



**Comprehensive
Annual Financial Report**

**Fiscal Year Ended
September 30, 2019**

CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2019

CAFR Prepared by the Finance Department

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
INTRODUCTORY SECTION		
Letter of Transmittal		1
GFOA Certificate of Achievement		7
Organizational Chart		8
List of Principal Officials		9
FINANCIAL SECTION		
Independent Auditor's Report		10
Management's Discussion and Analysis (Required Supplementary Information)		13
Basic Financial Statements		
Government-Wide Financial Statements:		
Government-Wide – Statement of Net Position	Exhibit A-1	24
Government-Wide – Statement of Activities	Exhibit A-2	25
Fund Financial Statements:		
Balance Sheet – Governmental Funds	Exhibit A-3	26
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position	Exhibit A-4	27
Statement of Revenues, Expenditures, and		
Changes in Fund Balances – Governmental Funds	Exhibit A-5	28
Reconciliation of the Statement of Revenues, Expenditures, and		
Changes in Fund Balances of Governmental Funds to the		
Statement of Activities	Exhibit A-6	29
Statement of Net Position – Proprietary Funds	Exhibit A-7	30
Statement of Revenues, Expenses, and Changes in Fund		
Net Position – Proprietary Funds	Exhibit A-8	31
Statement of Cash Flows – Proprietary Funds	Exhibit A-9	32
Notes to Financial Statements (an Integral Part of the Basic Financial Statements)		33

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
REQUIRED SUPPLEMENTARY INFORMATION		
Schedule of Changes in Net Pension Liability and Related Ratios – TMRS	Exhibit B-1	69
Schedule of Employer Contributions - TMRS	Exhibit B-2	70
Schedule of Changes in Net Pension Liability and Related Ratios – BSFRRF	Exhibit B-3	71
Schedule of Employer Contributions – BSFRRF	Exhibit B-4	72
Schedule of Changes in the Total OPEB Liability and Related Ratios – TMRS Supplemental Death Benefit Fund	Exhibit B-5	73
Schedule of Changes in the Total OPEB Liability and Related Ratios – Big Spring Retiree Health Insurance Plan	Exhibit B-6	74
Budgetary Comparison Schedule – General Fund	Exhibit B-7	75
Notes to Required Supplementary Information		76
SUPPLEMENTARY INFORMATION		
Combining Statements and Budgetary Comparison Schedules as Supplementary Information:		
Combining Balance Sheet – Nonmajor Governmental Funds	Exhibit C-1	79
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	Exhibit C-2	80
Special Revenue Funds:		
Combining Balance Sheet – Nonmajor Special Revenue Funds	Exhibit C-3	81
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Special Revenue Funds	Exhibit C-4	82
Budgetary Comparison Schedules for Special Revenue Funds:		
Hotel/Motel Occupancy Tax Fund	Exhibit C-5	83
Employee’s College Education Fund	Exhibit C-6	84
Municipal Court Security Fund	Exhibit C-7	85
Municipal Court Technology Fund	Exhibit C-8	86
Cemetery Fund	Exhibit C-9	87
Senior Center	Exhibit C-10	88
P.E.G. Fund	Exhibit C-11	89
State Forfeiture Fund	Exhibit C-12	90
Police Department Seizure Fund	Exhibit C-13	91

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
Budgetary Comparison Schedules for Debt Service Funds:		
2007 G.O. Bonds	Exhibit C-14	92
2007 C.O. Bonds	Exhibit C-15	93
2010 C.O. Bonds	Exhibit C-16	94
2016 G.O. Refunding Bonds	Exhibit C-17	95
Budgetary Comparison Schedule for Permanent Fund:		
Cemetery Permanent Care Fund	Exhibit C-18	96
Budgetary Comparison Schedules for Proprietary Funds:		
Water and Sewer Fund	Exhibit C-19	97
Airport/Industrial Park	Exhibit C-20	98
Emergency Medical Services Fund	Exhibit C-21	99
Landfill Fund	Exhibit C-22	100
Sanitation Fund	Exhibit C-23	101
Internal Service Funds:		
Combining Statement of Net Position	Exhibit C-24	102
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	Exhibit C-25	103
Combining Statement of Cash Flows	Exhibit C-26	104
Budgetary Comparison Schedules for Internal Service Funds:		
Garage Fund	Exhibit C-27	105
Health Insurance Fund	Exhibit C-28	106
Occupational Accident Insurance Fund	Exhibit C-29	107

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS (CONCLUDED)

	<u>Statement Identification</u>	<u>Page No.</u>
STATISTICAL SECTION (Unaudited)		
Statistical Section Contents		108
Net Position by Component	Table E-1	109
Expenses, Program Revenues, and Net (Expense) Revenue	Table E-2	110
General Revenues and Total Change in Net Position	Table E-3	111
Fund Balances of Governmental Funds	Table E-4	112
Changes in Fund Balances of Governmental Funds	Table E-5	113
Tax Revenues by Sources, Governmental Funds	Table E-6	114
Direct and Overlapping Sales Tax Rates	Table E-7	115
Assessed Value and Estimated Actual Value of Taxable Property	Table E-8	116
Principal Property Taxpayers	Table E-9	117
Property Tax Levies and Collections	Table E-10	118
Sales Tax Revenue Payers by Industry	Table E-11	119
Ratios of Outstanding Debt by Type	Table E-12	120
Ratios of General Bonded Debt Outstanding	Table E-13	121
Direct and Overlapping Governmental Activities Debt	Table E-14	122
Legal Debt Margin Information	Table E-15	123
Demographic and Economic Statistics	Table E-16	124
Principal Employers	Table E-17	125
Full-Time-Equivalent City Government Employees by Function/Program	Table E-18	126
Operating Indicators by Function/Program	Table E-19	127
Capital Assets Statistics by Function/Program	Table E-20	128
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		129

INTRODUCTORY SECTION



March 18, 2020

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, 2019.

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 unmodified (“clean”) opinion on the City of Big Spring’s financial statements for the year ended September 30, 2019. 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 28,532. 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, wind energy, manufacturers of hydraulic components, carbon black, five prison facilities, 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 eleven years have hit a low of 3.7% for 2019. They have varied from this low to a high of 7.5% in 2009. The City's unemployment rate for 2019 of 3.7% was slightly above the national unemployment rate of 3.5%. 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 2018-19 year from \$7,512,851 to \$7,732,039, a 2.9% increase. Property tax rate decreased from 84.23 cents, per \$100 of assessed value, to 72.93 cents. The adjusted taxable value from the Assessor's 2018 Effective and Rollback Tax Worksheet increased from \$872,187,898 for 2017 to \$1,013,407,115 for 2018, a 16.2% increase.

Sales tax revenue increased from \$7,756,760 for year ending 9/30/2018 to \$8,160,162 for 9/30/2019, a 5.2% increase. The city's hotel occupancy tax revenue also increased from \$2,157,204 for year ending 9/30/2018 to \$2,263,860 for 9/30/2019, an 4.9% increase. 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.

The drop in oil prices during 2018-19 from 2017-18 had reduced the City's mineral royalties, although it was a still a significant contributor to the revenue. For 2018-19, mineral royalties contributed \$1,560,396 in revenue to the General Fund, and \$1,501,899 to the Airpark Fund. This compares to \$2,377,731 and \$2,759,596 for these two funds in 2017-18. For the first five months of 2019-20 these two funds received \$372,120 and \$483,248, which is in range of the 2019-20 budget, but as of the date of this letter and the few weeks preceding it, the world attention is focused on the COVID-19 virus. The economic effect of this virus combined with OPEC disagreements between Russia and Saudi Arabia has sent oil prices plummeting into the upper \$20 per barrel. This will decrease the remaining 2019-20 mineral revenues of the City to well below the original 2019-20 budget. Although property taxable values and tax is already set for 2019-20 and should not be materially affected by the virus it is too early to give an opinion on how the virus will affect the sales tax for the year. The City Sales Tax received was within budget through February.

