and Royalties		858,856					858,856	
Gain/(Loss) on Disposal of Assets	10,642		7,082	(92,140)	6,438	(1,418,208)	(1,486,186)	
Other	109,535	211,302	(2,763)	29,765	1,025	(221,809)	127,055	163,669
Interest Expense and Paying Agent Fees	(409,729)	(2,715)	(4,765)	(1,985)	(11,930)		(431,124)	(376)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ (278,430)</b>	<b>\$ 1,077,329</b>	<b>\$ 453,421</b>	<b>\$ (50,409)</b>	<b>\$ (1,876)</b>	<b>\$ (1,639,995)</b>	<b>\$ (439,960)</b>	<b>\$ 166,648</b>
<b>Income (Loss) Before Capital Contributions and Transfers</b>	<b>\$ 589,692</b>	<b>\$ 67,298</b>	<b>\$ (2,501,642)</b>	<b>\$ 923,351</b>	<b>\$ 703,917</b>	<b>\$ (1,650,471)</b>	<b>\$ (1,867,855)</b>	<b>\$ (525,682)</b>
Capital Contributions	750,000	4,011,762		500,000			5,261,762	
Transfers In (Out)	(637,346)	(140,665)	815,860	(258,162)	(289,670)	174,461	(335,522)	(50,507)
<b>Change in Net Position</b>	<b>\$ 702,346</b>	<b>\$ 3,938,395</b>	<b>\$ (1,685,782)</b>	<b>\$ 1,165,189</b>	<b>\$ 414,247</b>	<b>\$ (1,476,010)</b>	<b>\$ 3,058,385</b>	<b>\$ (576,189)</b>
<b>Total Net Position - Beginning</b>	<b>16,860,048</b>	<b>25,124,742</b>	<b>(1,672,049)</b>	<b>5,483,363</b>	<b>1,168,792</b>	<b>1,476,010</b>	<b>48,440,906</b>	<b>819,760</b>
<b>Total Net Position - Ending</b>	<b>\$ 17,562,394</b>	<b>\$ 29,063,137</b>	<b>\$ (3,357,831)</b>	<b>\$ 6,648,552</b>	<b>\$ 1,583,039</b>	<b>\$ 0</b>	<b>\$ 51,499,291</b>	<b>\$ 243,571</b>

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Major Proprietary Funds					Non-Major Proprietary Fund	Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation	Malone & Hogan Clinic		
<b>Cash Flows from Operating Activities:</b>								
Cash Received from Customers	\$ 13,354,293	\$ 1,410,700	\$ 1,801,224	\$ 1,923,526	\$ 3,206,670	\$ 138,695	\$ 21,835,108	\$
Cash Receipts from Interfund Services Provided								2,637,117
Cash Payments to Employees for Services	(2,586,137)	(424,034)	(1,440,683)	(379,364)	(455,693)		(5,285,911)	
Cash Payments to Other Suppliers for Goods and Services	(8,577,039)	(452,140)	(1,518,603)	(265,545)	(1,710,230)	(376,643)	(12,900,200)	(3,010,612)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 2,191,117</b>	<b>\$ 534,526</b>	<b>\$ (1,158,062)</b>	<b>\$ 1,278,617</b>	<b>\$ 1,040,747</b>	<b>\$ (237,948)</b>	<b>\$ 3,648,997</b>	<b>\$ (373,495)</b>
<b>Cash Flows from Non-Capital Financing Activities:</b>								
Cash Received from Intergovernmental Grants	\$	\$	\$ 453,867	\$	\$	\$	\$ 453,867	\$
Cash Received from Mineral Leases		858,856					858,856	
Various Reimbursements								163,669
Cash Transfers from (to) Other Funds	(669,992)	(140,665)	815,860	(258,162)	(289,670)	174,461	(368,168)	(50,507)
<b>Net Cash Provided by (Used in) Non-Capital Financing Activities</b>	<b>\$ (669,992)</b>	<b>\$ 718,191</b>	<b>\$ 1,269,727</b>	<b>\$ (258,162)</b>	<b>\$ (289,670)</b>	<b>\$ 174,461</b>	<b>\$ 944,555</b>	<b>\$ 113,162</b>
<b>Cash Flows from Capital and Related Financing Activities:</b>								
Principal and Interest Paid	\$ (1,404,334)	\$ (26,310)	\$ (111,420)	\$ (70,515)	\$ (309,785)	\$	\$ (1,922,364)	\$ (1,723)
Paying Agent Fees	(775)						(775)	
Cash Received from Capital Contributions	750,000	716,563		500,000			1,966,563	
Proceeds from the Sale of Assets	10,643		15,221	1,026	6,438	22	33,350	
Acquisition or Construction of Capital Assets	(2,292,536)	(716,890)	(15,221)	(241,063)	(345,934)		(3,611,644)	
<b>Net Cash (Used in) Capital and Related Financing Activities</b>	<b>\$ (2,937,002)</b>	<b>\$ (26,637)</b>	<b>\$ (111,420)</b>	<b>\$ 189,448</b>	<b>\$ (649,281)</b>	<b>\$ 22</b>	<b>\$ (3,534,870)</b>	<b>\$ (1,723)</b>
<b>Cash Flows from Investing Activities:</b>								
Interest and Dividends on Investments	\$ 11,122	\$ 9,886	\$	\$ 13,951	\$ 2,591	\$	\$ 37,550	\$ 3,355
<b>Net Cash Provided by Investing Activities</b>	<b>\$ 11,122</b>	<b>\$ 9,886</b>	<b>\$ 0</b>	<b>\$ 13,951</b>	<b>\$ 2,591</b>	<b>\$ 0</b>	<b>\$ 37,550</b>	<b>\$ 3,355</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (1,404,755)</b>	<b>\$ 1,235,966</b>	<b>\$ 245</b>	<b>\$ 1,223,854</b>	<b>\$ 104,387</b>	<b>\$ (63,465)</b>	<b>\$ 1,096,232</b>	<b>\$ (258,701)</b>
Cash and Cash Equivalents - Beginning of Year	4,675,732	2,934,654	0	3,752,003	708,397	63,465	12,134,251	1,473,061
<b>Cash and Cash Equivalents - End of Year</b>	<b>\$ 3,270,977</b>	<b>\$ 4,170,620</b>	<b>\$ 245</b>	<b>\$ 4,975,857</b>	<b>\$ 812,784</b>	<b>\$ 0</b>	<b>\$ 13,230,483</b>	<b>\$ 1,214,360</b>
<b>Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:</b>								
Operating Income (Loss)	\$ 868,122	\$ (1,010,031)	\$ (2,955,063)	\$ 973,760	\$ 705,793	\$ (10,476)	\$ (1,427,895)	\$ (692,330)
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities</b>								
Depreciation	\$ 1,632,471	\$ 1,207,447	\$ 84,294	\$ 131,628	\$ 262,320	\$ 27,311	\$ 3,345,471	\$ 3,334
Other	109,535	211,302	(2,763)	29,765	1,025	(221,809)	127,055	
<b>Change in Assets and Liabilities:</b>								
Decrease (Increase) in Receivables	(93,798)	12,941	15,613	10,469	1,694		(53,081)	
Decrease (Increase) in Interfund Receivables	4,246						4,246	57,158
Decrease (Increase) in Inventories	(17,561)						(17,561)	
Decrease (Increase) in Prepaid Expenses	136	(5,000)		1,840			(3,024)	
Decrease (Increase) in Deferred Outflows - Pension Plan - TMRS	(498,203)	(88,352)	149,874	(70,809)	(88,296)		(595,786)	
Decrease (Increase) in Deferred Outflows - Pension Plan - BSFRFF			(105,623)				(105,623)	
Increase (Decrease) in Accounts Payable	(778,037)	3,557	(7,370)	(44,555)	(6,439)	(32,974)	(865,818)	167,328
Increase (Decrease) in Accrued Wages	(58,116)	(9,388)	(33,674)	(8,076)	(8,302)		(117,556)	
Increase (Decrease) in Interfund Payables			(398,265)				(398,265)	91,015
Increase (Decrease) in Customer Deposits	9,995	1,749					11,744	
Increase (Decrease) in Unclaimed Property	362						362	
Increase (Decrease) in Accrued Compensated Absences	28,354	4,297	17,014	7,125	5,276		62,066	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				97,786			97,786	
Increase (Decrease) in Net Pension Liability - TMRS	970,274	203,441	(615,634)	148,201	165,455		871,737	
Increase (Decrease) in Net Pension Liability - BSFRFF			2,685,674				2,685,674	
Increase (Decrease) in Other Post Employment Benefit Obligation	13,337	2,563	7,861	1,483	2,221		27,465	
<b>Total Adjustments</b>	<b>\$ 1,322,995</b>	<b>\$ 1,544,557</b>	<b>\$ 1,797,001</b>	<b>\$ 304,857</b>	<b>\$ 334,954</b>	<b>\$ (227,472)</b>	<b>\$ 5,076,892</b>	<b>\$ 318,835</b>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$ 2,191,117</b>	<b>\$ 534,526</b>	<b>\$ (1,158,062)</b>	<b>\$ 1,278,617</b>	<b>\$ 1,040,747</b>	<b>\$ (237,948)</b>	<b>\$ 3,648,997</b>	<b>\$ (373,495)</b>
<b>Supplemental Cash Flow Information:</b>								
<b>Non-Cash Related Financing Activities:</b>								
Capital Lease Proceeds and Capital Assets of \$130,241 - Water and Sewer Fund								
Transfers of Capital Assets of \$32,646 - Water and Sewer Fund								
Capital Contributions and Capital Assets of \$3,295,199 - Airport and Industrial Park								
Capital Lease Proceeds and Capital Assets of \$143,344 - Airport and Industrial Park								
Capital Lease Proceeds and Capital Assets of \$166,697 - EMS Fund								
Capital Lease Proceeds and Capital Assets of \$35,069 - Landfill Fund								

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

A. Summary of Significant Accounting Policies

The combined financial statements of City of Big Spring, Texas (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 Entity

GASB Statement No. 61 identifies criteria for determining if other entities are potential component units that should be reported within the City's basic financial statements. The application of these criteria provides for identification of any entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading. Based on the application of these criteria, one component unit (Big Spring Economic Development Corporation) is included within the reporting City. The City is financially accountable for the Corporation. The City established the sales tax that is the principal source of revenue for the Corporation. 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 position 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 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.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

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 proprietary funds, each displayed in a separate column. All remaining governmental and proprietary 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. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange 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.

The City reports the following non-major governmental funds:

Special Revenue Funds - are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds - are used to account for the accumulation of resources for and the payment of, general long-term obligation principal and interest (other than debt service payments made by proprietary funds).

Capital Projects Funds - are used to account for financial resources to be used for the acquisition or construction of major capital improvements (other than those recorded in the proprietary funds).

The City reports the following major proprietary 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.

Emergency Medical Services Fund: This fund is used to account for ambulance emergency services for citizens of the City. Funding for these activities is provided by charges billed to customers receiving the above services and reimbursements from the County.

Landfill Fund: This fund is used to account for landfill fees charged to the sanitation fund and other users of the landfill. This fund also accounts for expenditures to operate the landfill and long-term obligations for closure and post-closure costs related to closing the landfill in the future.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Sanitation Fund: This fund is used to account for the revenues and expenses associated with providing sanitation service to the citizens of the City.

The City reports the following nonmajor proprietary funds:

Malone & Hogan Clinic Fund: This fund is used to account for leasing space at the clinic and also the repairs and maintenance on the clinic. During the year ended September 30, 2016, the clinic was sold.

In addition, the City reports the following fund type:

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. Non-exchange 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Proprietary funds distinguish operating revenues and expenses from non-operating 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 proprietary funds, of the water and sewer, airport/industrial park, EMS, landfill, sanitation and Malone and Hogan Clinic 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 proprietary 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.

c. Fund Balances

The City follows GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. Fund balances are classified as follows:

Non-spendable fund balance—includes the portion of net resources that cannot be spent because of their form (i.e. inventory, long-term loans, or prepaids) or because they must remain in-tact such as the principal of an endowment.

Restricted fund balance—includes the portion of net resources on which limitations are imposed by creditors, grantors, contributors, or by laws or regulations of other governments (i.e. externally imposed limitations). Amounts can be spent only for the specific purposes stipulated by external resource providers or as allowed by law through constitutional provisions or enabling legislation. Examples include grant awards and bond proceeds.

Committed fund balance—includes the portion of net resources upon which the City Council has imposed limitations on use. Amounts that can be used only for the specific purposes determined by a formal action of the City Council. Commitments may be changed or lifted only by the Council taking the same *formal action* that originally imposed the constraint. The formal action must be approved before the end of the fiscal year in which the commitment will be reflected on the financial statements.

Assigned fund balance—includes the portion of net resources for which an intended use has been established by the City Council or the City Official authorized to do so by the City Council. Assignments of fund balance are much less formal than commitments and do not require formal action for their imposition or removal. In governmental funds other than the general fund, assigned fund balance represents the amount that is not restricted or committed which indicates that resources are, at a minimum, intended to be used for the purpose of that fund.

Unassigned fund balance—includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

**Fund Balance Policy**

Committed Fund Balance—The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period (i.e. the Council may approve the calculation or formula for determining the amount to be committed).

Assigned Fund Balance—The City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose as approved by this fund balance policy.

**Order of Expenditure of Funds**

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

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.

Restricted Cash and Cash Equivalents consist of the following:

Purpose	Fund	Amount
Landfill Closure and Post-Closure	Landfill	\$ 3,923,146

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.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

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.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital 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:

Asset Classes	Estimated Useful Lives
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, non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds	Water and Sewer	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation	Total
Receivables:							
Taxes	\$ 645,797						\$ 645,797
Municipal Court	1,413,631						1,413,631
Other	28,680	315,738			49,058	27,493	420,969
Accounts	382,210	1,769,717	261,598	1,521,928	21,486	423,378	4,380,317
Gross Receivables	\$ 2,470,318	\$ 2,085,455	\$ 261,598	\$ 1,521,928	\$ 70,544	\$ 450,871	\$ 6,860,714
Less: Allowance for Uncollectibles	(1,712,900)	(150,633)	(199,470)	(1,419,426)		(52,123)	(3,534,552)
Net Total Receivables	\$ <u>757,418</u>	\$ <u>1,934,822</u>	\$ <u>62,128</u>	\$ <u>102,502</u>	\$ <u>70,544</u>	\$ <u>398,748</u>	\$ <u>3,326,162</u>

Intergovernmental receivables are classified separately in the accompanying financial statements.

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. Deferred Inflows of Resources – Governmental Funds

In addition to liabilities, the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only two types of these items, which arise under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, only those items, *grants paid in advance* and *unavailable revenue*, are reported in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

h. 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.

B. Compliance and Accountability

Deficit Fund Balance or Fund Net Assets of Individual Funds

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

Fund Name	Deficit Amount	Remarks
Proprietary Fund Emergency Medical Services	\$ (3,357,831)	This fund incurred additional costs that will be recaptured.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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, 2016, the carrying amount of the City's deposits, escrow, and cash on hand was \$16,790,086. At year end the City had \$25,466 in escrow for loss deposits, and \$338 in escrow. At year end the City had \$8,700 in cash on hand. The City's cash in bank deposits at year end were \$16,755,582 with a bank balance of \$16,905,887. The City's cash in bank deposits at September 30, 2016 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 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 (the 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, 2016 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	44 Days Average	AAAm	\$ 4,849,652

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

3. Analysis of Specific Deposit and Investment Risks

- a. Credit Risk – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2016, the City's investments in TexPool was rated AAAM by Standard and Poor's.
- 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. The City's demand deposits at year end are entirely covered by FDIC insurance and pledged collateral held in the City's name by the City's agent.
- 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. Although the City's policy states that portfolio diversification is required, it does not specify diversification goals or limits. All of the City's investments were invested in one local government investment pool at year end.
- d. Interest Rate Risk – As a means of minimizing risk of loss due to interest rate fluctuations, the City's investment policy requires that the portfolio remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. For short term liquidity requirements, the City utilizes two local government investment pools. TexPool is managed by Federated Investors for the State of Texas Comptroller of Public Accounts (TexPool). TexPool operates on a \$1 net asset value basis and allows same day or next day redemptions and deposits. As of September 30, 2016, TexPool's portfolio maintained a weighted average maturity of approximately 44 days.
- e. Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. While the City's policy does not address this risk, the City has no foreign currency risk as of year-end.

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.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Legal Investments – Under current Texas law and in accordance with City policy, the City is authorized to invest in (1) obligations of the United States or its instrumentalities, (2) direct obligations of the State of Texas or its agencies, (3) other obligations, the principal and interest of which are unconditionally guaranteed or insured by the State of Texas or the United States or its instrumentalities, (4) certificates of deposit that are guaranteed or insured by the Federal Deposit Insurance Corporation or are secured as to principal by obligations described in the preceding clauses or in any other manner and amount provided by law for City deposits, (5) fully collateralized repurchase agreements that have a defined termination date, are fully secured by obligations described in clause (1), and are placed through primary government securities dealer or a bank domiciled in the State of Texas, (6) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a state bank in the United States, (7) no-load money market mutual funds registered with the Securities and Exchange Commission that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share. The City may invest in such obligations directly or through government investment pools that invest solely in such obligations.

**Fair Value of Investments**

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment earnings.

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- *Level 1*: Quoted prices for identical investments in active markets;
- *Level 2*: Observable inputs other than quoted market prices; and,
- *Level 3*: Unobservable inputs.

At September 30, 2016 the City considered Texpool investments level 1 in the hierarchy and they were reported as cash and cash equivalents.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

D. Capital Assets

Capital asset activity for the year ended September 30, 2016, were as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,786,883	\$ 5,000	\$	\$	\$ 72,791,883
Construction in Progress	821,151	(615,726)			205,425
Total Capital Assets Not Being Depreciated	<u>\$ 73,608,034</u>	<u>\$ (610,726)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 72,997,308</u>
Capital Assets Being Depreciated					
Infrastructure	\$ 5,711,462	\$ 364,542	\$	\$	\$ 6,076,004
Buildings and Systems	31,614,977				31,614,977
Improvements Other Than Buildings	17,873,324	1,208,511			19,081,835
Machinery and Equipment	10,157,289	1,065,693	(32,646)	678,049	10,512,287
Total Capital Assets Being Depreciated	<u>\$ 65,357,052</u>	<u>\$ 2,638,746</u>	<u>\$ (32,646)</u>	<u>\$ 678,049</u>	<u>\$ 67,285,103</u>
Less Accumulated Depreciation for:					
Infrastructure	\$ 5,709,992	\$ 1,470	\$	\$	\$ 5,711,462
Buildings and Systems	28,259,641	340,791	(332,083)		28,268,349
Improvements Other Than Buildings	8,971,415	1,640,694	332,083		10,944,192
Machinery and Equipment	7,211,061	631,442	(32,646)	629,036	7,180,821
Total Accumulated Depreciation	<u>\$ 50,152,109</u>	<u>\$ 2,614,397</u>	<u>\$ (32,646)</u>	<u>\$ 629,036</u>	<u>\$ 52,104,824</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 15,204,943</u>	<u>\$ 24,349</u>	<u>\$ 0</u>	<u>\$ 49,013</u>	<u>\$ 15,180,279</u>
Governmental Activities Capital Assets, Net	<u><u>\$ 88,812,977</u></u>	<u><u>\$ (586,377)</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 49,013</u></u>	<u><u>\$ 88,177,587</u></u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 71,196
Public Safety	385,047
Highways and Streets	998,499
Community Service	1,349
Recreation and Parks	1,088,117
Cemetery	13,527
Economic Development	53,328
	<u>\$ 2,611,063</u>
Depreciation Charged to Internal Service Funds	3,334
Total Depreciation Charged to Governmental Activities	<u><u>\$ 2,614,397</u></u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Net Transfers</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 6,355,414	\$	\$	\$ 124,000	\$ 6,231,414
Construction in Progress	<u>12,324,941</u>	<u>(3,747,008)</u>	<u></u>	<u></u>	<u>8,577,933</u>
Total Capital Assets Not Being Depreciated	<u>\$ 18,680,355</u>	<u>\$ (3,747,008)</u>	<u>\$ 0</u>	<u>\$ 124,000</u>	<u>\$ 14,809,347</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 75,452,503	\$ 3,055,773	\$	\$ 1,392,829	\$ 77,115,447
Improvements Other Than Buildings	39,216,580	6,792,269			46,008,849
Machinery and Equipment	<u>8,481,741</u>	<u>1,313,806</u>	<u>32,646</u>	<u>390,720</u>	<u>9,437,473</u>
Total Capital Assets Being Depreciated	<u>\$ 123,150,824</u>	<u>\$ 11,161,848</u>	<u>\$ 32,646</u>	<u>\$ 1,783,549</u>	<u>\$ 132,561,769</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 54,704,693	\$ 1,848,224	\$	\$ 121,221	\$ 56,431,696
Improvements Other Than Buildings	25,515,393	758,114			26,273,507
Machinery and Equipment	<u>5,061,583</u>	<u>739,133</u>	<u>32,646</u>	<u>266,814</u>	<u>5,566,548</u>
Total Accumulated Depreciation	<u>\$ 85,281,669</u>	<u>\$ 3,345,471</u>	<u>\$ 32,646</u>	<u>\$ 388,035</u>	<u>\$ 88,271,751</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 37,869,155</u>	<u>\$ 7,816,377</u>	<u>\$ 0</u>	<u>\$ 1,395,514</u>	<u>\$ 44,290,018</u>
Business-Type Activities Capital Assets, Net	<u>\$ 56,549,510</u>	<u>\$ 4,069,369</u>	<u>\$ 0</u>	<u>\$ 1,519,514</u>	<u>\$ 59,099,365</u>
Depreciation Expense		<u>\$ 3,345,471</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2016, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 901,179	Short-Term Loans
Proprietary Funds	Internal Service Funds	<u>(205,689)</u>	Short-Term Loans
Total Internal Balances		<u>\$ 695,490</u>	

All short-term loans are scheduled to be repaid within one year.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

2. Transfers To and From Other Funds

Transfers at September 30, 2016, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	EMS Fund	\$ (950,000)	Annual Subsidy
General Fund	Senior Center Fund	(100,000)	Annual Subsidy
General Fund	Malone and Hogan Clinic Fund	(174,461)	Close of Fund
General Fund	Cemetery Fund	(72,500)	Annual Subsidy
Narcotics Task Force Fund	General Fund	96,811	Close of Fund
Nonmajor Governmental Funds	Proprietary Funds	(498,595)	Operating Transfers
Capital Replacement Fund	General Fund	543,370	Capital Investments
Proprietary Funds	General Fund	1,490,897	Administrative Fees
		<u>\$ 335,522</u>	

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, 2016, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 10,190,000	\$ (8,130,000)	\$ 660,000	\$ 1,400,000	\$ 685,000
Certificate of Obligation Bonds	3,775,000	(70,000)	195,000	3,510,000	200,000
General Obligation Refunding Bonds		7,980,000		7,980,000	190,000
Capital Leases	1,602,707	862,938	649,178	1,816,467	638,932
Economic Conservation	991,876		148,825	843,051	155,061
Compensated Absences	1,579,542	28,663		1,608,205	402,051
Unamortized Bond Premiums		473,629	23,912	449,717	40,862
Net OPEB Obligation	274,325	68,316		342,641	
Net Pension Liability - TMRS	5,703,171	2,197,320		7,900,491	1,975,123
Net Pension Liability - BSFRRF	8,839,410	(1,549,748)		7,289,662	1,822,416
Total Governmental Activities	<u>\$ 32,956,031</u>	<u>\$ 1,861,118</u>	<u>\$ 1,676,915</u>	<u>\$ 33,140,234</u>	<u>\$ 6,109,445</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 10,835,000	\$	\$ 590,000	\$ 10,245,000	\$ 515,000
Capital Leases	1,765,570	475,351	618,078	1,622,843	543,421
Economic Conservation	1,673,112		251,038	1,422,074	261,558
Compensated Absences	594,562	62,066		656,628	164,158
Closure/Postclosure Landfill	2,611,286	97,786		2,709,072	
Unamortized Bond Premiums	270,315		16,504	253,811	16,504
Net OPEB Obligation	110,289	27,465		137,754	
Net Pension Liability - TMRS	2,454,652	871,737		3,326,389	798,332
Net Pension Liability - BSFRRF		2,685,674		2,685,674	644,562
Total Business-Type Activities	<u>\$ 20,314,786</u>	<u>\$ 4,220,079</u>	<u>\$ 1,475,620</u>	<u>\$ 23,059,245</u>	<u>\$ 2,943,535</u>

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

Liability	Activity Type	Fund
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary
Net Pension Liabilities	Governmental	General
Net Pension Liabilities	Business-Type	Proprietary
Net OPEB Obligations	Governmental	General
Net OPEB Obligations	Business-Type	Proprietary

Bond Refundings:

On February 24, 2016, \$8,200,000 of bonds from the General Obligation and Certificate of Obligation 2007 Bonds, representing 76% of the outstanding bonds of these issues, were refunded with Series 2016 General Obligation Refunding Bonds in the amount of \$7,980,000 which have maturity dates through 2027 and carry interest rates from 2.00% to 3.00%. The refunding resulted in a deferred loss reported in the government-wide financial statements of \$439,736.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2016, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2017	\$ 1,075,000	\$ 370,888	\$ 1,445,888
2018	1,120,000	319,330	1,439,330
2019	975,000	300,750	1,275,750
2020	995,000	277,307	1,272,307
2021	1,025,000	252,694	1,277,694
2022-2026	5,585,000	816,440	6,401,440
2027-2030	2,115,000	120,345	2,235,345
<b>Totals</b>	<b>\$ 12,890,000</b>	<b>\$ 2,457,754</b>	<b>\$ 15,347,754</b>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Bonds	2/1/2007	\$ 14,285,000	4.0% - 5.0%	2/15/2027	\$ 1,400,000	Streets & Sports Complex
C.O. Bonds	2/1/2007	460,000	4.0% - 4.375%	2/15/2027	235,000	Animal Shelter
Revenue C.O. Bonds	3/3/2010	4,200,000	2.0% - 4.125%	2/15/2030	3,275,000	Family Aquatic Center
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	7,980,000	Refunding of G.O and C.O. Bonds
		<u>\$ 26,925,000</u>			<u>\$ 12,890,000</u>	

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2017	\$ 515,000	\$ 345,038	\$ 860,038
2018	530,000	329,063	859,063
2019	550,000	312,538	862,538
2020	565,000	295,419	860,419
2021	585,000	277,732	862,732
2022-2026	3,190,000	1,082,086	4,272,086
2027-2031	3,510,000	583,898	4,093,898
2032	800,000	20,000	820,000
<b>Totals</b>	<b>\$ 10,245,000</b>	<b>\$ 3,245,774</b>	<b>\$ 13,490,774</b>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
2012 C.O Bonds	7/15/2012	\$ 11,725,000	2.0% - 5.0%	2/15/2032	\$ 9,915,000	Water Improvements
2007 C.O. Bonds	2/1/2007	640,000	4.0% - 4.375%	2/15/2027	330,000	Elevated Reservoir Repair
		<u>\$ 12,365,000</u>			<u>\$ 10,245,000</u>	

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Economic Conservation debt requirements at September 30, 2016, are as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2017	\$ 155,061	\$ 35,325	\$ 190,386
2018	161,557	28,828	190,385
2019	168,327	22,058	190,385
2020	175,379	15,005	190,384
2021	182,727	7,657	190,384
Totals	<u>\$ 843,051</u>	<u>\$ 108,873</u>	<u>\$ 951,924</u>

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2017	\$ 261,558	\$ 59,585	\$ 321,143
2018	272,517	48,626	321,143
2019	283,936	37,207	321,143
2020	295,833	25,310	321,143
2021	308,229	12,914	321,143
Totals	<u>\$ 1,422,073</u>	<u>\$ 183,642</u>	<u>\$ 1,605,715</u>

The effective interest rate on the Economic Conservation debt is 4.112%.

**3. Capital Leases**

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 10,214,983	\$ 3,992,849
Less: Accumulated Depreciation	(6,870,174)	(2,156,779)
Totals	<u>\$ 3,344,809</u>	<u>\$ 1,836,070</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2016, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2017	\$ 638,932	\$ 23,059	\$ 661,991
2018	537,157	14,142	551,299
2019	399,536	6,766	406,302
2020	192,122	1,968	194,090
2021	48,720	146	48,866
Total Minimum Rentals	<u>\$ 1,816,467</u>	<u>\$ 46,081</u>	<u>\$ 1,862,548</u>

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

The effective interest rate on capital leases is 1.17% to 3.85%.

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2017	\$ 543,421	\$ 20,601	\$ 564,022
2018	479,899	12,635	492,534
2019	356,948	6,044	362,992
2020	171,643	1,759	173,402
2021	70,932	132	71,064
Total Minimum Rentals	\$ 1,622,843	\$ 41,171	\$ 1,664,014

The effective interest rate on capital leases is 1.17% to 3.85%.

4. 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 2016, 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 Plans

**Texas Municipal Retirement System (TMRS)**

**Plan Description**

The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act,

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

All eligible employees of the city are required to participate in TMRS.

**Benefits Provided**

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75.00% of the member's deposits and interest.

Currently the city has adopted the following provisions related to the pension plan:

	<u>December 31, 2015</u>
Employee Deposit Rate	7.00%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	0% of CPI

**Employees Covered by Benefit Terms**

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	140
Inactive Employees Entitled to but not Yet Receiving Benefits	112
Active Employees	<u>192</u>
Total Plan Employees	<u><u>444</u></u>

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Contributions**

The contribution rates for employees in TMRS are either 5.00%, 6.00%, or 7.00% of employee gross earnings, and the city matching percentages are either 100.00%, 150.00%, or 200.00%, both as adopted by the governing body of the City. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 5.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.76% and 16.50% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$2,066,989, and were equal to the required contributions.

**Net Pension Liability**

The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

*Actuarial Assumptions*

Inflation	2.50% per year
Overall Payroll Growth	2.70% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	30 years

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table, with male rates multiplied by 109.00% and female rates multiplied by 103.00%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

Actuarial assumptions used in the December 31, 2015 valuation were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. Assumptions are reviewed annually and a result of the review TMRS changed the inflation rate from 3.00% to 2.50% and the investment return assumption from 7.00% to 6.75%.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

The long-term expected rate of return on pension plan investments is 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.65%
Real Return	10.00%	4.03%
Real Estate	10.00%	5.00%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	8.00%

**Discount Rate**

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

**Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance 12/31/2014	\$ 46,884,193	\$ 38,726,370	\$ (8,157,823)
Service Cost	1,344,489		(1,344,489)
Interest (on the Total Pension Liability)	3,234,983		(3,234,983)
Difference Between Expected and Actual Experience	485,843		(485,843)
Changes of Assumptions	144,503		(144,503)
Contributions - Employer		1,463,901	1,463,901
Contributions - Employee		621,181	621,181
Net Investment Income		56,638	56,638
Benefit Payments	(2,715,237)	2,715,237	
Administrative Expense		(33,192)	(33,192)
Other		32,233	32,233
Balance 12/31/2015	<u>\$ 49,378,774</u>	<u>\$ 43,582,368</u>	<u>\$ (11,226,880)</u>

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

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

1% Decrease	Current Rate Assumption	1% Increase
\$ 18,242,318	\$ 11,226,880	\$ 5,508,065

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at [www.tmrs.com](http://www.tmrs.com).

**Pension Expense, Deferred Outflows, and Deferred Inflows Related to Pensions**

For the year ended September 30, 2016, the City recognized pension expense of \$2,143,644 and calculated as shown below:

Total Service Cost	\$ 1,344,489
Interest on the Total Pension Liability	3,234,983
Employee Contributions (Reduction of Expense)	(621,181)
Projected Earnings on Plan Investments (Reduction of Expense)	(2,715,237)
Administrative Expense	33,192
Other Changes in Fiduciary Net Position	(32,233)
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	738,477
Recognition of Current Year Outflow (Inflow) of Resources-Assets	161,154
Total Pension Expense	<u>\$ 2,143,644</u>

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources - Pension Plan</u>	<u>Plan Year</u>	<u>Amount</u>	<u>Remaining Period (Years)</u>
Employer Contribution Deferrals	2015	\$ 1,062,018	1.000
Differences Between Projected and Actual Investment Earnings	2015	322,031	1.960
Differences Between Projected and Actual Investment Earnings	2014	78,504	1.150
Differences in Assumptions	2015	97,762	1.960
Differences Between Expected and Actual Economic Experience	2015	2,146,615	4.000
Differences Between Expected and Actual Economic Experience	2014	<u>286,763</u>	3.000
Total Deferred Outflows of Resources		<u>\$ 3,993,693</u>	

<u>Plan Year</u>	<u>Amortization of Deferred Outflows</u>
2016	\$ 1,976,649
2017	848,178
2018	632,258
2019	<u>536,608</u>
	<u>\$ 3,993,693</u>

**Big Spring Firemen's Relief and Retirement Fund (BSFRRF)**

**Plan Description**

Firemen of the City are covered by a defined benefit 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.

**Benefits Provided**

The City now provides a defined contribution to the fund of 13% of the firemen's salary and the firemen contribute 13%. 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

A firefighter has the option to participate in a Deferred Retirement Option Plan (DROP) which provides a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must retire within 5 years of a DROP election. This option is available with a reduced monthly benefit is determined based on an elected lump sum amount such that the combined present value of the benefits under the option is actuarially equivalent to that of the normal form of the monthly benefit. Optional forms are also available at varying levels of surviving spouse benefits instead of the standard two-thirds form.

There is no provision for automatic post-retirement benefit increases. BSFRRF has the authority to provide, and has periodically provided for in the past, ad hoc post-retirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. Amending the plan requires approval of any proposed change by: a) an eligible actuary and b) a majority of the participating members of the fund.

Currently the City has the following provisions related to the BSFRRF Plan:

	<u>December 31, 2015</u>
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	1 to 1
Years Required for Vesting	10/50% + 5%/year to 20
Service Requirement Eligibility (Expressed as Age / Years of Service)	50/20

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>Number of Employees</u>
Retirees and Beneficiaries	45
Active Employees	62
Total Plan Employees - Pension Liability	<u>107</u>

**Contributions**

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the city. While the actual contribution rates are not actuarially determined, state law requires that each plan of benefits adopted by BSFRRF be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the city provides an adequate financing arrangement. Using the entry age actuarial cost method, BSFRRF's service cost contribution rate is determined as a percentage of payrolls. The excess of the total contribution rate over the service cost contribution is used to amortize BSFRRF's net pension liability, if any, and the number of years needed to amortize BSFRRF's net pension liability, if any is determined using a level percentage of payroll method. The costs of administering the plan are financed by BSFRRF.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Employees were required to contribute 13.00% of their annual gross earnings during the fiscal year. The contribution rate for the City was 13.00% in calendar years 2015. The City's contributions to BSFRRF for the year ended September 30, 2016 were \$546,643 and were equal to the required contributions.

**Net Pension Liability**

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuary valuation as of that date.