Much of the increase in business activities from 2012 to 2018 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. The city continued to realize increases in new businesses, houses, condominiums, hotels, restaurants, and other business at the beginning of the 2019-20 year. Texas Department of Transportation, after schedule setbacks is within a year of being finished on the North Reliever Route, which was originally budgeted for approximately \$80 million. This project has kept many contractors in the City.

The extension of the federal tax credit for wind energy construction has had a positive economic impact on Big Spring as wind energy companies have established operations here.

Long-term Financial Planning

Unassigned fund balance in the General Fund was 51.5% of total General Fund expenditures. The fund balance has increased significantly over the past eleven 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 bonds, capital leases, compensated absences, pensions, other post-employment benefits (health Insurance offered to retirees at current employee cost), landfill closure and post closure totaled \$54,308,049, on September 30, 2019.

Relevant Financial Policies

The city anticipates opening a cell in a new landfill (with 100-year useful life) in approximately one year, with an anticipated cost of approximately \$6.7 million. Additionally, the city is required to set aside money for closure and post-closure of the current landfill. As of September 30, 2019, the city had \$4,369,765 set aside in investments for anticipated closure and post-closure expenditures with only a current calculated liability cost of \$3,278,109. Calculations are done annually on the liability incurred with remaining estimated capacity and forecasted expense of closure and monitoring cost after closure (post-closure).

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 has finished the Historic Big Spring Restoration project. This is a very historic location for the State of Texas as it was the only dependable water source on the southern Llano Estacado and was a sacred site for native Americans. The first European to come to the site was Cabeza de Vaca from the Galveston Island shipwreck in 1535. De Vaca held an impromptu blessing with the native Americans who saved him from starvation and exhaustion, which predates the Plymouth Thanksgiving by 85 years. This project was funded by the Hotel/Motel Occupancy Tax through the Hotel/Motel fund with grants and donations for a total of \$ 2,533,919. Some of highlights of the facility are story-boards, native stone used for construction, full handicap access, 1,600 square foot interpretive / education center, parking for up to 140 vehicles, artificial spring flow to replicate

the original historic spring, pedestrian bridges, observation decks, plaza seating for more than 1,000 people, and electric hookup for entertainment venues.

In the City's Utility fund over the course of five 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, which resulted in a record revenue year of \$14,293,028. From this revenue we have been able to pay for several rehabilitation projects in both the water and sewer plants, as well as 1.9 miles of both water and sewer pipes.

Another area in which the city continues to make improvements is the Airpark fund. By having service by air, railroad, and Interstate and Highway, the Airpark is a prime place for business in the area. Over the last five years the Big Spring Economic Development Corporation has paid and directed the extension of 5.4 miles of new rail line in the Airpark at a cost of \$9.8M. The businesses located there have seen substantial growth the last few years and the Economic Development Corporation, the Airpark Director, and the City are always in talks with businesses interested in moving operations into the Airpark.

The Aviation Division awards several grants which city management coordinates and seeks every year. In 2016-17, the City purchased two tracks of land for future entrances into the Airpark from the Hwy 87 South Reliever Route. The EDC and the Airpark have budgeted for completion of these entrances into the Airpark in the 2019-20 fiscal year with the EDC budgeting \$6,000,000 from a bank loan on future sales tax and the Airpark budgeting \$3,760,000 from existing fund balance.

In spite of all the challenges in rising costs and dwindling revenues in sales tax, and other categories, the City 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 Chaplain Corps, Potton House, Victim Services, State Park and Heritage Museum. These contributions are yearly and usually are over \$60,000.

The City is finalizing a deal with the company connected with The Settle Hotel to partnership in the cost and development of an Outdoor Plaza Park to go between the Settles Hotel and City Hall and Auditorium. Johnson St for this block would be removed. As in the style and magnitude of The Settles Hotel we expect this plaza park to make a wonderful addition for the citizens and visitors of Big Spring. It will be fenced to allow events to take place there and be available for others to use when no events are scheduled. The approximate cost is \$1 million from the City and \$2 million from the developer. The City will be able to reduce the \$1 million with like kind exchanges and then pay the remainder over three years.

In 2017-18 the City's Utility Fund purchased the former Cain Electric Building at 204 Johnson Street and has moved the city departments in the Annex Building, which were removed for the Plaza Park, as well as the water meter shop, and warehousing departments. By moving these departments to this building it has resulted in many efficiencies by housing these departments, which work together, closer to each other, as well as give the Airpark more facilities to lease to

businesses. The main purpose of the warehousing department is to provide parts for the water and sewer operations. These parts are now closer to most of the areas of the City the workers are working in.

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, 2018. This was the nineteenth 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.

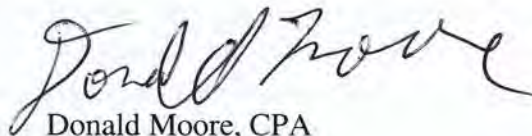
A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

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

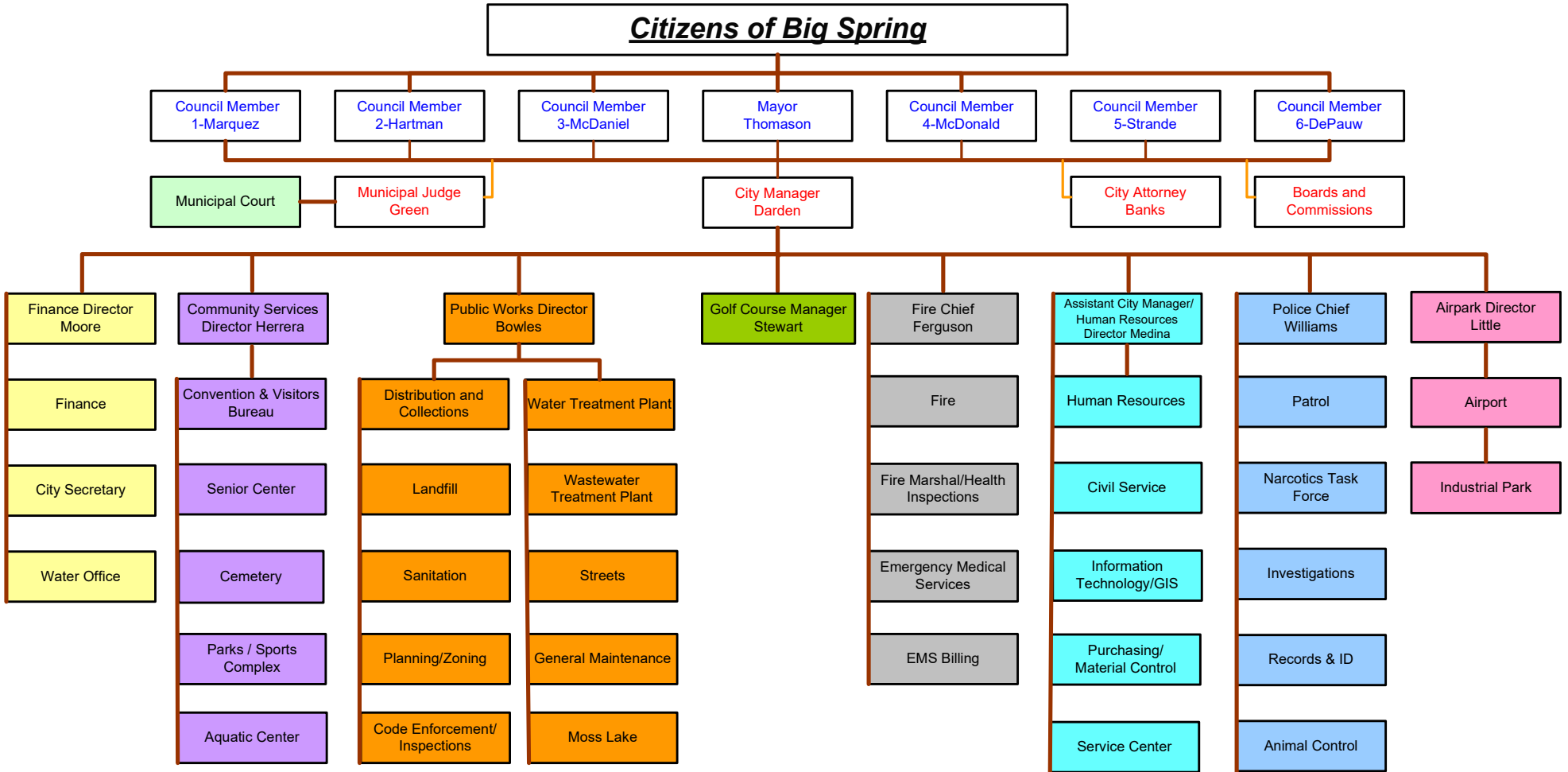
**City of Big Spring
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morill