**Actuarial Assumptions**

The TPL in the December 31, 2015 actuarial valuation was determined using the following assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years (funding)
Asset Valuation Method	Market Value, GASB 67
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	8.00%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

The assumed rate of return was developed using both the plan's historical rates of return and expected future rates of return. Rate of return experience studies have been performed in connection with the Plan's valuations. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return</u>
Large Cap Stock - S&P 500	30.00%	5.50%
Mid/Small Cap Stocks - Russell 2000	30.00%	6.30%
International Stocks - MSCI EAFE	5.00%	5.20%
Bonds - Barclays US	10.00%	2.50%
Multi-Sector Bonds	20.00%	3.50%
Real Estate	5.00%	4.80%
Cash Equivalents - 3 Mo. Treasury	0.00%	0.00%

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Changes in Net Pension Liability**

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance 12/31/2014	\$ 19,996,433	\$ 11,157,022	\$ (8,839,411)
Service Cost	453,334		(453,334)
Interest (on the Total Pension Liability)	1,564,936		(1,564,936)
Contributions - Employee		525,572	525,572
Contributions - Employer		525,572	525,572
Net Investment Income		(107,468)	(107,468)
Benefit Payments	(1,339,860)	(1,339,860)	
Administrative Expense		(61,331)	(61,331)
Balance 12/31/2015	<u>\$ 20,674,843</u>	<u>\$ 10,699,507</u>	<u>\$ (9,975,336)</u>

Sensitivity of the Net Pension Liability to changes in discount rate:

1% Decrease	Current Rate Assumption	1% Increase
\$ 12,418,193	\$ 9,975,336	\$ 7,935,790

**Pension Expense and Deferred Outflows of Resources**

Pension Expense for the year ended September 30, 2016 is as follows:

Total Service Cost	\$ 453,334
Interest on the Total Pension Liability	1,564,936
Employee Contributions (Reduction of Expense)	(525,572)
Projected Earnings on Plan Investments (Reduction of Expense)	107,468
Administrative Expense	<u>61,331</u>
Total Pension Expense	<u>\$ 1,661,497</u>

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Deferred Outflows of Resources related to the pension plan at September 30, 2016 were made up of as follows and will be amortized according to the table below:

Deferred Outflows of Resources - Pension Plan	Amount	Amortization Period
Employer Contribution Deferrals	\$ 392,313	1.000
Differences Between Projected and Actual Investment Earnings	947,218	3.900
Total Deferred Outflows of Resources	\$ 1,339,531	

Plan Year	Amortization of Deferred Outflows
2016	\$ 642,778
2017	250,465
2018	250,465
2019	195,823
	\$ 1,339,531

**Pension Plan Fiduciary Net Position**

Additional information regarding the BSFRRF Pension Plan's fiduciary net position is available in a separately issued BSFRRF financial report and can be obtained from the following address, 310 Nolan, Big Spring, Texas 79720.

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 09-30-15					
Health Insurance Claims	\$ 41,429	\$ 1,597,393	\$ 1,562,080	\$ 76,742	\$
Workers' Compensation Claims	383,925	309,850	288,506	405,269	482,011
Year Ending 09-30-16					
Health Insurance Claims	\$ 76,742	\$ 2,571,415	\$ 2,512,302	\$ 135,855	\$
Workers' Compensation Claims	405,269	275,436	251,716	428,989	564,844

**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 \$90,000 per claim. The City informally budgets for current claims based on actuarial and historical data. The City incurred \$3,013,395 in health insurance expense and administrative and other charges for the year ended September 30, 2016. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$135,855 at September 30, 2016.

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 \$278,451 in workers' compensation expense and administrative and other charges for the year ended September 30, 2016. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$428,989 at September 30, 2016.

J. Other Post-Employment Benefits (OPEB)

**Plan Description**

The City sponsors and administers an informal single-employer health/dental plan, which is available for employees who retire with a minimum of twenty years of service or five consecutive years of service at age 60 or above, at the time of qualified retirement to continue receiving medical coverage until they are age 65 and qualify for Medicare. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the person and the person's dependents unless the person is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements for the health/dental plan. However, all required information is presented in this report.

**Funding Policy**

The contribution requirements of plan members are established by the City and may be amended as needed. Retiree medical/dental coverage levels for retirees are the same as coverage provided to active City employees in accordance with the terms and conditions of the current City Benefit Plan. Plan members may purchase retiree health/dental care coverage for eligible spouses and dependents at their own expense. The City is not required to make contributions to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

go financing method. The plan had 25 active participants who paid monthly premiums of \$460/\$22 (medical/dental) for single coverage and \$900/\$72 (medical/dental) for family coverage in the 2014-15 fiscal year.

**Annual OPEB Cost and Net OPEB Obligation**

The City’s annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ended September 30, 2016 is as follows:

Annual Required Contribution (ARC)	\$ 739,507
Interest on Net OPEB Obligation	17,307
Adjustment to ARC	<u>(104,867)</u>
Annual OPEB Cost	\$ 651,947
Total Annual Employer Contribution, Pay-As-You-Go	<u>556,166</u>
Increase in Net OPEB Obligation	\$ 95,781
Net OPEB Obligation - Beginning of Year	<u>384,614</u>
Net OPEB Obligation - End of Year	<u><u>\$ 480,395</u></u>

**Three Year Trend Information**

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual OPEB Costs Contributed</u>	<u>Net OPEB Obligation</u>
9/30/2014	\$ 265,429	79.53%	\$ 378,344
9/30/2015	262,385	97.61%	384,614
9/30/2016	651,948	85.31%	480,395

**Funded Status and Funding Progress**

As of December 31, 2015, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2,363,816; and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,363,816. The covered payroll was \$8,972,306, and the ratio of the UAAL to the covered payroll was 26.35%.

**Actuarial Methods and Assumptions**

The projected unit credit actuarial cost method was used to calculate the GASB ARC for the City’s health care plan. Using the Plan benefits, the present health premiums, and a set of actuarial assumption, the anticipated future payments are projected. The projected unit credit method then provides for a systematic funding for theses anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded liability.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the City's employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

**Actuarial Methods and Assumptions**

Inflation Rate	3.00% Per Annum
Investment Rate of Return	4.50% Per Annum, Net of Expenses
Actuarial Cost Method	Individual Entry Age Normal Cost Method
Amortization Method	Level Dollar
Amortization Period	13-Year Open Amortization
Subsidy Trend	Initial Rate of 7.25%, declining to an ultimate rate of 4.50% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**K. Deferred Compensation Plan**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by two trustees; the International City Management Association Retirement Corporation (ICMARC) and the Nationwide Retirement Solutions. In 1997, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended their trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred Compensation Plan in these basic financial statements. Deferred compensation investments are held by outside trustees. The City's Deferred Compensation Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination of these. The City's Deferred Compensation Plan, available to all permanent City employees, permits them to defer until future years up to \$16,500. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

L. Commitments, Contingencies, Litigation, and Subsequent Events

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 collectability 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 does not currently have any litigation that is expected to have a material impact on the financial statements.

3. Subsequent Events

The City has evaluated subsequent events through March 22, 2017, the date which the financial statements were available to be issued.

M. Closure and Post-closure 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 post-closure 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 post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,709,072 reported as landfill closure and post-closure care liability at September 30, 2016, represents the cumulative amount reported to date based on the use of 82.73% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$571,720 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2016. 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 post-closure care. The City has not placed funds in a trust to cover these costs. However, at September 30, 2016 the City has designated an investment in the amount of \$3,923,146 for this purpose.

**REQUIRED SUPPLEMENTARY INFORMATION**

CITY OF BIG SPRING, TEXAS

EXHIBIT B-1

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2014</u>	<u>12/31/2015</u>
	Total Pension Liability	Total Pension Liability
Service Cost	\$ 1,070,609	\$ 1,344,489
Interest	3,098,627	3,234,983
Benefit Payments	(2,456,762)	(2,715,237)
Changes in Assumptions		144,503
Differences between Expected and Actual Experience	212,542	485,843
Other	<u>15,116</u>	
Net Change	\$ 1,940,132	\$ 2,494,581
Beginning Balance	44,944,061	46,884,193
Ending Balance	<u>\$ 46,884,193</u>	<u>\$ 49,378,774</u>
	<u>Fiduciary</u>	<u>Fiduciary</u>
	Net Position	Net Position
Employee Contributions	\$ 621,774	\$ 621,181
Employer Contributions	1,513,350	1,463,901
Net Investment Income	2,114,041	56,638
Benefit Payments	(2,456,762)	(2,715,237)
Administration Expenses	(22,073)	(33,192)
Other	<u>10,616</u>	<u>32,233</u>
Net Change	\$ 1,780,946	\$ (574,476)
Beginning Balance	36,945,424	38,726,370
Ending Balance	<u>\$ 38,726,370</u>	<u>\$ 38,151,894</u>
Net Pension Liability	<u>\$ 8,157,823</u>	<u>\$ 11,226,880</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%
Covered Payroll	\$ 8,616,222	\$ 8,972,306
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%

Note: Only two years of GASB 68 data available as of 12/31/2015. The remaining eight years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-2

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
TEXAS MUNICIPAL RETIREMENT SYSTEM  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION

	<u>9/30/2015</u>	<u>9/30/2016</u>
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989
Actual Contributions	<u>1,508,017</u>	<u>2,066,989</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 8,942,080	\$ 9,282,783
Contributions as a Percentage of Covered Employee Payroll	16.86%	22.27%

Note: Only two years of GASB 68 data available as of 09/30/2016. The remaining eight years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-3

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>12/31/2014</u>	<u>12/31/2015</u>
	Total Pension Liability	Total Pension Liability
Service Cost	\$ 453,334	\$ 453,334
Interest	1,447,905	1,564,936
Benefit Payments	<u>(1,277,131)</u>	<u>(1,339,860)</u>
Net Change	\$ 624,108	\$ 678,410
Beginning Balance	19,372,325	19,996,433
Ending Balance	<u>\$ 19,996,433</u>	<u>\$ 20,674,843</u>
	<u>Fiduciary</u>	<u>Fiduciary</u>
	Net Position	Net Position
Employee Contributions	\$ 496,045	\$ 525,572
Employer Contributions	496,046	525,572
Net Investment Income	594,840	(107,469)
Benefit Payments	(1,277,131)	(1,339,860)
Administration Expenses	<u>(80,057)</u>	<u>(61,331)</u>
Net Change	\$ 229,743	\$ (457,516)
Beginning Balance	10,927,280	11,157,023
Ending Balance	<u>\$ 11,157,023</u>	<u>\$ 10,699,507</u>
Net Pension Liability	<u>\$ 8,839,410</u>	<u>\$ 9,975,336</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%
Covered Payroll	\$ 3,634,001	\$ 4,042,862
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%

Note: Only two years of GASB 68 data available as of 12/31/2015. The remaining eight years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-4

**SCHEDULE OF EMPLOYER CONTRIBUTIONS  
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>9/30/2015</u>	<u>9/30/2016</u>
Actuarially Determined Contribution	\$ 511,584	\$ 546,693
Actual Contributions	<u>511,584</u>	<u>546,693</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 3,935,256	 \$ 4,205,336
 Contributions as a Percentage of Covered Employee Payroll	 13.00%	 13.00%

Note: Only two years of GASB 68 data available as of 09/30/2016. The remaining eight years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-5

SCHEDULE OF FUNDING PROGRESS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

REQUIRED SUPPLEMENTARY INFORMATION

<u>Valuation Date</u>	<u>Assets</u>	<u>Actuarially Accrued Liability</u>	<u>Unfunded Actuarially Accrued Liability</u>	<u>Percentage</u>	<u>Payroll</u>
12/31/2014	\$ 0	\$ 2,140,168	\$ 2,140,168	0.00%	\$ 8,616,222
12/31/2015	0	2,363,816	2,363,816	0.00%	8,972,306

Notes:

As of September 30, 2016 only two valuation reports were available.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Amounts determined regarding the funded status and the annual required contributions of the City's retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The detailed discussion of the actuarial assumptions used for the City of Big Spring Retiree Health Care Plan Actuarial Valuation Report as of December 31, 2015 can be obtained from the City.

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

**REQUIRED SUPPLEMENTARY INFORMATION**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 4,528,606	\$ 4,900,845	\$ 5,026,938	\$ 126,093
General Sales Taxes	6,600,000	6,500,000	6,354,361	(145,639)
Gross Receipts Business Taxes	1,476,200	1,508,597	1,353,377	(155,220)
License and Permits	362,400	294,675	378,798	84,123
Intergovernmental	913,500	926,940	925,176	(1,764)
Fines	330,500	387,020	413,966	26,946
Recreation	930,000	834,115	689,922	(144,193)
Investment Earnings	7,000	13,500	21,907	8,407
Rents and Royalties	431,917	688,151	672,471	(15,680)
Miscellaneous	28,428	196,253	310,513	114,260
Contributions and Donations	16,000	7,000	9,465	2,465
Total Revenues	\$ <u>15,624,801</u>	\$ <u>16,257,596</u>	\$ <u>16,156,894</u>	\$ <u>(100,702)</u>
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 243,206	\$ 245,761	\$ 274,173	\$ (28,412)
City Council (110)	142,787	155,183	114,108	41,075
Finance (120)	632,767	598,560	610,693	(12,133)
City Manager (130)	301,572	306,465	304,417	2,048
Information Technology (140)	279,076	276,435	272,436	3,999
Legal (150)	331,441	329,816	333,442	(3,626)
Human Resources (160)	420,357	461,982	478,690	(16,708)
Special Projects (170)		74,735	25,899	48,836
Planning Department (190)	225,536	169,844	174,109	(4,265)
Public Safety				
Police (200)	5,115,040	4,637,859	4,737,587	(99,728)
Narcotics Task Force (201)		475,750	360,538	115,212
Fire (210)	3,683,361	3,949,078	4,062,690	(113,612)
Municipal Court (220)	313,259	295,154	297,004	(1,850)
Fire Marshal (230)	277,495	275,164	326,564	(51,400)
Animal Control (240)	309,432	344,238	354,361	(10,123)
Highways and Streets				
Code Enforcement (300)	332,666	349,050	336,303	12,747
General Maintenance (310)	125,264	130,316	138,486	(8,170)
Streets (320)	2,345,294	2,277,624	2,313,264	(35,640)
Recreation and Parks				
Parks (370)	433,704	423,152	460,633	(37,481)
Sports Complex (375)	294,856	255,297	316,967	(61,670)
Swimming Pool (380)	238,994	233,530	259,244	(25,714)
Golf Course (390)	750,664	731,012	764,488	(33,476)
Lake (410)	33,359	28,429	24,509	3,920
City Hall (420)	107,495	127,694	103,642	24,052
Debt Service:				
Principal	631,093	624,847	784,009	(159,162)
Interest	71,945	71,945	67,360	4,585
Total Expenditures	\$ <u>17,640,663</u>	\$ <u>17,848,920</u>	\$ <u>18,295,616</u>	\$ <u>(446,696)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ <u>(2,015,862)</u>	\$ <u>(1,591,324)</u>	\$ <u>(2,138,722)</u>	\$ <u>(547,398)</u>
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 1,280,528	\$ 1,241,616	\$ 1,299,657	\$ 58,041
Proceeds from Capital Lease Financing	812,458	814,115	824,479	10,364
Total Other Financing Sources	\$ <u>2,092,986</u>	\$ <u>2,055,731</u>	\$ <u>2,124,136</u>	\$ <u>68,405</u>
Net Change in Fund Balances	\$ 77,124	\$ 464,407	\$ (14,586)	\$ (478,993)
Fund Balances - Beginning	<u>6,137,425</u>	<u>6,137,425</u>	<u>6,137,425</u>	
Fund Balances - Ending	\$ <u>6,214,549</u>	\$ <u>6,601,832</u>	\$ <u>6,122,839</u>	

The accompanying notes are an integral part of this statement.

**CITY OF BIG SPRING, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM PENSION PLAN  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31, and become effective in January, 13 months later.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010 - 2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

**Other Information:**

Changes in Assumptions: TMRS changes the Long Term Rate of Return and Discount Rate from 7.00% to 6.75% and the Inflation Rate from 3.00% to 2.50% as result of updated experience studies during the year ended December 31, 2015.

Benefits Changes: There were no benefit changes during the year.

**CITY OF BIG SPRING, TEXAS  
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND PENSION PLAN  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION**

**Valuation Date:**

Notes

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

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30 years (funding)
Asset Valuation Method	Market Value, GASB 67
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	8.00%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

**Other Information:**

Notes

There were no benefit changes during the year.

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**CITY OF BIG SPRING, TEXAS  
GENERAL FUND BUDGETARY COMPARISON SCHEDULE  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2016**

**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).

**COMBINING STATEMENTS AND BUDGETARY COMPARISON SCHEDULES  
AS SUPPLEMENTARY INFORMATION**

CITY OF BIG SPRING, TEXAS

EXHIBIT C-1

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2016

	Special Revenue Funds	Debt Service Fund 2007 G.O. Bonds	Debt Service Fund 2007 C.O. Bonds	Debt Service Fund 2010 C.O. Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-3)
<b>ASSETS</b>							
Assets:							
Cash and Cash Equivalents	\$ 1,387,696	\$ 279,088	\$ 13,017	\$ 100,936	\$ 90,864	\$ 352,279	\$ 2,223,880
Receivables (Net of Allowance for Uncollectibles)	<u>111,495</u>	<u>53,036</u>	<u>1,629</u>	<u>14,612</u>			<u>180,772</u>
Total Assets	<u>\$ 1,499,191</u>	<u>\$ 332,124</u>	<u>\$ 14,646</u>	<u>\$ 115,548</u>	<u>\$ 90,864</u>	<u>\$ 352,279</u>	<u>\$ 2,404,652</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:</b>							
Liabilities:							
Accounts Payable	\$ 86,056	\$	\$	\$	\$	\$	\$ 86,056
Accrued Wages	40,196						40,196
Due to Other Funds					61,000	760	61,760
Unearned Revenue	48,547						48,547
Customer Deposits	<u>16,437</u>						<u>16,437</u>
Total Liabilities	<u>\$ 191,236</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 61,000</u>	<u>\$ 760</u>	<u>\$ 252,996</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	<u>\$</u>	<u>\$ 48,703</u>	<u>\$ 1,495</u>	<u>\$ 13,420</u>	<u>\$</u>	<u>\$</u>	<u>\$ 63,618</u>
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 48,703</u>	<u>\$ 1,495</u>	<u>\$ 13,420</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 63,618</u>
Fund Balances:							
Nonspendable Fund Balances:							
Cemetery Permanent Care	\$	\$	\$	\$	\$	\$ 351,519	\$ 351,519
Restricted Fund Balances:							
Restricted for Advertising and Promotions	1,026,244						1,026,244
Restricted for Court Security	1,291						1,291
Restricted for Public, Educational and Governmental Television Access	81,151						81,151
Restricted for Public Safety Improvements	19,671						19,671
Restricted for Debt Service		283,421	13,151	102,128	29,864		428,564
Committed Fund Balances:							
Committed for Employee Education	37,283						37,283
Committed for Cemetery Operations	134,255						134,255
Committed for Senior Center Operations	<u>8,060</u>						<u>8,060</u>
Total Fund Balances	<u>\$ 1,307,955</u>	<u>\$ 283,421</u>	<u>\$ 13,151</u>	<u>\$ 102,128</u>	<u>\$ 29,864</u>	<u>\$ 351,519</u>	<u>\$ 2,088,038</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,499,191</u>	<u>\$ 332,124</u>	<u>\$ 14,646</u>	<u>\$ 115,548</u>	<u>\$ 90,864</u>	<u>\$ 352,279</u>	<u>\$ 2,404,652</u>

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Special Revenue Funds	Debt Service Fund 2007 G.O. Bonds	Debt Service Fund 2007 C.O. Bonds	Debt Service Fund 2010 C.O. Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Capital Projects Fund Capital Replacement	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenue:</b>								
Taxes								
General Property Taxes	\$	\$ 1,143,887	\$ 35,166	\$ 313,817	\$	\$	\$	\$ 1,492,870
Gross Receipts Business Tax	38,694							38,694
Motel Occupancy Taxes	967,870							967,870
Intergovernmental	140,916							140,916
Charges for Services	28,537							28,537
Fines	8,184							8,184
Investment Earnings	5,247	1,196	74	469			1,014	8,000
Rents and Royalties	159,508					1,352		160,860
Miscellaneous	62,095							62,095
Contributions and Donations	60,940							60,940
Total Revenue	<u>\$ 1,471,991</u>	<u>\$ 1,145,083</u>	<u>\$ 35,240</u>	<u>\$ 314,286</u>	<u>\$ 0</u>	<u>\$ 1,352</u>	<u>\$ 1,014</u>	<u>\$ 2,968,966</u>
<b>Expenditures:</b>								
Current								
General Government	\$ 102,619	\$	\$	\$	\$	\$	\$	\$ 102,619
Public Safety	18,055							18,055
Community Service	441,448							441,448
Economic Development	1,443,657							1,443,657
Cemetery	179,392							179,392
Debt Service								
Principal	12,646	660,000	20,000	175,000				867,646
Interest	1,780	259,328	9,813	130,163	73,575			474,659
Bond Issuance Costs					60,454			60,454
Fiscal Agent's Fees		750	375	400				1,525
Total Expenditures	<u>\$ 2,199,597</u>	<u>\$ 920,078</u>	<u>\$ 30,188</u>	<u>\$ 305,563</u>	<u>\$ 134,029</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 3,589,455</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (727,606)</u>	<u>\$ 225,005</u>	<u>\$ 5,052</u>	<u>\$ 8,723</u>	<u>\$ (134,029)</u>	<u>\$ 1,352</u>	<u>\$ 1,014</u>	<u>\$ (620,489)</u>
Other Financing Sources (Uses):								
Transfers In (Out)	\$ (360,353)	\$ (343,000)	\$ (15,891)	\$	\$ 350,000	\$ (543,370)	\$ (1,014)	\$ (913,628)
Capital Lease	38,459							38,459
Refunding Bonds Issued					7,980,000			7,980,000
Premium on Refunding Bonds Issued					473,629			473,629
Payment to Refunded Bond Escrow Agent					(8,639,736)			(8,639,736)
Total Other Financing Sources (Uses)	<u>\$ (321,894)</u>	<u>\$ (343,000)</u>	<u>\$ (15,891)</u>	<u>\$ 0</u>	<u>\$ 163,893</u>	<u>\$ (543,370)</u>	<u>\$ (1,014)</u>	<u>\$ (1,061,276)</u>
Net Change in Fund Balances	<u>\$ (1,049,500)</u>	<u>\$ (117,995)</u>	<u>\$ (10,839)</u>	<u>\$ 8,723</u>	<u>\$ 29,864</u>	<u>\$ (542,018)</u>	<u>\$ 0</u>	<u>\$ (1,681,765)</u>
Fund Balances - Beginning	<u>2,357,455</u>	<u>401,416</u>	<u>23,990</u>	<u>93,405</u>	<u></u>	<u>542,018</u>	<u>351,519</u>	<u>3,769,803</u>
Fund Balances - Ending	<u>\$ 1,307,955</u>	<u>\$ 283,421</u>	<u>\$ 13,151</u>	<u>\$ 102,128</u>	<u>\$ 29,864</u>	<u>\$ 0</u>	<u>\$ 351,519</u>	<u>\$ 2,088,038</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2016**

ASSETS	<u>Hotel/Motel Occupancy Tax Fund</u>	<u>Employee's College Education</u>	<u>Municipal Court Security</u>	<u>Cemetery</u>	<u>Senior Center</u>	<u>P.E.G.</u>	<u>State Forfeiture</u>	<u>Total Nonmajor Revenue Funds (See Exhibit C-1)</u>
Assets:								
Cash and Cash Equivalents	\$ 1,029,626	\$ 37,283	\$ 2,355	\$ 172,753	\$ 44,857	\$ 81,151	\$ 19,671	\$ 1,387,696
Receivables (Net of Allowance for Uncollectibles)	<u>78,215</u>		<u>2,236</u>	<u>31,044</u>				<u>111,495</u>
Total Assets	<u>\$ 1,107,841</u>	<u>\$ 37,283</u>	<u>\$ 4,591</u>	<u>\$ 203,797</u>	<u>\$ 44,857</u>	<u>\$ 81,151</u>	<u>\$ 19,671</u>	<u>\$ 1,499,191</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts Payable	\$ 61,753		\$ 3,300	\$ 3,551	\$ 17,452			\$ 86,056
Accrued Wages	3,407			17,444	19,345			40,196
Unearned Revenue				48,547				48,547
Customer Deposits	<u>16,437</u>							<u>16,437</u>
Total Liabilities	<u>\$ 81,597</u>	<u>\$ 0</u>	<u>\$ 3,300</u>	<u>\$ 69,542</u>	<u>\$ 36,797</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 191,236</u>
Fund Balances:								
Restricted Fund Balances:								
Restricted for Advertising and Promotions	\$ 1,026,244							\$ 1,026,244
Restricted for Court Security			1,291					1,291
Restricted for Public, Educational and Governmental Television Access						81,151		81,151
Restricted for Public Safety Improvements							19,671	19,671
Committed Fund Balances:								
Committed for Employee Education		37,283						37,283
Committed for Cemetery Operations				134,255				134,255
Committed for Senior Center Operations					8,060			8,060
Total Fund Balances	<u>\$ 1,026,244</u>	<u>\$ 37,283</u>	<u>\$ 1,291</u>	<u>\$ 134,255</u>	<u>\$ 8,060</u>	<u>\$ 81,151</u>	<u>\$ 19,671</u>	<u>\$ 1,307,955</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,107,841</u>	<u>\$ 37,283</u>	<u>\$ 4,591</u>	<u>\$ 203,797</u>	<u>\$ 44,857</u>	<u>\$ 81,151</u>	<u>\$ 19,671</u>	<u>\$ 1,499,191</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	Hotel/Motel Occupancy Tax Fund	Grant	Employee's College Education	Municipal Court Security	Narcotics Task Force	Cemetery	Senior Center	P.E.G.	State Forfeiture	Total Nonmajor Revenue Funds (See Exhibit C-1)	
Revenue:											
Taxes											
Gross Receipts Business Tax	\$							\$ 38,694		\$ 38,694	
Motel Occupancy Taxes		967,870								967,870	
Intergovernmental			22,023				106,893		12,000	140,916	
Charges for Services			7,006				21,531			28,537	
Fines				8,184						8,184	
Investment Earnings		3,684	128	14		817	274	286	44	5,247	
Rents and Royalties		46,790				112,718				159,508	
Miscellaneous		17,630				12,060	24,778		7,627	62,095	
Contributions and Donations		60,000				20	920			60,940	
Total Revenue	\$	<u>1,095,974</u>	\$ <u>22,023</u>	\$ <u>7,134</u>	\$ <u>8,198</u>	\$ <u>0</u>	\$ <u>125,615</u>	\$ <u>154,396</u>	\$ <u>38,980</u>	\$ <u>19,671</u>	\$ <u>1,471,991</u>
Expenditures:											
Current											
General Government	\$		\$ 16,886					\$ 85,733		\$ 102,619	
Public Safety				18,055						18,055	
Community Service							441,448			441,448	
Economic Development		1,443,657								1,443,657	
Cemetery						179,392				179,392	
Debt Service											
Principal		4,603				8,043				12,646	
Interest		1,285				495				1,780	
Total Expenditures	\$	<u>1,449,545</u>	\$ <u>0</u>	\$ <u>16,886</u>	\$ <u>18,055</u>	\$ <u>0</u>	\$ <u>187,930</u>	\$ <u>441,448</u>	\$ <u>85,733</u>	\$ <u>0</u>	\$ <u>2,199,597</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	<u>(353,571)</u>	\$ <u>22,023</u>	\$ <u>(9,752)</u>	\$ <u>(9,857)</u>	\$ <u>0</u>	\$ <u>(62,315)</u>	\$ <u>(287,052)</u>	\$ <u>(46,753)</u>	\$ <u>19,671</u>	\$ <u>(727,606)</u>
Other Financing Sources (Uses):											
Transfers In (Out)	\$	(415,033)	\$ (22,023)			\$ (96,811)	\$ 73,514	\$ 100,000			\$ (360,353)
Capital Lease							38,459				38,459
Total Other Financing Sources (Uses)	\$	<u>(415,033)</u>	\$ <u>(22,023)</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(96,811)</u>	\$ <u>111,973</u>	\$ <u>100,000</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>(321,894)</u>
Net Change in Fund Balances	\$	<u>(768,604)</u>	\$ <u>0</u>	\$ <u>(9,752)</u>	\$ <u>(9,857)</u>	\$ <u>(96,811)</u>	\$ <u>49,658</u>	\$ <u>(187,052)</u>	\$ <u>(46,753)</u>	\$ <u>19,671</u>	\$ <u>(1,049,500)</u>
Fund Balances - Beginning		<u>1,794,848</u>		<u>47,035</u>	<u>11,148</u>	<u>96,811</u>	<u>84,597</u>	<u>195,112</u>	<u>127,904</u>	<u>0</u>	<u>2,357,455</u>
Fund Balances - Ending	\$	<u><u>1,026,244</u></u>	\$ <u><u>0</u></u>	\$ <u><u>37,283</u></u>	\$ <u><u>1,291</u></u>	\$ <u><u>0</u></u>	\$ <u><u>134,255</u></u>	\$ <u><u>8,060</u></u>	\$ <u><u>81,151</u></u>	\$ <u><u>19,671</u></u>	\$ <u><u>1,307,955</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-5

HOTEL/MOTEL OCCUPANCY TAX FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 1,600,000	\$ 1,200,355	\$ 967,870	\$ (232,485)
Investment Earnings	2,100	2,300	3,684	1,384
Rents and Royalties	41,900	48,590	46,790	(1,800)
Miscellaneous	1,525	3,535	17,630	14,095
Contributions and Donations		80,000	60,000	(20,000)
Total Revenues	<u>\$ 1,645,525</u>	<u>\$ 1,334,780</u>	<u>\$ 1,095,974</u>	<u>\$ (238,806)</u>
 Expenditures:				
Economic Development	\$ 2,654,745	\$ 2,258,464	\$ 1,443,657	\$ 814,807
Debt Service:				
Principal	4,603	4,603	4,603	
Interest	1,285	1,285	1,285	
Total Expenditures	<u>\$ 2,660,633</u>	<u>\$ 2,264,352</u>	<u>\$ 1,449,545</u>	<u>\$ 814,807</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,015,108)</u>	<u>\$ (929,572)</u>	<u>\$ (353,571)</u>	<u>\$ 576,001</u>
 Other Financing Uses:				
Transfers Out (Use)	<u>\$ (415,033)</u>	<u>\$ (415,033)</u>	<u>\$ (415,033)</u>	<u>\$</u>
Total Other Financing Uses	<u>\$ (415,033)</u>	<u>\$ (415,033)</u>	<u>\$ (415,033)</u>	<u>\$ 0</u>
 Net Change in Fund Balances	\$ (1,430,141)	\$ (1,344,605)	\$ (768,604)	\$ 576,001
 Fund Balances - Beginning	<u>1,794,848</u>	<u>1,794,848</u>	<u>1,794,848</u>	
Fund Balances - Ending	<u><u>\$ 364,707</u></u>	<u><u>\$ 450,243</u></u>	<u><u>\$ 1,026,244</u></u>	<u><u>\$ 576,001</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-6

EMPLOYEE'S COLLEGE EDUCATION FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Charges for Services	\$ 22,000	\$ 8,000	\$ 7,006	\$ (994)
Investment Earnings	40	65	128	63
Total Revenues	<u>\$ 22,040</u>	<u>\$ 8,065</u>	<u>\$ 7,134</u>	<u>\$ (931)</u>
Expenditures:				
Current				
General Government	\$ 20,000	\$ 20,000	\$ 16,886	\$ 3,114
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 20,000</u>	<u>\$ 16,886</u>	<u>\$ 3,114</u>
Excess of Revenues Over Expenditures	<u>\$ 2,040</u>	<u>\$ (11,935)</u>	<u>\$ (9,752)</u>	<u>\$ 2,183</u>
Net Change in Fund Balances	\$ 2,040	\$ (11,935)	\$ (9,752)	\$ 2,183
Fund Balances - Beginning	<u>47,035</u>	<u>47,035</u>	<u>47,035</u>	
Fund Balances - Ending	<u>\$ 49,075</u>	<u>\$ 35,100</u>	<u>\$ 37,283</u>	<u>\$ 2,183</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-7

MUNICIPAL COURT SECURITY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 7,000	\$ 7,500	\$ 8,184	\$ 684
Investment Earnings	4	15	14	(1)
Total Revenues	<u>\$ 7,004</u>	<u>\$ 7,515</u>	<u>\$ 8,198</u>	<u>\$ 683</u>
Expenditures:				
Current				
Public Safety	<u>\$ 10,366</u>	<u>\$ 13,914</u>	<u>\$ 18,055</u>	<u>\$ (4,141)</u>
Total Expenditures	<u>\$ 10,366</u>	<u>\$ 13,914</u>	<u>\$ 18,055</u>	<u>\$ (4,141)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,362)</u>	<u>\$ (6,399)</u>	<u>\$ (9,857)</u>	<u>\$ (3,458)</u>
Net Change in Fund Balances	\$ (3,362)	\$ (6,399)	\$ (9,857)	\$ (3,458)
Fund Balances - Beginning	<u>11,148</u>	<u>11,148</u>	<u>11,148</u>	
Fund Balances - Ending	<u>\$ 7,786</u>	<u>\$ 4,749</u>	<u>\$ 1,291</u>	<u>\$ (3,458)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-8

GRANT FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Intergovernmental	\$	\$	\$ 22,023	\$ 22,023
Investment Earnings				0
Total Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,023</u>	<u>\$ 22,023</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,023</u>	<u>\$ 22,023</u>
Other Financing Sources (Uses):				
Transfers In	<u>\$</u>	<u>\$</u>	<u>\$ (22,023)</u>	<u>\$ (22,023)</u>
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (22,023)</u>	<u>\$ (22,023)</u>
Net Change in Fund Balances	\$ 0	\$ 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>	<u><u>\$ 0</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

NARCOTICS TASK FORCE  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
General Property Taxes	\$	\$	\$	\$
Intergovernmental				
Investment Earnings	300			
Total Revenues	<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 300</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Other Financing Sources (Uses):				
Capital Leases	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (96,811)</u>	<u>\$ 96,811</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (96,811)</u>	<u>\$ 96,811</u>
Net Change in Fund Balances	\$ 300	\$ 0	\$ (96,811)	\$ (96,811)
Fund Balances - Beginning	<u>96,811</u>	<u>96,811</u>	<u>96,811</u>	
Fund Balances - Ending	<u><u>\$ 97,111</u></u>	<u><u>\$ 96,811</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (96,811)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

CEMETERY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Investment Earnings	\$ 2,200	\$ 2,200	\$ 817	\$ (1,383)
Rents and Royalties	110,750	180,609	112,718	(67,891)
Miscellaneous			12,060	12,060
Contributions and Donations		20	20	
Total Revenues	<u>\$ 112,950</u>	<u>\$ 182,829</u>	<u>\$ 125,615</u>	<u>\$ (57,214)</u>
Expenditures:				
Cemetery	\$ 162,372	\$ 164,929	\$ 179,392	\$ (14,463)
Debt Service:				
Principal Payments	7,396	3,073	8,043	(4,970)
Interest	8,624	5,572	495	5,077
Total Expenditures	<u>\$ 178,392</u>	<u>\$ 173,574</u>	<u>\$ 187,930</u>	<u>\$ (14,356)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (65,442)</u>	<u>\$ 9,255</u>	<u>\$ (62,315)</u>	<u>\$ (71,570)</u>
Other Financing Sources:				
Transfers In	\$ 72,640	\$ 73,150	\$ 73,514	\$ 364
Capital Lease	43,118	43,118	38,459	(4,659)
Total Other Financing Sources	<u>\$ 115,758</u>	<u>\$ 116,268</u>	<u>\$ 111,973</u>	<u>\$ 364</u>
Net Change in Fund Balances	\$ 50,316	\$ 125,523	\$ 49,658	\$ (75,865)
Fund Balances - Beginning	<u>84,597</u>	<u>84,597</u>	<u>84,597</u>	
Fund Balances - Ending	<u>\$ 134,913</u>	<u>\$ 210,120</u>	<u>\$ 134,255</u>	<u>\$ (75,865)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-11