Executive Director/CEO



CITY OF BIG SPRING, TEXAS

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2019**

Elected Officials

<u>Name</u>	<u>Office</u>
Shannon Thomason	Mayor
Raul Marquez	Mayor Pro Tem -District 1 Council Member
Doug Hartman, Jr.	District 2 Council Member
Terry McDaniel	District 3 Council Member
Gloria McDonald	District 4 Council Member
Camila Strande	District 5 Council Member
Jim DePauw	District 6 Council Member

Appointed Officials

<u>Name</u>	<u>Position</u>
Todd Darden	City Manager
Donald Moore	Finance Director/Internal Auditor
Andrew Hagen	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, the aggregate discretely presented component unit, 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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, discretely presented component unit, and the aggregate remaining fund information, of the City of Big Spring, Texas, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 changes in the total OPEB liability and related ratios, and budgetary information as listed in the table of contents 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 18, 2020 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.

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 18, 2020

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, 2019. 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, 2019 by \$129,657 (net position). Of this amount, the unrestricted net position had a small decrease of \$772 from \$4,838 to \$4,066.
- The City's total net position increased by \$1,123. Net Pension Liability increased \$5,653 mainly due to investment market valuation decrease at end of calendar year 2018 the fiscal year-end of TMRS (Non-Fire Employees) and BSFRRF (Firemen's) retirement funds. The investment market valuation experienced a strong upswing in the first days of January 2019 reversing this devaluation.
- The City's governmental funds reported combined ending fund balance is \$12,642 of which \$10,873, an increase of \$3,493, is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$10,873, or 51.5% of total general fund revenues and 56.2% of total expenditures.
- The City has reduced Bond and Capital Lease Debt by \$9,012 from \$31,375 at 9/30/2012 to \$22,363 at 9/30/2019, a 28.7% reduction.

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 \$129,657 at September 30, 2019.

The largest portion of the City's net position 95.7% 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	
	2019	2018	2019	2018	2019	2018
Assets:						
Cash and Cash Equivalents	\$ 13,215	\$ 12,070	\$ 20,723	\$ 20,642	\$ 33,938	\$ 32,712
Receivables	882	1,003	2,772	2,740	3,654	3,743
Internal Balances	520	568	(520)	(568)	0	0
Due from Other Governments	868	869			868	869
Capital Assets	87,076	87,997	60,851	58,931	147,926	146,928
Other Assets	5	1	464	480	469	481
Total Assets	<u>\$ 102,566</u>	<u>\$ 102,508</u>	<u>\$ 84,290</u>	<u>\$ 82,225</u>	<u>\$ 186,856</u>	<u>\$ 184,733</u>
Deferred Outflows of Resources	\$ 4,473	\$ 1,780	\$ 1,848	\$ 429	\$ 6,321	\$ 2,209
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 1,689	\$ 2,109	\$ 2,016	\$ 1,627	\$ 3,704	\$ 3,736
Current Portion of Long-term Liabilities	2,100	2,130	1,870	1,849	3,970	3,979
Long-term Liabilities	31,254	28,536	23,054	21,794	54,308	50,330
Total Liabilities	<u>\$ 35,043</u>	<u>\$ 32,775</u>	<u>\$ 26,939</u>	<u>\$ 25,270</u>	<u>\$ 61,982</u>	<u>\$ 58,045</u>
Deferred Inflows of Resources	1,057	1,171	481	533	1,538	0
Net Position:						
Invested in Capital Assets	\$ 75,148	\$ 74,780	\$ 48,922	\$ 46,323	\$ 124,069	\$ 121,103
Restricted	1,522	1,251			1,522	1,251
Unrestricted	(5,730)	(5,689)	9,796	10,528	4,066	4,839
Total Net Position	<u>\$ 70,940</u>	<u>\$ 70,342</u>	<u>\$ 58,718</u>	<u>\$ 56,851</u>	<u>\$ 129,657</u>	<u>\$ 127,193</u>

The City has restricted net position totaling 3.1% 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 \$4,066.

There was an overall increase of \$2,966 in net investment in capital assets, with capital assets in governmental activities increasing by \$368 and capital assets in business-type activities increasing by \$2,599. 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)