SENIOR CENTER  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 111,500	\$ 111,500	\$ 106,893	\$ (4,607)
Charges for Services	20,660	20,040	21,531	1,491
Investment Earnings	140	270	274	4
Miscellaneous	25	20,290	24,778	4,488
Contributions and Donations	200	650	920	270
Total Revenues	<u>\$ 132,525</u>	<u>\$ 152,750</u>	<u>\$ 154,396</u>	<u>\$ 1,646</u>
Expenditures:				
Community Service	\$ <u>395,663</u>	\$ <u>419,565</u>	\$ <u>441,448</u>	\$ <u>(21,883)</u>
Total Expenditures	<u>\$ 395,663</u>	<u>\$ 419,565</u>	<u>\$ 441,448</u>	<u>\$ (21,883)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (263,138)</u>	<u>\$ (266,815)</u>	<u>\$ (287,052)</u>	<u>\$ (20,237)</u>
Other Financing Sources:				
Transfers In	\$ <u>265,000</u>	\$ <u>265,000</u>	\$ <u>100,000</u>	\$ <u>(165,000)</u>
Total Other Financing Sources	<u>\$ 265,000</u>	<u>\$ 265,000</u>	<u>\$ 100,000</u>	<u>\$ (165,000)</u>
Net Change in Fund Balances	\$ 1,862	\$ (1,815)	\$ (187,052)	\$ (185,237)
Fund Balances - Beginning	<u>195,112</u>	<u>195,112</u>	<u>195,112</u>	
Fund Balances - Ending	<u>\$ 196,974</u>	<u>\$ 193,297</u>	<u>\$ 8,060</u>	<u>\$ (185,237)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-12

P.E.G. FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Gross Receipts Business Tax	\$ 52,000	\$ 51,000	\$ 38,694	\$ (12,306)
Investment Earnings	80	200	286	86
Total Revenues	<u>\$ 52,080</u>	<u>\$ 51,200</u>	<u>\$ 38,980</u>	<u>\$ (12,220)</u>
Expenditures:				
General Governmental	\$ 53,907	\$ 93,907	\$ 85,733	\$ 8,174
Total Expenditures	<u>\$ 53,907</u>	<u>\$ 93,907</u>	<u>\$ 85,733</u>	<u>\$ 8,174</u>
Deficiency of Revenues Under Expenditures	<u>\$ (1,827)</u>	<u>\$ (42,707)</u>	<u>\$ (46,753)</u>	<u>\$ (4,046)</u>
Net Change in Fund Balances	\$ (1,827)	\$ (42,707)	\$ (46,753)	\$ (4,046)
Fund Balances - Beginning	<u>127,904</u>	<u>127,904</u>	<u>127,904</u>	
Fund Balances - Ending	<u>\$ 126,077</u>	<u>\$ 85,197</u>	<u>\$ 81,151</u>	<u>\$ (4,046)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-13

2007 G.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 1,142,206	\$ 1,146,000	\$ 1,143,887	\$ (2,113)
Investment Earnings	950	950	1,196	246
Total Revenues	<u>\$ 1,143,156</u>	<u>\$ 1,146,950</u>	<u>\$ 1,145,083</u>	<u>\$ (1,867)</u>
Expenditures:				
Debt Service:				
Principal	\$ 660,000	\$ 660,000	\$ 660,000	\$
Interest	449,456	259,328	259,328	
Fiscal Agent's Fees	750	750	750	
Total Expenditures	<u>\$ 1,110,206</u>	<u>\$ 920,078</u>	<u>\$ 920,078</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 32,950</u>	<u>\$ 226,872</u>	<u>\$ 225,005</u>	<u>\$ (1,867)</u>
Other Financing Sources (Uses):				
Transfers Out	<u>\$ 0</u>	<u>\$ (343,000)</u>	<u>\$ (343,000)</u>	<u>\$ 0</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (343,000)</u>	<u>\$ (343,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 32,950	\$ (116,128)	\$ (117,995)	\$ (1,867)
Fund Balances - Beginning	<u>401,416</u>	<u>401,416</u>	<u>401,416</u>	
Fund Balances - Ending	<u>\$ 434,366</u>	<u>\$ 285,288</u>	<u>\$ 283,421</u>	<u>\$ (1,867)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-14

2007 C.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 41,870	\$ 35,760	\$ 35,166	\$ (594)
Investment Earnings	30	65	74	9
Total Revenues	<u>\$ 41,900</u>	<u>\$ 35,825</u>	<u>\$ 35,240</u>	<u>\$ (585)</u>
Expenditures:				
Debt Service:				
Principal	\$ 20,000	\$ 20,000	\$ 20,000	\$
Interest and Fiscal Charges	13,313	9,813	9,813	
Fiscal Agent's Fees	375	375	375	
Total Expenditures	<u>\$ 33,688</u>	<u>\$ 30,188</u>	<u>\$ 30,188</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 8,212</u>	<u>\$ 5,637</u>	<u>\$ 5,052</u>	<u>\$ (585)</u>
Other Financing Sources (Uses):				
Transfers Out	\$	\$ (7,000)	\$ (15,891)	\$ (8,891)
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (7,000)</u>	<u>\$ (15,891)</u>	<u>\$ (8,891)</u>
Net Change in Fund Balances	\$ 8,212	\$ (1,363)	\$ (10,839)	\$ (9,476)
Fund Balances - Beginning	<u>23,990</u>	<u>23,990</u>	<u>23,990</u>	
Fund Balances - Ending	<u>\$ 32,202</u>	<u>\$ 22,627</u>	<u>\$ 13,151</u>	<u>\$ (9,476)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-15

2010 C.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 315,588	\$ 315,871	\$ 313,817	\$ (2,054)
Investment Earnings	85	250	469	219
Total Revenues	<u>\$ 315,673</u>	<u>\$ 316,121</u>	<u>\$ 314,286</u>	<u>\$ (1,835)</u>
Expenditures:				
Debt Service:				
Principal	\$ 175,000	\$ 175,000	\$ 175,000	\$
Interest and Fiscal Charges	130,163	130,163	130,163	
Fiscal Agent's Fees	750	750	400	350
Total Expenditures	<u>\$ 305,913</u>	<u>\$ 305,913</u>	<u>\$ 305,563</u>	<u>\$ 350</u>
Excess of Revenues Over Expenditures	<u>\$ 9,760</u>	<u>\$ 10,208</u>	<u>\$ 8,723</u>	<u>\$ (1,485)</u>
Net Change in Fund Balances	\$ 9,760	\$ 10,208	\$ 8,723	\$ (1,485)
Fund Balances - Beginning	<u>93,405</u>	<u>93,405</u>	<u>93,405</u>	
Fund Balances - Ending	<u>\$ 103,165</u>	<u>\$ 103,613</u>	<u>\$ 102,128</u>	<u>\$ (1,485)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

2016 G.O. REFUNDING BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:				
Debt Service:				
Principal				
Interest and Fiscal Charges	\$	\$ 90,130	\$ 73,575	\$ 16,555
Bond Issuance Costs			60,454	(60,454)
Total Expenditures	\$ <u>0</u>	\$ <u>90,130</u>	\$ <u>134,029</u>	\$ <u>(43,899)</u>
Excess of Revenues Over Expenditures	\$ <u>0</u>	\$ <u>(90,130)</u>	\$ <u>(134,029)</u>	\$ <u>(43,899)</u>
Other Financing Sources (Uses):				
Transfers In	\$	\$	\$ 350,000	\$ 350,000
Refunding Bonds Issued		8,345,805	7,980,000	(365,805)
Premium on Refunding Bonds		473,629	473,629	
Payment to Refunded Bond Escrow Agent			(8,639,736)	(8,639,736)
Total Other Financing Sources (Uses)	\$ <u>0</u>	\$ <u>8,819,434</u>	\$ <u>163,893</u>	\$ <u>(8,655,541)</u>
Net Change in Fund Balances	\$ 0	\$ 8,729,304	\$ 29,864	\$ (8,699,440)
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balances - Ending	\$ <u><u>0</u></u>	\$ <u><u>8,729,304</u></u>	\$ <u><u>29,864</u></u>	\$ <u><u>(8,699,440)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-17

CAPITAL REPLACEMENT FUND  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Rents and Royalties	\$ <u>          </u>	\$ <u>    1,352</u>	\$ <u>    1,352</u>	\$ <u>          0</u>
Total Revenues	\$ <u>          0</u>	\$ <u>    1,352</u>	\$ <u>    1,352</u>	\$ <u>          0</u>
Expenditures:				
Total Expenditures	\$ <u>          0</u>	\$ <u>          0</u>	\$ <u>          0</u>	\$ <u>          0</u>
Excess of Revenues Over Expenditures	\$ <u>          0</u>	\$ <u>    1,352</u>	\$ <u>    1,352</u>	\$ <u>          0</u>
Other Financing Sources (Uses):				
Transfers Out	\$ <u>  (536,272)</u>	\$ <u>  (543,370)</u>	\$ <u>  (543,370)</u>	\$ <u>          </u>
Total Other Financing Sources (Uses)	\$ <u>  (536,272)</u>	\$ <u>  (543,370)</u>	\$ <u>  (543,370)</u>	\$ <u>          0</u>
Net Change in Fund Balances	\$ <u>  (536,272)</u>	\$ <u>  (542,018)</u>	\$ <u>  (542,018)</u>	\$ <u>          0</u>
Fund Balances - Beginning	<u>    542,018</u>	<u>    542,018</u>	<u>    542,018</u>	<u>          </u>
Fund Balances - Ending	\$ <u>    5,746</u>	\$ <u>          0</u>	\$ <u>          0</u>	\$ <u>          0</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-18

CEMETERY PERMANENT CARE FUND  
PERMANENT FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>150</u>	\$ <u>650</u>	\$ <u>1,014</u>	\$ <u>364</u>
Total Revenues	\$ <u>150</u>	\$ <u>650</u>	\$ <u>1,014</u>	\$ <u>364</u>
Expenditures:				
Total Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess of Revenues Over Expenditures	\$ <u>150</u>	\$ <u>650</u>	\$ <u>1,014</u>	\$ <u>364</u>
Other Financing Uses:				
Transfers Out	\$ <u>(150)</u>	\$ <u>(650)</u>	\$ <u>(1,014)</u>	\$ <u>(364)</u>
Total Other Financing Uses	\$ <u>(150)</u>	\$ <u>(650)</u>	\$ <u>(1,014)</u>	\$ <u>(364)</u>
Net Change in Fund Balances	\$ 0	\$ 0	\$ 0	\$ 0
Fund Balances - Beginning	<u>351,519</u>	<u>351,519</u>	<u>351,519</u>	
Fund Balances - Ending	<u>\$ 351,519</u>	<u>\$ 351,519</u>	<u>\$ 351,519</u>	<u>\$ 0</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-19

WATER AND SEWER FUND  
 PROPRIETARY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>				
Water Sales	\$ 9,000,200	\$ 9,002,400	\$ 10,199,846	\$ 1,197,446
Sewer Charges	2,800,000	2,600,000	2,755,248	155,248
Other Services	344,850	318,520	373,467	54,947
Total Operating Revenues	<u>\$ 12,145,050</u>	<u>\$ 11,920,920</u>	<u>\$ 13,328,561</u>	<u>\$ 1,407,641</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 2,726,539	\$ 2,546,272	\$ 3,041,783	\$ (495,511)
Supplies and Materials	4,573,469	4,841,098	5,182,534	(341,436)
Contractual Services	973,560	862,571	1,030,851	(168,280)
Maintenance	1,084,928	1,175,230	1,388,437	(213,207)
Depreciation			1,632,471	(1,632,471)
Other	120,000	121,819	184,363	(62,544)
Total Operating Expenses	<u>\$ 9,478,496</u>	<u>\$ 9,546,990</u>	<u>\$ 12,460,439</u>	<u>\$ (2,913,449)</u>
Operating Income	<u>\$ 2,666,554</u>	<u>\$ 2,373,930</u>	<u>\$ 868,122</u>	<u>\$ (1,505,808)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$ 3,745	\$ 6,420	\$ 11,122	\$ 4,702
Gain/(Loss) on Disposal of Assets			10,642	10,642
Other	100,300	34,048	109,535	75,487
Interest Expense and Paying Agent Fees	(1,324,117)	(1,179,376)	(409,729)	769,647
Total Non-Operating Expenses	<u>\$ (1,220,072)</u>	<u>\$ (1,138,908)</u>	<u>\$ (278,430)</u>	<u>\$ 860,478</u>
Income Before Transfers	\$ 1,446,482	\$ 1,235,022	\$ 589,692	\$ (645,330)
Capital Contributions	1,070,199	761,900	750,000	(11,900)
Transfers Out	<u>(644,737)</u>	<u>(646,237)</u>	<u>(637,346)</u>	<u>8,891</u>
Change in Net Position	\$ 1,871,944	\$ 1,350,685	\$ 702,346	\$ (648,339)
Total Net Position - Beginning	<u>16,860,048</u>	<u>16,860,048</u>	<u>16,860,048</u>	
Total Net Position - Ending	<u>\$ 18,731,992</u>	<u>\$ 18,210,733</u>	<u>\$ 17,562,394</u>	<u>\$ (648,339)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-20

AIRPORT/INDUSTRIAL PARK  
 PROPRIETARY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>				
Commercial Rentals and Fees	\$ 1,070,612	\$ 1,024,000	\$ 1,184,708	\$ 160,708
Total Operating Revenues	<u>\$ 1,070,612</u>	<u>\$ 1,024,000</u>	<u>\$ 1,184,708</u>	<u>\$ 160,708</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 492,132	\$ 422,282	\$ 536,595	\$ (114,313)
Supplies and Materials	68,300	60,200	40,586	19,614
Contractual Services	172,675	311,249	146,054	165,195
Maintenance	366,225	232,225	155,052	77,173
Depreciation			1,207,447	(1,207,447)
Other	2,000	2,000	109,005	(107,005)
Total Operating Expenses	<u>\$ 1,101,332</u>	<u>\$ 1,027,956</u>	<u>\$ 2,194,739</u>	<u>\$ (1,166,783)</u>
Operating Income (Expense)	<u>\$ (30,720)</u>	<u>\$ (3,956)</u>	<u>\$ (1,010,031)</u>	<u>\$ (1,006,075)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$ 250	\$ 5,000	\$ 9,886	\$ 4,886
Rents and Royalties	6,580	365,796	858,856	493,060
Other			211,302	211,302
Interest Expense and Paying Agent Fees	108,189	120,482	(2,715)	(123,197)
Total Non-Operating Revenues	<u>\$ 115,019</u>	<u>\$ 491,278</u>	<u>\$ 1,077,329</u>	<u>\$ 586,051</u>
Income (Loss) Before Transfers	<u>\$ 84,299</u>	<u>\$ 487,322</u>	<u>\$ 67,298</u>	<u>\$ (420,024)</u>
Capital Contributions	630,000	650,000	4,011,762	3,361,762
Transfers Out	<u>(140,665)</u>	<u>(140,665)</u>	<u>(140,665)</u>	
Change in Net Position	<u>\$ 573,634</u>	<u>\$ 996,657</u>	<u>\$ 3,938,395</u>	<u>\$ 2,941,738</u>
Total Net Position - Beginning	<u>25,124,742</u>	<u>25,124,742</u>	<u>25,124,742</u>	
Total Net Position - Ending	<u>\$ 25,698,376</u>	<u>\$ 26,121,399</u>	<u>\$ 29,063,137</u>	<u>\$ 2,941,738</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-21

EMERGENCY MEDICAL SERVICES FUND  
PROPRIETARY FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>				
Emergency Medical Services	\$ 1,468,300	\$ 1,446,100	\$ 1,788,374	\$ 342,274
Total Operating Revenues	<u>\$ 1,468,300</u>	<u>\$ 1,446,100</u>	<u>\$ 1,788,374</u>	<u>\$ 342,274</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 1,474,806	\$ 1,486,306	\$ 3,546,175	\$ (2,059,869)
Supplies and Materials	134,850	138,350	142,458	(4,108)
Contractual Services	79,986	71,186	91,155	(19,969)
Maintenance	53,839	41,750	40,305	1,445
Depreciation			84,294	(84,294)
Other	600,000	652,000	839,050	(187,050)
Total Operating Expenses	<u>\$ 2,343,481</u>	<u>\$ 2,389,592</u>	<u>\$ 4,743,437</u>	<u>\$ (2,353,845)</u>
Operating Loss	<u>\$ (875,181)</u>	<u>\$ (943,492)</u>	<u>\$ (2,955,063)</u>	<u>\$ (2,011,571)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental Revenue	\$ 413,526	\$ 462,912	\$ 453,867	\$ (9,045)
Gain/(Loss) on Disposal of Assets		(8,137)	7,082	15,219
Other	3,640	2,000	(2,763)	(4,763)
Interest Expense and Paying Agent Fees	(122,403)	(106,425)	(4,765)	101,660
Total Non-Operating Revenues (Expenses)	<u>\$ 294,763</u>	<u>\$ 350,350</u>	<u>\$ 453,421</u>	<u>\$ 103,071</u>
Loss Before Transfers	\$ (580,418)	\$ (593,142)	\$ (2,501,642)	\$ (1,908,500)
Transfers In	<u>692,933</u>	<u>815,860</u>	<u>815,860</u>	
Change in Net Position	\$ 112,515	\$ 222,718	\$ (1,685,782)	\$ (1,908,500)
Total Net Position - Beginning	<u>(1,672,049)</u>	<u>(1,672,049)</u>	<u>(1,672,049)</u>	
Total Net Position - Ending	<u>\$ (1,559,534)</u>	<u>\$ (1,449,331)</u>	<u>\$ (3,357,831)</u>	<u>\$ (1,908,500)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-22

LANDFILL FUND  
 PROPRIETARY FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>				
Landfill Fees	\$ 1,558,500	\$ 1,740,500	\$ 1,880,314	\$ 139,814
Other Services	5,000	3,000	2,978	(22)
Total Operating Revenues	<u>\$ 1,563,500</u>	<u>\$ 1,743,500</u>	<u>\$ 1,883,292</u>	<u>\$ 139,792</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 387,742	\$ 384,942	\$ 457,288	\$ (72,346)
Supplies and Materials	58,555	53,180	49,480	3,700
Contractual Services	81,746	174,686	121,795	52,891
Maintenance	58,900	58,840	47,181	11,659
Depreciation			131,628	(131,628)
Other	150,000	50,005	102,160	(52,155)
Total Operating Expenses	<u>\$ 736,943</u>	<u>\$ 721,653</u>	<u>\$ 909,532</u>	<u>\$ (187,879)</u>
Operating Income	<u>\$ 826,557</u>	<u>\$ 1,021,847</u>	<u>\$ 973,760</u>	<u>\$ (48,087)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$ 2,700	\$ 9,500	\$ 13,951	\$ 4,451
Gain/(Loss) on Disposal of Assets			(92,140)	(92,140)
Other		60,025	29,765	(30,260)
Interest Expense and Paying Agent Fees	(74,666)	(69,815)	(1,985)	67,830
Total Non-Operating Expenses	<u>\$ (71,966)</u>	<u>\$ (290)</u>	<u>\$ (50,409)</u>	<u>\$ (50,119)</u>
Income Before Transfers	\$ 754,591	\$ 1,021,557	\$ 923,351	\$ (98,206)
Capital Contributions	556,000	500,000	500,000	
Transfers Out	<u>(258,162)</u>	<u>(259,000)</u>	<u>(258,162)</u>	<u>838</u>
Change in Net Position	\$ 1,052,429	\$ 1,262,557	\$ 1,165,189	\$ (97,368)
Total Net Position - Beginning	<u>5,483,363</u>	<u>5,483,363</u>	<u>5,483,363</u>	
Total Net Position - Ending	<u>\$ 6,535,792</u>	<u>\$ 6,745,920</u>	<u>\$ 6,648,552</u>	<u>\$ (97,368)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-23

SANITATION FUND  
PROPRIETARY FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Sanitation Revenue	\$ 3,067,000	\$ 3,060,000	\$ 3,161,148	\$ 101,148
Other Services	45,000	42,000	42,803	803
Total Operating Revenues	<u>\$ 3,112,000</u>	<u>\$ 3,102,000</u>	<u>\$ 3,203,951</u>	<u>\$ 101,951</u>
OPERATING EXPENSES:				
Personnel Services	\$ 460,379	\$ 446,579	\$ 532,047	\$ (85,468)
Supplies and Materials	319,750	295,050	287,395	7,655
Contractual Services	959,944	875,135	1,018,646	(143,511)
Maintenance	268,550	291,700	330,443	(38,743)
Depreciation			262,320	(262,320)
Other	35,000	39,505	67,307	(27,802)
Total Operating Expenses	<u>\$ 2,043,623</u>	<u>\$ 1,947,969</u>	<u>\$ 2,498,158</u>	<u>\$ (550,189)</u>
Operating Income	<u>\$ 1,068,377</u>	<u>\$ 1,154,031</u>	<u>\$ 705,793</u>	<u>\$ (448,238)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 400	\$ 1,800	\$ 2,591	\$ 791
Gain/(Loss) on Disposal of Assets			6,438	6,438
Other	950	900	1,025	125
Interest Expense and Paying Agent Fees	(329,644)	(297,857)	(11,930)	285,927
Total Non-Operating Expenses	<u>\$ (328,294)</u>	<u>\$ (295,157)</u>	<u>\$ (1,876)</u>	<u>\$ 293,281</u>
Income Before Transfers	\$ 740,083	\$ 858,874	\$ 703,917	\$ (154,957)
Transfers Out	<u>\$ (289,670)</u>	<u>\$ (290,000)</u>	<u>\$ (289,670)</u>	<u>\$ 330</u>
Change in Net Position	\$ 450,413	\$ 568,874	\$ 414,247	\$ (154,627)
Total Net Position - Beginning	<u>1,168,792</u>	<u>1,168,792</u>	<u>1,168,792</u>	
Total Net Position - Ending	<u>\$ 1,619,205</u>	<u>\$ 1,737,666</u>	<u>\$ 1,583,039</u>	<u>\$ (154,627)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-24

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2016

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-7)</u>
<b>ASSETS:</b>					
Current Assets					
Cash and Cash Equivalents	\$ 164	\$	\$ 990,792	\$ 223,404	\$ 1,214,360
Due from Other Funds		4,028			4,028
Total Current Assets	<u>\$ 164</u>	<u>\$ 4,028</u>	<u>\$ 990,792</u>	<u>\$ 223,404</u>	<u>\$ 1,218,388</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	3,905				3,905
Total Noncurrent Assets	<u>\$ 13,905</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,905</u>
Total Assets	<u>\$ 14,069</u>	<u>\$ 4,028</u>	<u>\$ 990,792</u>	<u>\$ 223,404</u>	<u>\$ 1,232,293</u>
<b>LIABILITIES:</b>					
Current Liabilities					
Accounts Payable	\$ 1,508	\$	\$ 14,434	\$ 190,589	\$ 206,531
Claims and Judgments Payable		135,855	428,989		564,844
Due to Other Funds	12,500	163,380	1,022	32,815	209,717
Long Term Debt - Current	1,403				1,403
Total Current Liabilities	<u>\$ 15,411</u>	<u>\$ 299,235</u>	<u>\$ 444,445</u>	<u>\$ 223,404</u>	<u>\$ 982,495</u>
Noncurrent Liabilities					
Long Term Debt	\$ 6,227	\$	\$	\$	\$ 6,227
Total Noncurrent Liabilities	<u>\$ 6,227</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,227</u>
Total Liabilities	<u>\$ 21,638</u>	<u>\$ 299,235</u>	<u>\$ 444,445</u>	<u>\$ 223,404</u>	<u>\$ 988,722</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	\$ 6,275	\$	\$	\$	\$ 6,275
Unrestricted Net Position	<u>(13,844)</u>	<u>(295,207)</u>	<u>546,347</u>	<u></u>	<u>237,296</u>
Total Net Position	<u>\$ (7,569)</u>	<u>\$ (295,207)</u>	<u>\$ 546,347</u>	<u>\$ 0</u>	<u>\$ 243,571</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-25

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Total Internal Service Funds (See Exhibit A-8)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$	\$ 2,297,117	\$ 340,000	\$ 2,637,117
Total Operating Revenues	<u>\$ 0</u>	<u>\$ 2,297,117</u>	<u>\$ 340,000</u>	<u>\$ 2,637,117</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 8,577	\$	\$ 251,716	\$ 8,577
Contractual Services	9,947	2,598,817	251,716	2,860,480
Maintenance	15,743			15,743
Depreciation	3,334			3,334
Other		414,578	26,735	441,313
Total Operating Expenses	<u>\$ 37,601</u>	<u>\$ 3,013,395</u>	<u>\$ 278,451</u>	<u>\$ 3,329,447</u>
Operating Income (Loss)	<u>\$ (37,601)</u>	<u>\$ (716,278)</u>	<u>\$ 61,549</u>	<u>\$ (692,330)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$	\$ 627	\$ 2,728	\$ 3,355
Other Income	14,647	149,022		163,669
Interest Expense and Paying Agent Fees	(376)			(376)
Total Non-Operating Revenues (Expenses)	<u>\$ 14,271</u>	<u>\$ 149,649</u>	<u>\$ 2,728</u>	<u>\$ 166,648</u>
Income (Loss) Before Transfers	\$ (23,330)	\$ (566,629)	\$ 64,277	\$ (525,682)
Transfers In (Out)		<u>153,550</u>	<u>(204,057)</u>	<u>(50,507)</u>
Change in Net Position	\$ (23,330)	\$ (413,079)	\$ (139,780)	\$ (576,189)
Total Net Position - Beginning	<u>15,761</u>	<u>117,872</u>	<u>686,127</u>	<u>819,760</u>
Total Net Position - Ending	<u>\$ (7,569)</u>	<u>\$ (295,207)</u>	<u>\$ 546,347</u>	<u>\$ 243,571</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-26

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-9)
Cash Flows from Operating Activities					
Cash Received from Interfund Services Provided	\$	\$ 2,297,117	\$ 340,000	\$	\$ 2,637,117
Cash Payments to Suppliers for Goods and Services	(22,607)	(2,738,023)	(279,216)	29,234	(3,010,612)
Net Cash Provided by (Used in) Operating Activities	<u>\$ (22,607)</u>	<u>\$ (440,906)</u>	<u>\$ 60,784</u>	<u>\$ 29,234</u>	<u>\$ (373,495)</u>
Cash Flows from Non-Capital Financing Activities:					
Cash Transfers	\$	\$ 153,550	\$ (204,057)	\$	\$ (50,507)
Various Reimbursements	14,647	149,022			163,669
Net Cash Provided by (Used in) Non-Capital Financing Activities	<u>\$ 14,647</u>	<u>\$ 302,572</u>	<u>\$ (204,057)</u>	<u>\$ 0</u>	<u>\$ 113,162</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (1,723)	\$	\$	\$	\$ (1,723)
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	\$	\$ 627	\$ 2,728	\$	\$ 3,355
Net Cash Provided by Investing Activities	<u>\$ 0</u>	<u>\$ 627</u>	<u>\$ 2,728</u>	<u>\$ 0</u>	<u>\$ 3,355</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (9,683)	\$ (137,707)	\$ (140,545)	\$ 29,234	\$ (258,701)
Cash and Cash Equivalents at Beginning of Year	9,847	137,707	1,131,337	194,170	1,473,061
Cash and Cash Equivalents at End of Year	<u>\$ 164</u>	<u>\$ 0</u>	<u>\$ 990,792</u>	<u>\$ 223,404</u>	<u>\$ 1,214,360</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (37,601)	\$ (716,278)	\$ 61,549	\$ 0	\$ (692,330)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	\$ 3,334	\$	\$	\$	\$ 3,334
Change in Assets and Liabilities					
Decrease (Increase) in Interfund Receivables		56,035		1,123	57,158
Increase (Decrease) in Accounts Payable	(664)	59,113	(765)	109,644	167,328
Increase (Decrease) in Interfund Payables	12,324	160,224		(81,533)	91,015
Total Adjustments	<u>\$ 14,994</u>	<u>\$ 275,372</u>	<u>\$ (765)</u>	<u>\$ 29,234</u>	<u>\$ 318,835</u>
Net Cash Provided by (Used in) Operating Activities	<u>\$ (22,607)</u>	<u>\$ (440,906)</u>	<u>\$ 60,784</u>	<u>\$ 29,234</u>	<u>\$ (373,495)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-27

**GARAGE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Billings to Departments and Employees	\$ 22,000	\$ 10,000	\$ 0	\$ (10,000)
Total Operating Revenues	<u>\$ 22,000</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ (10,000)</u>
<b>OPERATING EXPENSES:</b>				
Supplies and Materials	\$ 10,035	\$ 7,150	\$ 8,577	\$ 1,427
Contractual Services	11,100	10,137	9,947	(190)
Maintenance	14,200	12,000	15,743	3,743
Depreciation			3,334	3,334
Total Operating Expenses	<u>\$ 35,335</u>	<u>\$ 29,287</u>	<u>\$ 37,601</u>	<u>\$ 8,314</u>
Operating Loss	<u>\$ (13,335)</u>	<u>\$ (19,287)</u>	<u>\$ (37,601)</u>	<u>\$ (18,314)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Other Income	\$ 5,000	\$ 14,648	\$ 14,647	\$ (1)
Interest Expense and Paying Agent Fees	(1,723)	(1,723)	(376)	1,347
Total Non-Operating Expenses	<u>\$ 3,277</u>	<u>\$ 12,925</u>	<u>\$ 14,271</u>	<u>\$ 1,346</u>
Change in Net Position	\$ (10,058)	\$ (6,362)	\$ (23,330)	\$ (16,968)
Total Net Position - Beginning	<u>15,761</u>	<u>15,761</u>	<u>15,761</u>	<u></u>
Total Net Position - Ending	<u>\$ 5,703</u>	<u>\$ 9,399</u>	<u>\$ (7,569)</u>	<u>\$ (16,968)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-28

HEALTH INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ <u>2,217,000</u>	\$ <u>2,467,500</u>	\$ <u>2,297,117</u>	\$ <u>(170,383)</u>
Total Operating Revenues	\$ <u>2,217,000</u>	\$ <u>2,467,500</u>	\$ <u>2,297,117</u>	\$ <u>(170,383)</u>
OPERATING EXPENSES:				
Contractual Services	\$ 1,745,000	\$ 2,220,000	\$ 2,598,817	\$ (378,817)
Other	374,550	450,000	414,578	35,422
Total Operating Expenses	\$ <u>2,119,550</u>	\$ <u>2,670,000</u>	\$ <u>3,013,395</u>	\$ <u>(343,395)</u>
Operating Loss	\$ <u>97,450</u>	\$ <u>(202,500)</u>	\$ <u>(716,278)</u>	\$ <u>(513,778)</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 400	\$ 410	\$ 627	\$ 217
Other Income		28,244	149,022	120,778
Total Non-Operating Revenues	\$ <u>400</u>	\$ <u>28,654</u>	\$ <u>149,649</u>	\$ <u>120,995</u>
Loss Before Transfers	\$ 97,850	\$ (173,846)	\$ (566,629)	\$ (392,783)
Transfers In/(Out)	<u>(46,450)</u>	<u>153,550</u>	<u>153,550</u>	
Change in Net Position	\$ 51,400	\$ (20,296)	\$ (413,079)	\$ (392,783)
Total Net Position - Beginning	<u>117,872</u>	<u>117,872</u>	<u>117,872</u>	
Total Net Position - Ending	\$ <u>169,272</u>	\$ <u>97,576</u>	\$ <u>(295,207)</u>	\$ <u>(392,783)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-29

OCCUPATIONAL ACCIDENT INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Billings to Departments and Employees	\$ 340,000	\$ 340,000	\$ 340,000	\$
Total Operating Revenues	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 0</u>
<b>OPERATING EXPENSES:</b>				
Contractual Services	\$ 145,000	\$ 145,000	\$ 251,716	\$ (106,716)
Other	24,685	24,685	26,735	(2,050)
Total Operating Expenses	<u>\$ 169,685</u>	<u>\$ 169,685</u>	<u>\$ 278,451</u>	<u>\$ (108,766)</u>
Operating Income	<u>\$ 170,315</u>	<u>\$ 170,315</u>	<u>\$ 61,549</u>	<u>\$ (108,766)</u>
<b>NON-OPERATING REVENUES:</b>				
Interest Revenue	\$ 800	\$ 2,000	\$ 2,728	\$ 728
Total Non-Operating Revenues	<u>\$ 800</u>	<u>\$ 2,000</u>	<u>\$ 2,728</u>	<u>\$ 728</u>
Income Before Transfers	\$ 171,115	\$ 172,315	\$ 64,277	\$ (108,038)
Transfers Out	<u>(4,057)</u>	<u>(204,057)</u>	<u>(204,057)</u>	<u></u>
Change in Net Position	\$ 167,058	\$ (31,742)	\$ (139,780)	\$ (108,038)
Total Net Position - Beginning	<u>686,127</u>	<u>686,127</u>	<u>686,127</u>	<u></u>
Total Net Position - Ending	<u>\$ 853,185</u>	<u>\$ 654,385</u>	<u>\$ 546,347</u>	<u>\$ (108,038)</u>

**STATISTICAL SECTION  
(Unaudited)**

## STATISTICAL SECTION

This part of the City of Big Spring's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health.

### CONTENTS

<b>Financial Trends</b>	<b>Pages</b>
This segment contains information to help the reader understand how the City's financial performance and well-being have changed over time.	103-107
<b>Revenue Capacity</b>	
This segment contains information to help the reader assess the City's most significant local revenue sources which are sales tax followed closely by property tax.	108-113
<b>Debt Capacity</b>	
This segment contains information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	114-117
<b>Economic and Demographic Information</b>	
This segment contains demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	118-119
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	120-122

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year.