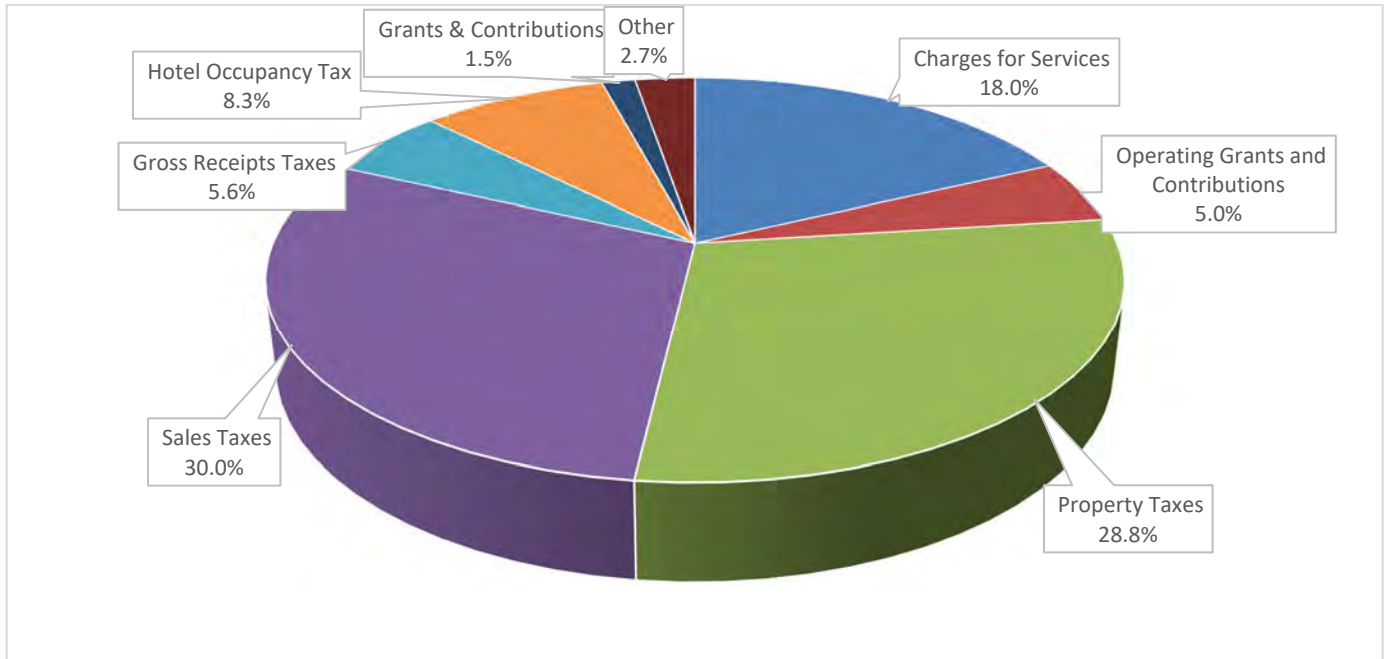
	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues						
Charges for Services	\$ 3,820	\$ 4,665	\$ 23,056	\$ 22,497	\$ 26,876	\$ 27,162
Operating Grants and Contributions	1,240	1,296			1,240	1,296
Capital Grants and Contributions			2,188	3,447	2,188	3,447
General Revenues						
Property Taxes	8,023	7,464			8,023	7,464
Sales Taxes	8,160	7,757			8,160	7,757
Gross Receipts Taxes	1,562	1,456			1,562	1,456
Hotel Occupancy Tax	2,264	2,157			2,264	2,157
Grants and Contributions Not						
Restricted to Specific Programs	28	389	99	12	127	401
Unrestricted Investment Earnings	224	107	361	192	585	299
Miscellaneous	697	590	1,731	3,096	2,428	3,686
Total Revenues	\$ 26,018	\$ 25,881	\$ 27,434	\$ 29,244	\$ 53,452	\$ 51,439
Expenses:						
Water and Sewer	\$	\$	\$ 13,198	\$ 12,503	\$ 13,198	\$ 12,503
Airport/Industrial Park			2,614	2,978	2,614	2,978
Emergency Medical Services			3,927	3,900	3,927	3,900
Landfill			2,123	2,365	2,123	2,365
Sanitation			3,137	2,499	3,137	2,499
General Government	3,406	2,322			3,406	2,322
Public Safety	12,727	10,610			12,727	10,610
Highways and Streets	3,690	3,141			3,690	3,141
Recreation and Parks	3,104	2,936			3,104	2,936
Economic Development	2,167	1,260			2,167	1,260
Other	895	956			895	956
Total Expenses	\$ 25,990	\$ 21,225	\$ 24,998	\$ 24,245	\$ 50,988	\$ 45,470
Increase in Net Position Before Transfers	\$ 29	\$ 4,656	\$ 2,436	\$ 4,999	\$ 2,465	\$ 9,655
Transfers	569	1,042	(569)	(1,042)	0	0
Increase (Decrease) in Net Position	\$ 598	\$ 5,698	\$ 1,867	\$ 3,957	\$ 2,465	\$ 9,655
Net Position-Beginning	70,342	67,304	56,851	54,057	127,193	119,636
Prior Period Adjustment - GASB 75		(2,660)		(1,163)	0	1,497
Net Position-Ending	\$ 70,940	\$ 70,342	\$ 58,718	\$ 56,851	\$ 129,657	\$ 127,193

Governmental Activities - Governmental activities resulted in an increase of \$598 in the City's net position. Revenue increases were primarily the results of a good local economy from increased oil exploration and production, oil related businesses such as fracking sand and pipelines, wind turbine activity, as well as Texas Department of Transportation highway projects. These activities brought more people into the area.

Key elements of this increase are as follows:

- Projects totaling \$1,533 originally budgeted for the fiscal year were for various reasons unable to be completed by year-end and were moved into the following year, 9/30/2020.
- Sales tax revenue increased by \$403, a 5.4% increase over the previous year.
- Hotel occupancy tax increased by \$107 an 13.8% increase over the previous year.
- Mineral royalties for Governmental Activities decreased by \$817 a 34% increase over the previous year. This amount is in the Charges for Services under Program Revenues

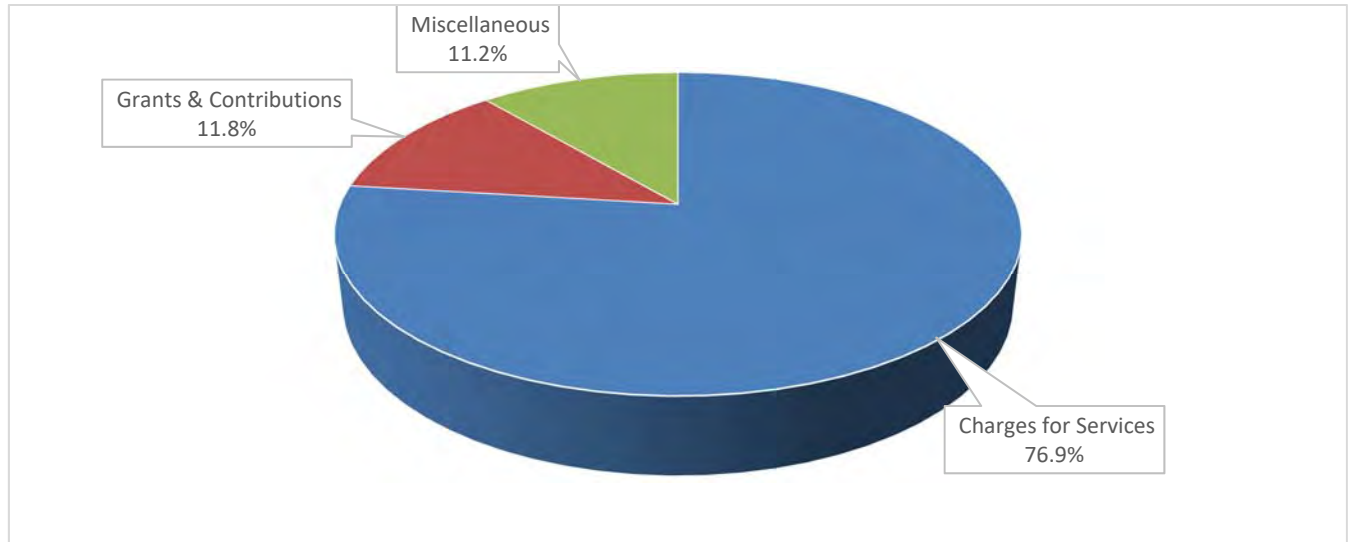
**Revenues by Source
Governmental Activities
Fiscal Year 2018-19**



Business-type Activities - Business-type activities increased the City of Big Spring's total net position by \$1,867 in the current fiscal year. Key elements of this increase are as follows.

- Projects totaling \$1,826 originally budgeted for the fiscal year were for various reasons unable to be completed by year-end and were moved into the following year, 9/30/2020.
- Landfill and Sanitation Fund combined net position decreased by (\$154) as the city expenditures for upcoming new landfill start to dip into the saved fund balances.
- Airpark mineral royalties fell by \$1,258 a 46% decrease from the previous year.

**Revenues by Source
Business-type Activities
Fiscal Year 2018-19**



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 2018-19 year, its governmental funds reported combined ending fund balances of \$12,642, representing an increase of \$953 from the prior year’s balance of \$11,689. This is attributable to budgeted project expenses moved from this year into the next, revenue increases of Hotel Tax, and Sales Tax mentioned earlier. Unassigned fund balance grew \$3,493 from \$7,380 at the beginning of year to \$10,873 at the end of the fiscal year. Committed fund balance decreased from \$2,850 to \$170 as the Elected Officials removed some designations and others were satisfied during the fiscal year. Unassigned fund balance that is available for spending at the City’s discretion amounts to 63.1% of total fund balances.