CITY OF BIG SPRING, TEXAS

TABLE E-2

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Expenses</b>										
Governmental Activities										
General Government	\$ 1,553,112	\$ 1,793,992	\$ 1,824,360	\$ 2,036,771	\$ 2,208,403	\$ 1,465,600	\$ 2,271,190	\$ 2,949,162	\$ 2,827,225	\$ 3,610,242
Public Safety	34,574,020	7,500,329	8,224,479	8,959,484	8,858,090	10,206,784	9,169,573	10,019,614	9,793,329	8,121,985
Highways and Streets	1,539,111	1,851,028	2,142,249	2,004,963	2,166,500	2,818,290	2,856,428	3,241,167	2,752,555	3,074,989
Sanitation	1,739,329	1,776,428	2,260,078	1,843,457	1,971,841	1,917,764	2,245,954			
Community Service	85,350	367,619	498,303	518,615	541,643	488,382	544,265	445,156	388,350	485,436
Recreation and Parks	923,075	1,420,690	1,404,752	1,616,841	2,249,772	2,141,638	2,576,760	2,704,295	2,885,114	2,922,106
Cemetery	143,459	149,141	190,062	146,107	138,837	136,214	197,462	178,970	112,931	157,622
Economic Development	1,626,113	1,862,701	1,867,545	1,816,715	1,997,635	2,597,377	2,653,925	579,099	1,885,570	884,174
Interest on Long-Term Debt	505,857	796,014	771,681	814,498	864,355	820,539	775,200	731,792	721,634	545,700
Total Governmental Activities Expenses	\$ 42,689,426	\$ 17,517,942	\$ 19,183,509	\$ 19,757,451	\$ 20,997,076	\$ 22,592,588	\$ 23,290,757	\$ 20,849,255	\$ 21,366,708	\$ 19,802,254
Business-Type Activities										
Water and Sewer	\$ 8,736,468	\$ 9,133,088	\$ 9,959,780	\$ 10,851,962	\$ 10,285,767	\$ 10,276,144	\$ 10,619,316	\$ 11,017,032	\$ 11,630,379	\$ 12,870,168
Airport/Industrial Park	1,787,590	1,473,504	1,536,701	1,516,681	1,713,690	1,703,282	1,865,245	1,871,990	1,926,139	2,197,454
Emergency Medical Services	1,537,351	2,047,764	1,991,905	2,183,830	2,293,215	2,316,840	2,732,967	2,439,037	2,263,904	4,748,202
Landfill								786,699	956,719	911,517
Sanitation								2,375,412	2,604,324	2,510,088
Malone & Hogan Clinic							196,300	304,504	333,196	149,171
Total Business-Type Activities Expenses	\$ 12,061,409	\$ 12,654,356	\$ 13,488,386	\$ 14,552,473	\$ 14,292,672	\$ 14,296,266	\$ 15,413,828	\$ 18,794,674	\$ 19,714,661	\$ 23,386,600
Total Primary Government Expenses	\$ 54,750,835	\$ 30,172,298	\$ 32,671,895	\$ 34,309,924	\$ 35,289,748	\$ 36,888,854	\$ 38,704,585	\$ 39,643,929	\$ 41,081,369	\$ 43,188,854
<b>Program Revenues</b>										
Governmental Activities										
Charges for Services										
Public Safety	\$ 27,965,372	\$	\$	\$	\$	\$	\$	\$	\$ 383,893	\$ 463,439
Sanitation	2,284,695	2,408,181	2,789,526	2,735,430	2,860,676	2,914,021	2,905,146			
Community Service	91,453	95,691	53,727	50,740	37,848	40,464	26,867	25,095	20,015	21,532
Recreation and Parks	218,268	364,201	421,657	407,605	731,107	850,840	977,787	934,612	896,820	689,922
Cemetery									97,334	104,927
General Government	50,173	318,536	194,274	223,348	238,024	233,895	287,084	381,874	321,863	425,291
Economic Development										15,046
Operating Grants and Contributions	140,642	442,151	257,142	227,973	241,571	200,736	280,323	263,453	161,905	178,985
Capital Grants and Contributions	37,364	16,207	52,370	135,368	99,993					
Total Governmental Activities Program Revenues	\$ 30,787,967	\$ 3,644,967	\$ 3,768,696	\$ 3,780,464	\$ 4,209,219	\$ 4,239,956	\$ 4,477,207	\$ 1,605,034	\$ 1,881,830	\$ 1,899,142
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 8,259,517	\$ 9,313,289	\$ 9,594,378	\$ 9,702,905	\$ 10,399,803	\$ 12,510,503	\$ 12,139,757	\$ 11,887,981	\$ 12,818,098	\$ 13,328,561
Airport/Industrial Park	722,052	834,312	806,400	847,816	864,539	942,427	1,134,065	1,099,100	1,172,073	1,184,708
Emergency Medical Services	1,357,381	1,350,445	1,808,569	1,747,596	1,732,690	1,729,411	1,728,680	1,325,358	1,488,687	1,788,374
Landfill								1,437,172	1,629,385	1,883,292
Sanitation								2,653,868	3,380,689	3,203,951
Malone & Hogan Clinic								198,983	289,171	138,695
Operating Grants and Contributions			203,042	163,875	181,052	156,348	173,337	966,157	456,771	453,867
Capital Grants and Contributions			4,584,321			1,243,346	2,304,000	2,612,347	2,569,184	5,261,762
Total Business-Type Activities Program Revenues	\$ 10,338,950	\$ 11,498,046	\$ 16,996,710	\$ 12,462,192	\$ 13,178,084	\$ 16,582,035	\$ 17,678,822	\$ 22,271,154	\$ 23,782,725	\$ 27,243,210
Total Primary Government Program Revenues	\$ 41,126,917	\$ 15,143,013	\$ 20,765,406	\$ 16,242,656	\$ 17,387,303	\$ 20,821,991	\$ 22,156,029	\$ 23,876,188	\$ 25,664,555	\$ 29,142,352
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (19,484,878)	\$ (17,903,112)
Business-Type Activities	(1,722,459)	(1,156,310)	3,508,324	(2,090,281)	(1,114,588)	2,285,769	2,264,994	3,476,480	4,068,064	3,856,610
Total Primary Government Net Expense	\$ (13,623,918)	\$ (15,029,285)	\$ (11,906,489)	\$ (18,067,268)	\$ (17,902,445)	\$ (16,066,863)	\$ (16,548,556)	\$ (15,767,741)	\$ (15,416,814)	\$ (14,046,502)

**GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2012	2014	2015	2016
Net (Expense) Revenue										
Governmental Activities	\$ (14,949,888)	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (17,903,112)
Business-Type Activities	<u>(1,442,133)</u>	<u>(1,722,459)</u>	<u>(1,156,310)</u>	<u>3,508,324</u>	<u>(2,090,281)</u>	<u>(1,114,588)</u>	<u>2,285,769</u>	<u>2,264,994</u>	<u>3,476,480</u>	<u>3,856,610</u>
Total Primary Government Net Expense	<u>\$ (16,392,021)</u>	<u>\$ (13,623,918)</u>	<u>\$ (15,029,285)</u>	<u>\$ (11,906,489)</u>	<u>\$ (18,067,268)</u>	<u>\$ (17,902,445)</u>	<u>\$ (16,066,863)</u>	<u>\$ (16,548,556)</u>	<u>\$ (15,767,741)</u>	<u>\$ (14,046,502)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$ 3,075,336	\$ 3,252,311	\$ 5,068,566	\$ 5,400,654	\$ 5,558,497	\$ 5,542,990	\$ 5,261,553	\$ 5,161,268	\$ 5,566,502	\$ 6,575,360
Sales Taxes	4,969,337	5,369,792	6,047,491	5,778,812	5,734,386	6,479,539	7,721,480	8,915,307	6,347,971	6,354,361
Gross Receipts Taxes	1,864,360	1,477,481	1,522,960	1,414,058	1,428,017	1,468,738	1,530,152	1,553,002	1,631,818	1,392,071
Motel Occupancy Taxes	369,762	478,512	694,339	505,456	499,279	732,252	1,145,353	1,339,310	1,512,024	967,870
Unrestricted Grants and Contributions	1,769,263	942,137	1,053,729	1,182,689	1,126,704	1,144,321	1,077,560	992,900	1,200,350	756,762
Investment Earnings	390,416	1,023,253	844,532	186,464	71,567	51,606	38,154	33,510	17,681	33,262
Miscellaneous	1,017,673	1,236,171	1,364,251	1,450,330	1,265,495	1,383,766	1,469,698	1,284,148	1,805,292	1,320,595
Transfers	<u>(250,000)</u>	<u>570,670</u>	<u>(296,038)</u>	<u>(215,821)</u>	<u>687,099</u>	<u>593,937</u>	<u>(1,447,344)</u>	<u>598,536</u>	<u>301,970</u>	<u>335,522</u>
Total Governmental Activities	<u>\$ 13,206,147</u>	<u>\$ 14,350,327</u>	<u>\$ 16,299,830</u>	<u>\$ 15,702,642</u>	<u>\$ 16,371,044</u>	<u>\$ 17,397,149</u>	<u>\$ 16,796,606</u>	<u>\$ 19,877,981</u>	<u>\$ 18,383,608</u>	<u>\$ 17,735,803</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$ 208,557	\$ 217,009	\$ 1,036,216	\$	\$	\$	\$	\$	\$	\$
Investment Earnings	142,904	276,256	106,972	20,005	1,646	1,252	2,374	12,897	7,819	37,572
Other	15,865	450	3,711	6,737	24,814	20,272	24,989	(5,816)	2,081,058	(500,275)
Transfers	<u>250,000</u>	<u>(570,670)</u>	<u>296,038</u>	<u>215,821</u>	<u>(687,099)</u>	<u>(593,937)</u>	<u>1,447,344</u>	<u>(598,536)</u>	<u>(301,970)</u>	<u>(335,522)</u>
Total Business-Type Activities	<u>\$ 617,326</u>	<u>\$ (76,955)</u>	<u>\$ 1,442,937</u>	<u>\$ 242,563</u>	<u>\$ (660,639)</u>	<u>\$ (572,413)</u>	<u>\$ 1,474,707</u>	<u>\$ (591,455)</u>	<u>\$ 1,786,907</u>	<u>\$ (798,225)</u>
Total Primary Government	<u>\$ 13,823,473</u>	<u>\$ 14,273,372</u>	<u>\$ 17,742,767</u>	<u>\$ 15,945,205</u>	<u>\$ 15,710,405</u>	<u>\$ 16,824,736</u>	<u>\$ 18,271,313</u>	<u>\$ 19,286,526</u>	<u>\$ 20,170,515</u>	<u>\$ 16,937,578</u>
Change in Net Position										
Governmental Activities	\$ (1,743,741)	\$ 2,448,868	\$ 2,426,855	\$ 287,829	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 1,064,431	\$ (860,613)	\$ (167,309)
Business-Type Activities	<u>(824,807)</u>	<u>(1,799,414)</u>	<u>286,627</u>	<u>3,750,887</u>	<u>(2,750,920)</u>	<u>(1,687,001)</u>	<u>3,760,476</u>	<u>1,673,539</u>	<u>5,263,387</u>	<u>3,058,385</u>
Total Primary Government	<u>\$ (2,568,548)</u>	<u>\$ 649,454</u>	<u>\$ 2,713,482</u>	<u>\$ 4,038,716</u>	<u>\$ (2,356,863)</u>	<u>\$ (1,077,709)</u>	<u>\$ 2,204,450</u>	<u>\$ 2,737,970</u>	<u>\$ 4,402,774</u>	<u>\$ 2,891,076</u>

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

		<b>Pre-GASB 54</b>					
		Fiscal Year					
		2007	2008	2009	2010		
General Fund							
Reserved	\$	21,675	12,770	17,894	8,818		
Unreserved		<u>6,426,470</u>	<u>7,764,191</u>	<u>8,607,986</u>	<u>7,314,099</u>		
Total General Fund	\$	<u><u>6,448,145</u></u>	<u><u>7,776,961</u></u>	<u><u>8,625,880</u></u>	<u><u>7,322,917</u></u>		
All Other Governmental Funds							
Reserved for Cemetery Care	\$	351,511	351,511	351,511	351,511		
Reserved for Debit Service Funds		81,581	225,862	263,432	236,291		
Reserved for Capital Projects		15,065,374	12,221,769	2,579,548	5,484,028		
Unreserved, Reported in:							
Special Revenue Funds		2,815,706	3,137,862	3,045,361	1,717,260		
Capital Projects Funds		<u>1,717,025</u>	<u>1,781,662</u>	<u>1,829,311</u>	<u>1,919,549</u>		
Total All Other Governmental Funds	\$	<u><u>20,031,197</u></u>	<u><u>17,718,666</u></u>	<u><u>8,069,163</u></u>	<u><u>9,708,639</u></u>		
		<b>Post-GASB 54</b>					
		Fiscal Year					
		2011	2012	2013	2014	2015	2016
General Fund							
Nonspendable	\$	30,344	40,815	48,631	24,125	23,737	22,240
Restricted						19,248	10,773
Committed		2,759,003	3,004,648	3,254,712			
Unassigned		<u>5,553,475</u>	<u>6,899,206</u>	<u>7,455,110</u>	<u>6,043,847</u>	<u>6,094,440</u>	<u>6,089,826</u>
Total General Fund	\$	<u><u>8,342,822</u></u>	<u><u>9,944,669</u></u>	<u><u>10,758,453</u></u>	<u><u>6,067,972</u></u>	<u><u>6,137,425</u></u>	<u><u>6,122,839</u></u>
All Other Governmental Funds							
Nonspendable	\$	353,324	353,370	351,511	351,519	351,519	351,519
Restricted		5,466,336	2,425,192	2,957,202	2,992,841	2,994,729	1,556,921
Committed		<u>591,464</u>	<u>322,535</u>	<u>184,558</u>	<u>880,997</u>	<u>423,555</u>	<u>179,598</u>
Total All Other Governmental Funds	\$	<u><u>6,411,124</u></u>	<u><u>3,101,097</u></u>	<u><u>3,493,271</u></u>	<u><u>4,225,357</u></u>	<u><u>3,769,803</u></u>	<u><u>2,088,038</u></u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Revenues</b>										
Taxes	\$ 10,579,730	\$ 13,321,348	\$ 13,059,530	\$ 13,203,041	\$ 14,228,655	\$ 15,689,578	\$ 16,976,475	\$ 14,999,605	\$ 16,798,695	\$ 15,234,110
Licenses, Fees, and Permits	220,018	311,572	186,062	213,509	229,314	225,050	279,026	373,964	314,981	378,798
Fines and Penalties	295,996	317,535	361,425	451,300	464,054	485,534	402,604	402,282	352,406	1,066,092
Charges for Services	2,567,774	2,860,629	3,267,596	3,002,540	3,179,692	3,204,314	3,210,841	62,451	39,343	28,537
Recreation		364,201	421,657	407,605	731,107	850,840	977,787	934,612	896,820	422,150
Intergovernmental	29,078,145	1,512,088	1,492,201	1,492,007	1,386,686	1,278,297	1,273,084	1,462,302	1,107,031	689,922
Investment Earnings	1,023,253	844,532	186,464	71,567	49,298	35,385	28,833	14,382	15,781	29,907
Other Revenues	804,341	783,474	683,754	682,384	761,982	743,179	897,198	1,274,850	845,652	1,276,344
<b>Total Revenues</b>	<b>\$ 44,569,257</b>	<b>\$ 20,315,379</b>	<b>\$ 19,658,689</b>	<b>\$ 19,523,953</b>	<b>\$ 21,030,788</b>	<b>\$ 22,512,177</b>	<b>\$ 24,045,848</b>	<b>\$ 19,524,448</b>	<b>\$ 20,370,709</b>	<b>\$ 19,125,860</b>
<b>Expenditures</b>										
General Government	\$ 1,509,104	\$ 1,943,501	\$ 1,754,193	\$ 1,861,001	\$ 1,968,659	\$ 1,869,559	\$ 2,028,809	\$ 2,558,536	\$ 2,742,772	\$ 2,690,586
Public Safety	34,835,688	7,964,371	8,416,171	9,257,095	8,718,705	10,572,874	9,591,341	9,878,175	10,727,744	10,156,799
Highways and Streets	1,834,063	2,593,080	6,927,490	4,820,334	2,052,702	2,054,093	2,070,155	2,390,778	1,986,967	2,788,053
Sanitation	1,675,718	1,986,031	1,766,181	2,210,220	1,604,844	2,251,328	3,368,138			441,448
Community Service	85,350	409,001	489,450	528,189	529,711	476,450	534,888	440,099	399,761	1,929,483
Recreation and Parks	2,425,815	2,815,726	5,141,208	2,216,615	4,559,619	1,412,645	1,738,664	1,812,530	1,823,242	
Economic Development	1,617,966	1,931,752	1,825,613	1,832,712	2,047,073	2,583,829	2,611,025	575,969	1,706,224	1,443,657
Cemetery	139,369	166,209	215,888	125,424	116,176	115,531	195,940	189,728	97,332	179,392
Capital Outlay										
Debt Service										
Interest and Fees	189,148	1,058,840	774,219	750,003	908,500	816,451	777,180	734,474	698,954	543,544
Bond Issuance Costs										60,454
Principal	843,754	1,062,767	1,511,564	1,349,565	1,432,358	1,513,830	1,562,698	1,410,909	1,498,335	1,651,655
<b>Total Expenditures</b>	<b>\$ 45,155,975</b>	<b>\$ 21,931,278</b>	<b>\$ 28,821,977</b>	<b>\$ 24,951,158</b>	<b>\$ 23,938,347</b>	<b>\$ 23,666,590</b>	<b>\$ 24,478,838</b>	<b>\$ 19,991,198</b>	<b>\$ 21,681,331</b>	<b>\$ 21,885,071</b>
<b>Excess of Revenues</b>										
Under Expenditures	\$ (586,718)	\$ (1,615,899)	\$ (9,163,288)	\$ (5,427,205)	\$ (2,907,559)	\$ (1,154,413)	\$ (432,990)	\$ (466,750)	\$ (1,310,622)	\$ (2,759,211)
<b>Other Financing Sources (Uses)</b>										
Capital Leases	\$ 707,574	\$ 928,222	\$ 578,525	\$ 955,949	\$	\$ 862,139	\$ 1,243,129	\$ 693,436	\$ 719,707	\$ 862,938
Payment to Escrow Agent										(8,639,736)
Issuance of Debt	14,745,000			4,120,670						8,453,629
Transfers In (Out)	570,670	(296,038)	(215,821)	687,099	629,949	(1,415,906)	406,819	340,399	204,814	386,029
<b>Total Other Financing Sources</b>	<b>\$ 16,023,244</b>	<b>\$ 632,184</b>	<b>\$ 362,704</b>	<b>\$ 5,763,718</b>	<b>\$ 629,949</b>	<b>\$ (553,767)</b>	<b>\$ 1,649,948</b>	<b>\$ 1,033,835</b>	<b>\$ 924,521</b>	<b>\$ 1,062,860</b>
<b>Net Change in Fund Balances</b>	<b>\$ 15,436,526</b>	<b>\$ (983,715)</b>	<b>\$ (8,800,584)</b>	<b>\$ 336,513</b>	<b>\$ (2,277,610)</b>	<b>\$ (1,708,180)</b>	<b>\$ 1,216,958</b>	<b>\$ 567,085</b>	<b>\$ (386,101)</b>	<b>\$ (1,696,351)</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	2.4%	11.8%	12.0%	10.8%	11.6%	10.4%	10.8%	11.2%	11.1%	11.1%
<b>Capital Outlay</b>	<b>2,709,518</b>	<b>3,986,263</b>	<b>9,778,973</b>	<b>5,423,093</b>	<b>3,687,953</b>	<b>1,287,045</b>	<b>2,798,369</b>	<b>889,527</b>	<b>1,824,349</b>	<b>2,028,020</b>

CITY OF BIG SPRING, TEXAS

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>
2012	\$ 5,292,592	\$ 5,791,110	\$ 1,530,153	\$ 1,145,353	\$ 13,759,208
2013	5,168,855	6,686,480	1,476,216	1,339,310	14,670,861
2014	5,510,582	6,101,137	1,554,189	1,512,024	14,677,932
2015	6,156,161	7,652,209	1,529,246	1,413,372	16,750,988
2016	6,523,274	6,354,361	1,349,182	1,012,046	15,238,863
Percent Change 2012 - 2016	23.3%	9.7%	-11.8%	-11.6%	

**CITY OF BIG SPRING, TEXAS**

**TABLE E-7**

**DIRECT AND OVERLAPPING SALES TAX RATES  
LAST TEN FISCAL YEARS  
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Big Spring Economic Development Corporation</u>	<u>Total</u>	<u>State of Texas</u>	<u>Total</u>
2006-07	1.50%	0.50%	2.00%	6.25%	8.25%
2007-08	1.50%	0.50%	2.00%	6.25%	8.25%
2008-09	1.50%	0.50%	2.00%	6.25%	8.25%
2009-10	1.50%	0.50%	2.00%	6.25%	8.25%
2010-11	1.50%	0.50%	2.00%	6.25%	8.25%
2011-12	1.50%	0.50%	2.00%	6.25%	8.25%
2012-13	1.50%	0.50%	2.00%	6.25%	8.25%
2013-14	1.50%	0.50%	2.00%	6.25%	8.25%
2014-15	1.50%	0.50%	2.00%	6.25%	8.25%
2015-16	1.50%	0.50%	2.00%	6.25%	8.25%

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CITY OF BIG SPRING, TEXAS

**TABLE E-8**

**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		
2007	\$ 319,327,683	\$ 319,327,683	\$ 125,210,676	\$ 125,210,676	\$ 444,538,359	\$ 419,574,186	0.7163	100.00%
2008	350,680,525	350,680,525	131,006,987	131,006,987	481,687,512	444,538,359	1.0228	100.00%
2009	456,352,869	456,352,869	67,359,290	67,359,290	523,712,159	481,687,512	1.0132	100.00%
2010	480,480,335	480,480,335	59,928,374	59,928,374	540,408,709	523,712,159	0.9995	100.00%
2011	486,149,592	486,149,592	59,926,475	59,926,475	546,076,067	546,076,067	0.9495	100.00%
2012	485,739,452	485,739,452	61,267,318	61,267,318	547,006,770	547,006,770	0.8650	100.00%
2013	515,418,056	515,418,056	59,925,347	59,925,347	575,343,403	575,343,403	0.8566	100.00%
2014	593,152,094	593,152,094	60,893,323	60,893,323	654,045,417	654,045,417	0.8566	100.00%
2015	670,060,823	670,060,823	59,789,702	59,789,702	729,850,525	729,850,525	0.8566	100.00%
2016	809,104,747	809,104,747	66,627,315	66,627,315	875,732,062	875,732,062	0.7705	100.00%

Source: Central Appraisal District

Note: Tax rates are per \$100 of assessed value

CITY OF BIG SPRING, TEXAS

TABLE E-9

PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND TEN YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
The Coca Cola Co	\$ 20,184,430	1	2.30%	\$ 22,789,860	1	5.13%
Western Container	19,198,370	2	2.19%			
Kerr Management Inc	12,084,788	3	1.38%			
Scenic Mountain Medical Center	11,701,868	4	1.34%	10,403,246	2	2.34%
Oncor Electric Delivery	10,438,330	5	1.19%			
Weatherford Completion Systems	8,058,980	6	0.92%			
Payal Hotel Enterprises Inc	7,343,192	7	0.84%			
Wal-Mart Real Estate	7,126,977	8	0.81%	6,370,000	5	1.44%
Big Spring Hotel Partners Inc	7,043,649	9	0.80%			
Big Spring Hospitality GP LLC	6,844,963	10	0.78%			
Wal-Mart Stores Texas LP				5,764,690	6	1.30%
TXU Electric Delivery Co				9,500,440	3	2.14%
Southwestern Bell Telephone LP				6,716,060	4	1.51%
General Electirc Capital				4,013,540	7	0.91%
Scenic Mountain Med Ctr. Clinic				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%
Total	\$ <u>89,841,117</u>		<u>10.26%</u>	\$ <u>76,915,293</u>		<u>17.33%</u>

Source: Texas State Comptroller

CITY OF BIG SPRING, TEXAS

TABLE E-10

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>
2007	\$ 3,186,071	\$ 2,876,799	\$ 90.29%	\$ 302,041	\$ 3,178,840	99.77%
2008	4,932,103	4,772,535	96.76%	146,182	4,918,717	99.73%
2009	5,319,488	5,124,334	96.33%	179,532	5,303,866	99.71%
2010	5,481,753	5,275,275	96.23%	176,898	5,452,173	99.46%
2011	5,461,889	5,271,162	96.51%	167,380	5,438,542	99.57%
2012	5,198,600	5,013,337	96.44%	154,662	5,167,999	99.41%
2013	4,983,657	4,903,121	98.38%	33,849	4,936,970	99.06%
2014	5,602,553	5,261,038	93.90%	224,614	5,485,652	97.91%
2015	6,251,900	5,936,236	94.95%	102,916	6,039,153	96.60%
2016	6,747,516	6,223,217	92.23%	137,190	6,360,407	94.26%

Source: Howard County Assessor-Collector

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2016			2007		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Gasoline Stations with Convenience Stores	\$ 562,940	1	8.34%	\$ 181,875	5	3.78%
Limited-service Restaurants	511,440	2	7.58%	223,800	1	4.65%
Industrial Machinery and Equip Merchant Wholesalers	353,281	3	5.24%			
Electric Power Distribution	283,185	4	4.20%	216,304	2	4.49%
Natural Gas Distribution	260,166	5	3.86%			
Supermarkets and Other Grocery (except Convenience St	223,786	6	3.32%	201,860	3	4.19%
Wired Telecommunications Carriers	210,816	7	3.12%	155,514	6	3.23%
Wireless Telecommunications Carriers (except Satellite)	204,123	8	3.03%	138,742	9	2.88%
Pump and Pumping Equipment MFG	193,433	9	2.87%			
Other Building Material Dealers	176,279	10	2.61%			
Full Service Restaurants	158,099	11	2.34%	151,870	8	3.15%
Support Activities for Oil and Gas Operations	127,239	12	1.89%			
All Other Miscellaneous MFG				192,438	4	4.00%
Gasoline Service Stations				130,980	10	2.72%
Department Stores				124,441	11	2.58%
Crude Petroleum and Natural Gas Extractions				101,864	12	2.11%
Eating Places				154,487	7	3.21%
Total	\$ <u>3,264,787</u>		<u>48.39%</u>	\$ <u>1,974,175</u>		<u>40.98%</u>

Source: Texas State Comptroller

CITY OF BIG SPRING, TEXAS

TABLE E-12

RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN 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	Energy Conservation Loan	General Obligation Bonds	Certificate Of Obligation	Capital Leases	Energy Conservation Loan			
2016	\$ 9,380,000	\$ 3,510,000	\$ 1,816,467	\$ 843,051	\$	\$ 10,245,000	\$ 1,622,844	\$ 1,422,072	\$ 28,839,434	2.68%	927
2015	10,190,000	3,775,000	1,602,707	991,876		10,835,000	1,765,570	1,673,111	30,832,267	2.72%	989
2014	10,825,000	3,965,000	1,418,435	1,134,719		11,611,820	1,282,096	1,914,055	32,151,122	2.71%	1,057
2013	11,430,000	4,150,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2012	12,015,000	4,335,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2011	12,575,000	4,515,000	1,259,896	1,529,683	1,555,000	555,000	314,117	2,580,293	24,883,989	2.91%	799
2010	13,115,000	4,625,000	1,934,431	1,650,895	2,000,000	580,000	486,063	2,784,755	27,176,144	3.66%	1,075
2009	13,635,000	440,000	1,573,741	1,767,233	2,450,000	605,000	568,551	2,980,993	24,020,518	3.37%	952
2008	14,335,000	455,000	1,711,579	1,861,886	2,885,000	630,000	295,732	3,169,341	20,828,304	3.77%	1,005
2007	14,725,000	460,000	1,364,927		3,305,000	640,000	333,377		5,889,843	3.46%	825

CITY OF BIG SPRING, TEXAS

TABLE E-13

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST FIVE FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available in Debt Service Funds (2)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (3)</u>	<u>Net Debt Per Capita (4)</u>
2012	\$ 29,650,000	\$ 337,805	\$ 29,312,195	5.36%	\$ 1,162
2013	27,900,000	569,021	27,330,979	4.75%	1,002
2014	26,115,000	474,741	25,640,259	4.46%	940
2015	24,830,000	458,760	24,371,240	3.73%	867
2016	23,135,000	558,426	22,576,574	3.09%	782

- (1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payment.
- (3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 110 for property value data.
- (4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 118.

**CITY OF BIG SPRING, TEXAS**

**TABLE E-14**

**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*	\$ 54,565,000	*	42.79%	\$ 23,348,364
Forsan Independent School District*	19,850,000	*	0.52%	103,220
Coahoma Independent School District*	11,929,997	*	0.27%	32,211
Howard County*	9,395,000	*	26.68%	2,506,586
Howard College*	13,720,000	*	26.68%	3,660,496
Subtotal, Overlapping Debt				<u>\$ 29,650,876</u>
City of Big Spring Direct Debt	\$ 15,549,518		100%	<u>\$ 15,549,518</u>
Total Direct and Overlapping Debt				<u><u>\$ 45,200,394</u></u>

Sources: Debt outstanding data provided by each governmental unit.

Note: Overlapping debt is calculated by the shared market value of other governmental unit and the City of Big Spring divided by the total market value of the other governmental unit.

\* Gross debt

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CITY OF BIG SPRING, TEXAS

TABLE E-15

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 6,668,075	\$ 7,225,313	\$ 7,855,682	\$ 8,106,131	\$ 8,191,141	\$ 8,205,102	\$ 8,630,151	\$ 9,810,681	\$ 10,947,758	\$ 13,135,981
Total Net Debt Applicable to Limit	<u>(146,016)</u>	<u>(144,137)</u>	<u>(435,167)</u>	<u>(290,975)</u>	<u>(355,151)</u>	<u>(227,024)</u>	<u>(306,144)</u>	<u>(358,296)</u>	<u>(285,314)</u>	<u>(276,162)</u>
Legal Debt Margin	<u>\$ 6,522,059</u>	<u>\$ 7,081,176</u>	<u>\$ 7,420,515</u>	<u>\$ 7,815,156</u>	<u>\$ 7,835,990</u>	<u>\$ 7,978,078</u>	<u>\$ 8,324,007</u>	<u>\$ 9,452,385</u>	<u>\$ 10,662,444</u>	<u>\$ 12,859,819</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.19%	1.99%	5.54%	3.59%	4.34%	2.77%	3.55%	3.65%	2.61%	2.10%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ <u>875,732,062</u>
Debt Limit (1.5% Assessed Value) Assessed Value	\$ <u>13,135,981</u>
Debt Applicable to Limit:	
General Obligation Bonds	\$ 834,588
Less: Amount Set Aside for Repayment	<u>(558,426)</u>
Net Debt Applicable to Limit	\$ <u>276,162</u>
Legal Debt Margin	\$ <u>12,859,819</u>

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CITY OF BIG SPRING, TEXAS

TABLE E-16

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Population (1)	25,233	25,233	25,233	27,282	27,282	27,282	27,282	28,125	28,472	28,862
Total Personal Income	\$ 602,008,914	\$ 673,579,236	\$ 713,135,046	\$ 742,607,190	\$ 854,990,598	\$ 867,049,242	\$ 989,981,934	\$ 1,063,012,500	\$ 1,033,903,736	\$ 999,317,888
Per Capita Personal Income (1)	\$ 23,858	\$ 26,692	\$ 28,262	\$ 29,430	\$ 31,339	\$ 31,781	\$ 36,287	\$ 37,796	\$ 36,313	\$ 34,624
Median Age (1)	36	36	37	37	37	37	36	37	37	36
Unemployment (2)	4.4%	4.4%	7.5%	7.3%	6.9%	5.7%	5.3%	5.4%	4.6%	5.7%

Data Sources: (1) Bureau of Census  
(2) Bureau of Labor Statistics

CITY OF BIG SPRING, TEXAS

TABLE E-17

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2016			2007		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Big Spring ISD	608	1	4.66%	597	2	4.70%
Big Spring State Hospital	600	2	4.60%	605	1	4.63%
GEO Group	550	3	4.22%			
Veterans Administration Hospital	426	4	3.27%	480	4	3.73%
Robinson Drilling	355	5	2.72%			
Price Construction/Larado Paving	350	6	2.68%	450	5	3.49%
Wal-Mart	330	7	2.53%	350	7	2.72%
Scenic Mountain Medical Center	320	8	2.45%	350	6	2.72%
City of Big Spring	252	10	1.93%	268	8	2.08%
Basic Energy Services	250	9	1.92%			
Howard College & SWICD	245	11	1.88%	255	9	1.98%
Federal Bureau of Prisons	218	12	1.67%			
Alon USA	199	0	1.53%	204	11	1.59%
Cornell Corrections, Inc.				485	3	3.76%
U. S. Justice Department				250	10	1.94%
Howard County				170	12	1.32%
Total	<u>4,703</u>		<u>36.07%</u>	<u>4,464</u>		<u>34.66%</u>

Source: Oncor community profiles

CITY OF BIG SPRING, TEXAS

TABLE E-18

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

Function/Program	Full-Time-Equivalent Employees as of Year End									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>General Government</b>										
Management Services	8	8	8	8	9	9	9	9	9	9
Finance	5	5	5	5	5	5	5	5	5	5
Other	9	9	9	8.5	8.5	8.5	8	11	11	11
Information Technology	2	2	2	2	2	2	2	2	3	3
Convention and Visitors Bureau	1	1	1	2	2	2	2	1	3	3
<b>Police</b>										
Officers	49	54	58	54	54	49	48	52	52	51
Civilians	13	13	10	15	15	12	7	8	8	9
<b>Fire</b>										
Firefighters and Officers	45	45	45	45	45	45	44	44	44	44
Civilians	1	1	1	0.5	0.5	0.5	0.5	0.5	0.5	0.5
<b>EMS</b>										
EMS and Officers	16	16	16	16	16	16	16	16	16	16
Civilians	2	2	2	2	2	2	2	2	2	1
Refuse Collection (Landfill)	6	6	6	6	7	7	7	7	7	7
Other Public Works	17	17	21	21.5	17	18	18	17.5	17.5	19
Parks and Recreation	11	11	15	14	19	19	22	20.2	20.2	21
Service Center	8	8	8	8	8	8				
Streets	14	14	14	14	14	14	14	14	14	13
Sanitation	8	8	8	8	7	7	7	7	7	7
Airpark	7	7	5	7	7	6	6	7	7	6
Water	40	40	40	41	40	40	40	37	37	36
Wastewater	9	9	9	9	9	9	9	7	7	9
<b>Total</b>	<b>271</b>	<b>276</b>	<b>283</b>	<b>287</b>	<b>287</b>	<b>279</b>	<b>267</b>	<b>267</b>	<b>270</b>	<b>271</b>

Source: City Budget Office

CITY OF BIG SPRING, TEXAS

TABLE E-19

OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits Issued	1,460	1,482	1,196	1,267	1,262	1,386	1,616	1,444	1,491	2,207
Police										
Physical Arrests	1,704	2,225	1,320	2,743	2,466	2,158	1,984	1,948	1,638	1,870
Number of Calls for Service	19,200	29,412	26,576	35,661	37,700	33,028	30,281	32,438	35,305	40,336
Alarm Responses	647	688	742	1143	1001	1522	1616	1402	1562	1473
Fire										
Emergency Responses	427	411	442	409	424	607	1952	1971	1998	1849
EMS Service										
Number of Runs	3,164	3,660	3,088	3,275	4,057	4,272	4,815	4,732	3,768	3,837
Refuse Collection										
Collected (Tons per Day)	115	110	120	156	130	130	128	118	124	116
Water										
Active Accounts	8,677	8,727	8,600	8,579	8,687	8,693	8,754	8,847	8,733	8,537
Water Main Breaks	206	168	250	580	210	167	131	212	313	226
Average Daily Consumption (Thousands of Gallons)	4,412	5,091	5,317	5,320	4,991	3,467	4,967	5,034	5,171	4,776
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,730	2,646	2,629	2,576	2,176	2,176	3,282	2,945	2,490	3,216

Data Sources: Various City Departments

CITY OF BIG SPRING, TEXAS

TABLE E-20

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	34	35	39	43	38	41	41	43	46	40
Unmarked	17	21	19	19	17	12	12	11	20	18
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	6	6	6	6	8	8	8
Other Public Works										
Streets										
Paved (Miles)	189	189	189	189	189	189	189	189	190	190
Unpaved (Miles)	5	0.5	0.5	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Street Lights	1,810	1,808	1,808	1,784	1,779	1,873	1,873	1,862	1,862	1,863
Parks and Recreation										
Acreage	1,069	1,069	1,069	1,069	1,211	1,211	1,211	1,211	1,211	1,211
Parks	5	8	8	8	8	8	8	8	8	8
Lakes	5	2	2	2	2	2	2	2	2	2
Baseball/Softball Fields	6	6	14	14	14	14	14	14	14	14
Soccer/Football Fields			6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	177	177	177	177	177	177	177	177	178	178
Fire Hydrants	722	722	722	722	722	722	722	722	722	722
System Capacity (Thousands of Gallons)	12,500	13,450	13,450	13,450	13,450	13,450	13,450	13,450	12,500	12,500
Wastewater										
Sanitary Sewers (Miles)	125	125	125	125	125	125	125	125	127	127
Treatment Capacity (Thousands of Gallons)	2,205	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various City Departments

**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**

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

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

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Big Spring, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise City of Big Spring, Texas' basic financial statements, and have issued our report thereon dated March 22, 2017. Our report includes a reference to other auditors who audited the financial statements of Big Spring Economic Development Corporation, as described in our report on the City of Big Spring, Texas' basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Balinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

March 22, 2017