The General Fund is the major operating fund of the City. Unassigned fund balance represents 86.0% of total General Fund expenditures.

Total fund balance in the City’s General Fund increased by \$873 during fiscal year 2018-19.

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:

	2019	2018	Change
Water and Sewer Fund	\$ 3,712	\$ 3,964	\$ (252)
Airport/Industrial Park	7,218	6,730	488
Emergency Medical Services	(4,309)	(3,979)	(330)
Landfill	2,106	2,956	(850)
Sanitation	1,070	857	213
	<u>\$ 9,796</u>	<u>10,528</u>	<u>\$ (732)</u>

Unrestricted net position decreased by (\$252) in the Water and Sewer Fund and increased by \$488 in the Airport/Industrial Park. The Emergency Medical Services Fund decreased from a negative (\$3,979) to a negative (\$4,309) by \$330. The Landfill fund decreased by (\$850) as the City builds the unrestricted balance to pay for the coming new landfill. Sanitation fund increased by \$213. The sanitation fund will make permanent transfers to Landfill fund beginning in 2019-20 to help pay for the new landfill. These two funds were made separate so pure sanitation (trash service) revenues and expenses could be easier obtained as well as the contribution (transfers) this operation makes to building of the new landfill.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$1,057 decrease in appropriations between the original and final amended budget. The following details the main components of the increase, which represents a decrease of 4.4% percent over the original budget.

- Police Department Personnel Costs were lower than budget by \$173, because of unfilled positions as the department continued to face hiring difficulty due to lower interest in young people choosing a career in law-enforcement.
- The Aquatic Center expense was down \$80 from reduced personnel and other running costs. This was because of an accident by a third-party contractor which damaged the main building where the pool plumbing and filtering was located and prevented the pool from opening for the summer.
- The City had originally budgeted a \$230 Economic Development expense in conjunction with the development of a Central Plaza Park. This project has been postponed indefinitely.
- The streets department budget was amended lower by \$1,214 mainly by \$1,000 which had be designated by committed fund balance for the repaving of an unknown street, which had the qualifications of having newer utilities underneath the street and was ADA compliant so a material length of the street could be repaved. If the street had not been ADA complaint the distance of the repaving would have been short due to ADA required sidewalks and other items required when a street is repaved. As the fiscal year progressed it was determined there was no street which met these specifications. The elected officials removed the commitment, which brought the \$1,000 back into uncommitted fund balance and an additional \$1,000 was added to the 2019-20 Street Maintenance and Seal Coating budget.
- Various general ledger budgets were increased by small amounts due to realized expenses being higher than the original budget forecast.

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, 2019, amounts to \$146,993 (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 \$933 or 0.63%.

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

- Infrastructure and Improvements decreased by a net of (\$164) mainly because of depreciation.
- Buildings and Systems fell by a net of (\$1,767) mainly because of depreciation.
- Construction in Progress Business-Type Activities increased by \$3,977 mainly because of \$1,043 toward the new landfill, \$1,853 for water and sewer plant improvements, and \$950 for rail expansion at the Airpark.
- Machinery and Equipment increased by \$1,128 mainly by equipment and vehicle purchases more than offset equipment retirement and depreciation in most departments and funds.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2019
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Land	\$72,946	\$72,940	\$6,313	\$6,231	\$79,259	\$79,171
Historical Works of Arts			426	426	426	426
Buildings and Systems	2,628	3,001	18,770	20,164	21,398	23,165
Infrastructure and Improvements	7,599	6,263	23,447	24,947	31,046	31,210
Machinery and Equipment	3,633	3,260	4,965	4,210	8,598	7,470
Construction in Progress	269	2,534	6,930	2,953	7,199	5,487
	<u>\$87,076</u>	<u>\$87,998</u>	<u>\$60,851</u>	<u>\$58,931</u>	<u>\$147,926</u>	<u>\$146,929</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 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 are 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+ Stable”, which was obtained on February 5, 2020.

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$18,205. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$9,555 of the total and the remaining \$8,650 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, pension, and retiree health insurance is \$54,309.

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, 2019
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2019	2018	2019	2018	2019	2018
Serviced by Tax Revenues						
General Obligation Bonds	\$6,840	\$7,595	\$0	\$0	\$6,840	\$7,595
Certificates of Obligation Bonds	2,715	3,100	-	-	2,715	3,100
Serviced by Enterprise Funds						
Certificates of Obligation Bonds			8,650	9,200	8,650	9,200
	<u>\$9,555</u>	<u>\$10,695</u>	<u>\$8,650</u>	<u>\$9,200</u>	<u>\$18,205</u>	<u>\$19,895</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 29.5% and 38.7%, at \$6,232 and \$8,160. Due to an increase in the local economy sales tax rose for the year ending 9/30/2019. For the previous year ending 9/30/2018 property and sales tax were \$7,513, 35.5%, and \$7,757, 36.6% respectfully.

One of the main driving forces in the local economy is both the price and the exploration of oil since Big Spring sits on the Cline Shale oil formation. Deep and directional drilling technology, along with fracking, is providing access to millions of barrels of oil previously inaccessible. As of the date of this writing, a drop in oil prices has lowered YTD mineral royalties for the City from mineral rights owned by the City from the previous year, but has not decreased Sales Tax.

Unemployment during 2019 decreased, from 3.9% in 2018 to 3.7%, which compares to the state's unemployment rate of 3.4% and the national rate of 3.5% for September 2019. Per capita income (stated in actual dollars) increased slightly by 0.4%, from \$36,367 to \$37,644.

The Airpark has experienced increased activity from wind turbine and oil exploration and production business. These businesses pay lease fees to the Airpark and their workers increase sales and property tax from their purchases in Big Spring.

Texas Department of Transportation has finished the South portion of the Big Spring Highway 87 Reliever Route and nearing the completion of the North Portion. The increased workers from the contractors on the reliever route and the nearby oil exploration has increased hotel occupancy and hotel tax for 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, 2019

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and Cash Equivalents	\$ 13,214,626	\$ 16,353,415	\$ 29,568,041	\$ 3,993,529
Cash and Cash Equivalents - Restricted		4,369,765	4,369,765	
Receivables (Net of Allowances for Uncollectibles)	882,284	2,771,873	3,654,157	452,420
Internal Balances	520,000	(520,000)		
Due from Other Governments	868,451		868,451	
Inventories		451,652	451,652	
Prepaid Items	4,900	12,844	17,744	6,260
Notes Receivable				290,000
Other Assets				67,980
Capital Assets, Not Being Depreciated	73,215,567	13,668,364	86,883,931	25,000
Capital Assets, Net of Accumulated Depreciation	13,860,157	47,182,282	61,042,439	100,887
Total Assets	\$ 102,565,985	\$ 84,290,195	\$ 186,856,180	\$ 4,936,076
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - TMRS	\$ 2,475,308	\$ 1,058,986	\$ 3,534,294	\$ 59,597
Deferred Outflows - Pension Plan - BSFRRF	1,435,034	678,471	2,113,505	
Deferred Outflows - OPEB - TMRS	59,934	25,591	85,525	1,434
Deferred Outflows - OPEB - Health Insurance	182,850	85,336	268,186	
Deferred Outflows - Loss on Refunding	319,868		319,868	
Total Deferred Outflows of Resources	\$ 4,472,994	\$ 1,848,384	\$ 6,321,378	\$ 61,031
LIABILITIES:				
Accounts Payable	\$ 811,154	\$ 1,446,621	\$ 2,257,775	\$ 62,427
Retainage Payable	11,892		11,892	
Claims and Judgments Payable	514,809		514,809	
Accrued Interest Payable	42,827	52,415	95,242	
Accrued Wages	230,952	103,707	334,659	
Unearned Revenue	61,747		61,747	
Customer Deposits	15,125	381,269	396,394	
Unclaimed Property		31,630	31,630	
Noncurrent Liabilities				
Due Within One Year	2,100,106	1,869,734	3,969,840	11,220
Due In More Than One Year	31,253,940	23,054,109	54,308,049	251,109
Total Liabilities	\$ 35,042,552	\$ 26,939,485	\$ 61,982,037	\$ 324,756
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows - Pension Plan - TMRS	\$ 275,024	\$ 109,283	\$ 384,307	\$ 6,113
Deferred Inflows - Pension Plan - BSFRRF	536,901	258,009	794,910	
Deferred Inflows - OPEB - TMRS	4,767	2,029	6,796	114
Deferred Inflows - OPEB - Health Insurance	240,046	112,029	352,075	
Total Deferred Inflows of Resources	\$ 1,056,738	\$ 481,350	\$ 1,538,088	\$ 6,227
NET POSITION				
Net Investment in Capital Assets	\$ 75,147,830	\$ 48,921,560	\$ 124,069,390	\$ 125,887
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	216,515		216,515	
Economic Development				4,540,237
Advertising and Promotions	901,726		901,726	
Debt Service	28,788		28,788	
Court Technology	21,423		21,423	
Court Security	1,811		1,811	
Unrestricted	(5,729,923)	9,796,184	4,066,261	
Total Net Position	\$ 70,939,689	\$ 58,717,744	\$ 129,657,433	\$ 4,666,124

The accompanying notes are an integral part of this statement.

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 3,405,826	\$ 2,392,392	\$	\$	\$ (1,013,434)	\$	\$ (1,013,434)	\$
Public Safety	12,727,175	555,191	1,147,065		(11,024,919)		(11,024,919)	
Highways and Streets	3,690,260				(3,690,260)		(3,690,260)	
Community Service	407,909	73,347	92,436		(242,126)		(242,126)	
Recreation and Parks	3,104,047	689,593			(2,414,454)		(2,414,454)	
Cemetery	133,503	106,337			(27,166)		(27,166)	
Economic Development	2,167,088	3,425			(2,163,663)		(2,163,663)	
Interest on Long-Term Debt	353,988				(353,988)		(353,988)	
Total Governmental Activities	<u>\$ 25,989,796</u>	<u>\$ 3,820,285</u>	<u>\$ 1,239,501</u>	<u>\$ 0</u>	<u>\$ (20,930,010)</u>	<u>\$ 0</u>	<u>\$ (20,930,010)</u>	<u>\$ 0</u>
Business-Type Activities:								
Water and Sewer	\$ 13,197,642	\$ 14,293,028	\$	\$ 750,000	\$	\$ 1,845,386	\$ 1,845,386	\$
Airport/Industrial Park	2,613,872	1,457,670		950,336		(205,866)	(205,866)	
Emergency Medical Services	3,926,927	2,076,736		487,500		(1,362,691)	(1,362,691)	
Landfill	2,122,902	1,874,136				(248,766)	(248,766)	
Sanitation	3,136,617	3,354,131				217,514	217,514	
Total Business-Type Activities	<u>\$ 24,997,960</u>	<u>\$ 23,055,701</u>	<u>\$ 0</u>	<u>\$ 2,187,836</u>	<u>\$ 0</u>	<u>\$ 245,577</u>	<u>\$ 245,577</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 50,987,756</u>	<u>\$ 26,875,986</u>	<u>\$ 1,239,501</u>	<u>\$ 2,187,836</u>	<u>\$ (20,930,010)</u>	<u>\$ 245,577</u>	<u>\$ (20,684,433)</u>	<u>\$ 0</u>
COMPONENT UNIT:								
Economic Development Corporation	<u>\$ 2,025,683</u>	<u>\$ 88,638</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ (1,937,045)</u>
General Revenues:								
Property Taxes					\$ 8,023,326	\$	\$ 8,023,326	\$
Sales Taxes					8,160,162		8,160,162	2,705,492
Gross Receipts Taxes					1,561,830		1,561,830	
Motel Occupancy Taxes					2,263,860		2,263,860	
Grants and Contributions Not Restricted to Specific Programs					28,435	98,662	127,097	300,000
Unrestricted Investment Earnings					223,672	360,990	584,662	50,230
Miscellaneous					697,262	1,730,910	2,428,172	3,882
Transfers					569,322	(569,322)		
Total General Revenue and Transfers					<u>\$ 21,527,869</u>	<u>\$ 1,621,240</u>	<u>\$ 23,149,109</u>	<u>\$ 3,059,604</u>
Change in Net Position					<u>\$ 597,859</u>	<u>\$ 1,866,817</u>	<u>\$ 2,464,676</u>	<u>\$ 1,122,559</u>
Net Position - Beginning					<u>70,341,830</u>	<u>56,850,927</u>	<u>127,192,757</u>	<u>3,543,565</u>
Net Position - Ending					<u>\$ 70,939,689</u>	<u>\$ 58,717,744</u>	<u>\$ 129,657,433</u>	<u>\$ 4,666,124</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, 2019

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ 10,384,219	\$ 1,619,028	\$ 12,003,247
Receivables (Net of Allowances for Uncollectibles)	613,886	268,398	882,284
Due from Other Funds	545,256		545,256
Due from Other Governments	868,451		868,451
Prepaid Items	<u>4,900</u>		<u>4,900</u>
Total Assets	<u>\$ 12,416,712</u>	<u>\$ 1,887,426</u>	<u>\$ 14,304,138</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable	\$ 676,540	\$ 55,310	\$ 731,850
Retainage Payable		11,892	11,892
Accrued Wages	219,395	11,557	230,952
Unearned Revenue		61,747	61,747
Due to Other Funds		19,900	19,900
Customer Deposits	<u>200</u>	<u>14,925</u>	<u>15,125</u>
Total Liabilities	<u>\$ 896,135</u>	<u>\$ 175,331</u>	<u>\$ 1,071,466</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	<u>\$ 542,288</u>	<u>\$ 48,561</u>	<u>\$ 590,849</u>
Total Deferred Inflows of Resources	<u>\$ 542,288</u>	<u>\$ 48,561</u>	<u>\$ 590,849</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 4,900		\$ 4,900
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		901,726	901,726
Restricted for Court Security		1,811	1,811
Restricted for Court Technology		21,423	21,423
Restricted for Public, Educational and Governmental Television Access		216,515	216,515
Restricted for Public Safety Improvements		13,744	13,744
Restricted for Debt Service		28,788	28,788
Restricted for Senior Citizen's Center		57,945	57,945
Committed Fund Balances:			
Committed for City Plaza Improvements	100,000		100,000
Committed for Employee Education		23,408	23,408
Committed for Cemetery Operations		46,655	46,655
Unassigned Fund Balance	<u>10,873,389</u>		<u>10,873,389</u>
Total Fund Balances	<u>\$ 10,978,289</u>	<u>\$ 1,663,534</u>	<u>\$ 12,641,823</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 12,416,712</u>	<u>\$ 1,887,426</u>	<u>\$ 14,304,138</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, 2019

Total Fund Balances - Governmental Funds Balance Sheet	\$ 12,641,823
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.	87,061,940
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	590,849
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.	3,096,388
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	615,920
Payables for bond principal which are not due in the current period are not reported in the funds.	(9,555,000.00)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,681,125.00)
Payables for notes payable which are not due in the current period are not reported in the funds.	(354,866.00)
Payables for bond interest which are not due in the current period are not reported in the funds.	(42,827)
Bond Premiums are not recorded in the funds.	(327,129)
Deferred Outflows of Resources - Loss on Refundings are not recorded in the funds.	319,868
Net pension liabilities are not reported in the funds.	(16,299,636)
Total OPEB Liabilities are not reported in the funds.	(3,582,546)
Payables for compensated absences which are not reported in the funds.	<u>(1,543,970)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>70,939,689</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, 2019

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Taxes:			
General Property Taxes	\$ 6,232,125	\$ 1,499,914	\$ 7,732,039
General Sales Taxes	8,160,162		8,160,162
Gross Receipts Business Taxes	1,511,386	50,444	1,561,830
Motel Occupancy Taxes		2,263,860	2,263,860
License and Permits	390,390		390,390
Intergovernmental	1,130,133	109,368	1,239,501
Charges for Services		29,764	29,764
Fines	272,479	11,453	283,932
Recreation	689,593		689,593
Investment Earnings	189,796	27,903	217,699
Rents and Royalties	2,260,121	166,485	2,426,606
Miscellaneous	239,819	13,495	253,314
Contributions and Donations	26,185	2,250	28,435
Total Revenues	<u>\$ 21,102,189</u>	<u>\$ 4,174,936</u>	<u>\$ 25,277,125</u>
Expenditures:			
Current:			
General Government	\$ 2,981,200	\$ 25,899	\$ 3,007,099
Public Safety	12,408,321	225,238	12,633,559
Highways and Streets	2,851,978		2,851,978
Community Service		382,800	382,800
Recreation and Parks	2,862,512		2,862,512
Economic Development	2,193	1,477,908	1,480,101
Cemetery		119,413	119,413
Debt Service:			
Principal	865,092	1,156,320	2,021,412
Interest	63,377	298,366	361,743
Fiscal Agent's Fees		1,475	1,475
Total Expenditures	<u>\$ 22,034,673</u>	<u>\$ 3,687,419</u>	<u>\$ 25,722,092</u>
Excess of Revenues Over Expenditures	<u>\$ (932,484)</u>	<u>\$ 487,517</u>	<u>\$ (444,967)</u>
Other Financing Sources:			
Transfers In (Out)	\$ 1,029,096	\$ (408,148)	\$ 620,948
Capital Lease Proceeds	776,057		776,057
Proceeds from the Sale of Capital Assets		1,156	1,156
Total Other Financing Sources (Uses)	<u>\$ 1,805,153</u>	<u>\$ (406,992)</u>	<u>\$ 1,398,161</u>
Net Change in Fund Balances	\$ 872,669	\$ 80,525	\$ 953,194
Fund Balances - Beginning	<u>10,105,620</u>	<u>1,583,009</u>	<u>11,688,629</u>
Fund Balances - Ending	<u>\$ 10,978,289</u>	<u>\$ 1,663,534</u>	<u>\$ 12,641,823</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, 2019

Net Change in Fund Balances - Total Governmental Funds	\$	953,194
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:		
Capital assets are not reported as expenses in the SOA.		2,908,101
Losses on the retirement of capital assets are not recorded in the funds.		(127,196)
The depreciation of capital assets used in governmental activities is not reported in the funds.		(3,701,022)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.		(776,057)
Certain revenues are deferred in the funds. This is the change in these amounts this year.		291,287
Change in Deferred Outflows and Inflows related to Pensions is not reported in the funds.		2,848,236
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		1,140,000
Repayment of capital lease and notes payable principal is an expenditure in the funds but is not an expense in the SOA.		881,412
Bond Premiums and Losses on Refundings' related amortization is not recorded in the funds.		907
Change in accrued interest from beginning of period to end of period.		8,703
The net revenue of internal service funds is reported with governmental activities.		148,655
Change related to pension and total OPEB liabilities is not recorded in the funds.		(4,045,853)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		<u>67,492</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$	<u><u>597,859</u></u>

The accompanying notes are an integral part of this statement.

-30-
CITY OF BIG SPRING, TEXAS

EXHIBIT A-7

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2019**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
ASSETS:							
Current Assets							
Cash and Cash Equivalents	\$ 5,511,030	\$ 7,681,915	\$ 7,768	\$ 1,855,686	\$ 1,297,016	\$ 16,353,415	\$ 1,211,379
Cash and Cash Equivalents - Restricted				4,369,765		4,369,765	
Receivables (Net of Allowances for Uncollectibles)	1,906,515	121,826	176,997	70,101	496,434	2,771,873	
Inventories	408,778		42,874			451,652	
Prepaid Items	12,844					12,844	
Total Current Assets	<u>\$ 7,839,167</u>	<u>\$ 7,803,741</u>	<u>\$ 227,639</u>	<u>\$ 6,295,552</u>	<u>\$ 1,793,450</u>	<u>\$ 23,959,549</u>	<u>\$ 1,211,379</u>
NONCURRENT ASSETS							
Capital Assets (Net of Accumulated Depreciation)							
Land	\$ 5,036	\$ 5,671,290		\$ 636,265		\$ 6,312,591	\$ 10,000
Historical Planes - Display Collection		426,000				426,000	
Buildings and Systems	12,037,185	6,485,298		247,275		18,769,758	
Infrastructure and Improvements	13,035,154	9,375,067		1,037,135		23,447,356	
Machinery and Equipment	790,623	995,570	589,329	1,255,095	1,334,551	4,965,168	3,784
Construction in Progress	2,115,747	3,211,673		1,602,353		6,929,773	
Total Noncurrent Assets	<u>\$ 27,983,745</u>	<u>\$ 26,164,898</u>	<u>\$ 589,329</u>	<u>\$ 4,778,123</u>	<u>\$ 1,334,551</u>	<u>\$ 60,850,646</u>	<u>\$ 13,784</u>
Total Assets	<u>\$ 35,822,912</u>	<u>\$ 33,968,639</u>	<u>\$ 816,968</u>	<u>\$ 11,073,675</u>	<u>\$ 3,128,001</u>	<u>\$ 84,810,195</u>	<u>\$ 1,225,163</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows - Pension Plan - TMRS	\$ 638,694	\$ 120,285		\$ 151,540	\$ 148,467	\$ 1,058,986	
Deferred Outflows - Pension Plan - BSFRRF			678,471			678,471	
Deferred Outflows - OPEB - TMRS	15,949	2,897		3,227	3,518	25,591	
Deferred Outflows - OPEB - Health Insurance	37,618	5,953	22,303	10,205	9,257	85,336	
Total Deferred Outflows of Resources	<u>\$ 692,261</u>	<u>\$ 129,135</u>	<u>\$ 700,774</u>	<u>\$ 164,972</u>	<u>\$ 161,242</u>	<u>\$ 1,848,384</u>	<u>\$ 0</u>
LIABILITIES:							
Current Liabilities							
Accounts Payable	\$ 950,242	\$ 38,528	\$ 16,260	\$ 337,755	\$ 103,836	\$ 1,446,621	\$ 79,304
Claims and Judgments Payable							514,809
Accrued Wages	41,017	7,973	30,889	11,883	11,945	103,707	
Due to Other Funds	120,000		400,000			520,000	5,356
Customer Deposits	328,832	52,437				381,269	
Unclaimed Property	31,630					31,630	
Accrued Interest Payable	52,159	256				52,415	
Accrued Compensated Absences - Current	31,992	14,151	106,847	9,928	13,354	176,272	
Long Term Debt - Current	1,010,713	176,457	106,310	210,689	189,293	1,693,462	3,886
Total Current Liabilities	<u>\$ 2,566,585</u>	<u>\$ 289,802</u>	<u>\$ 660,306</u>	<u>\$ 570,255</u>	<u>\$ 318,428</u>	<u>\$ 4,405,376</u>	<u>\$ 603,355</u>
NONCURRENT LIABILITIES							
Accrued Compensated Absences	\$ 95,974	\$ 42,453	\$ 320,541	\$ 29,784	\$ 40,062	\$ 528,814	
Net Pension Liability - TMRS	2,279,714	414,034		461,199	502,827	3,657,774	
Net Pension Liability - BSFRRF			3,703,899			3,703,899	
Total OPEB Liability - TMRS	142,995	25,970		28,929	31,540	229,434	
Total OPEB Liability - Health Insurance	626,164	99,092	371,246	169,862	154,091	1,420,455	
Long-Term Debt	8,847,628	378,720	144,939	551,837	312,500	10,235,624	5,888
Closure/Post-closure Landfill Obligation				3,278,109		3,278,109	
Total Noncurrent Liabilities	<u>\$ 11,992,475</u>	<u>\$ 960,269</u>	<u>\$ 4,540,625</u>	<u>\$ 4,519,720</u>	<u>\$ 1,041,020</u>	<u>\$ 23,054,109</u>	<u>\$ 5,888</u>
Total Liabilities	<u>\$ 14,559,060</u>	<u>\$ 1,250,071</u>	<u>\$ 5,200,931</u>	<u>\$ 5,089,975</u>	<u>\$ 1,359,448</u>	<u>\$ 27,459,485</u>	<u>\$ 609,243</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows - Pension Plan - TMRS	\$ 68,111	\$ 12,370		\$ 13,779	\$ 15,023	\$ 109,283	
Deferred Inflows - Pension Plan - BSFRRF			258,009			258,009	
Deferred Inflows - OPEB - TMRS	1,389	227		151	262	2,029	
Deferred Inflows - OPEB - Health Insurance	49,385	7,815	29,280	13,397	12,152	112,029	
Total Deferred Inflows of Resources	<u>\$ 118,885</u>	<u>\$ 20,412</u>	<u>\$ 287,289</u>	<u>\$ 27,327</u>	<u>\$ 27,437</u>	<u>\$ 481,350</u>	<u>\$ 0</u>
NET POSITION:							
Net Investment in Capital Assets	\$ 18,125,404	\$ 25,609,721	\$ 338,080	\$ 4,015,597	\$ 832,758	\$ 48,921,560	\$ 4,010
Unrestricted	3,711,824	7,217,570	(4,308,558)	2,105,748	1,069,600	9,796,184	611,910
Total Net Position	<u>\$ 21,837,228</u>	<u>\$ 32,827,291</u>	<u>\$ (3,970,478)</u>	<u>\$ 6,121,345</u>	<u>\$ 1,902,358</u>	<u>\$ 58,717,744</u>	<u>\$ 615,920</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, 2019**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
OPERATING REVENUES:							
Charges for Services:							
Water Sales	\$ 11,185,680	\$	\$	\$	\$	\$ 11,185,680	\$
Sewer Charges	2,762,332					2,762,332	
Landfill Fees				1,871,336		1,871,336	
Sanitation Revenue					3,292,766	3,292,766	
Emergency Medical Services			2,076,736			2,076,736	
Commercial Rentals and Fees		1,457,670				1,457,670	
Billings to Departments and Employees							3,797,498
Other Services	345,016			2,800	61,365	409,181	
Total Operating Revenues	\$ 14,293,028	\$ 1,457,670	\$ 2,076,736	\$ 1,874,136	\$ 3,354,131	\$ 23,055,701	\$ 3,797,498
OPERATING EXPENSES:							
Personnel Services	\$ 2,424,573	\$ 191,877	\$ 2,292,122	\$ 818,629	\$ 820,432	\$ 6,547,633	\$
Supplies and Materials	5,286,074	46,100	100,426	89,589	317,156	5,839,345	6,372
Contractual Services	1,499,188	229,592	178,367	152,945	1,053,415	3,113,507	4,013,301
Maintenance	1,602,590	735,239	35,416	182,089	561,706	3,117,040	13,575
Depreciation	1,894,953	1,336,910	204,418	718,916	315,510	4,470,707	2,186
Other Expense	144,516	59,235	1,109,087	148,801	58,394	1,520,033	137,364
Total Operating Expenses	\$ 12,851,894	\$ 2,598,953	\$ 3,919,836	\$ 2,110,969	\$ 3,126,613	\$ 24,608,265	\$ 4,172,798
Operating Income (Loss)	\$ 1,441,134	\$ (1,141,283)	\$ (1,843,100)	\$ (236,833)	\$ 227,518	\$ (1,552,564)	\$ (375,300)
NON-OPERATING REVENUES (EXPENSES)							
Intergovernmental Revenue	\$	\$ 74,123	\$	\$ 24,539	\$	\$ 98,662	\$
Interest Revenue	97,033	117,323		124,386	22,248	360,990	5,973
Rents and Royalties		1,501,899				1,501,899	
Gain/(Loss) on Disposal of Assets	6,289		3,353	1,748	2,174	13,564	
Other Income (Expense)	(4,317)	5,740	214,598	279	(853)	215,447	569,988
Interest Expense and Paying Agent Fees	(345,748)	(14,919)	(7,091)	(11,933)	(10,004)	(389,695)	(380)
Total Non-Operating Revenues (Expenses)	\$ (246,743)	\$ 1,684,166	\$ 210,860	\$ 139,019	\$ 13,565	\$ 1,800,867	\$ 575,581
Income (Loss) Before Capital Contributions and Transfers	\$ 1,194,391	\$ 542,883	\$ (1,632,240)	\$ (97,814)	\$ 241,083	\$ 248,303	\$ 200,281
Capital Contributions	750,000	950,336	487,500			2,187,836	
Transfers In (Out)	(640,260)	(443,066)	811,404	(289,860)	(7,540)	(569,322)	(51,626)
Change in Net Position	\$ 1,304,131	\$ 1,050,153	\$ (333,336)	\$ (387,674)	\$ 233,543	\$ 1,866,817	\$ 148,655
Total Net Position - Beginning	20,533,097	31,777,138	(3,637,142)	6,509,019	1,668,815	56,850,927	467,265
Total Net Position - Ending	\$ 21,837,228	\$ 32,827,291	\$ (3,970,478)	\$ 6,121,345	\$ 1,902,358	\$ 58,717,744	\$ 615,920

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-9

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation		
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 14,267,055	\$ 1,470,028	\$ 2,299,050	\$ 1,898,706	\$ 3,320,856	\$ 23,255,695	\$
Cash Receipts from Interfund Services Provided							4,367,486
Cash Payments to Employees for Services	(2,348,546)	(457,781)	(1,959,265)	(564,685)	(701,894)	(6,032,171)	
Cash Payments to Other Suppliers for Goods and Services	(8,208,050)	(1,191,543)	(1,446,871)	(368,651)	(2,005,912)	(13,221,027)	(4,308,712)
Net Cash from Operating Activities	\$ 3,710,459	\$ (179,296)	\$ (1,107,086)	\$ 965,370	\$ 613,050	\$ 4,002,497	\$ 58,774
Cash Flows from Non-Capital Financing Activities:							
Cash Received from Intergovernmental Grants	\$	\$ 74,123	\$	\$ 24,539	\$	\$ 98,662	\$
Cash Received from Mineral Leases		1,501,899				1,501,899	
Cash Transfers from (to) Other Funds	(628,699)	(443,066)	751,404	(289,860)	(7,540)	(617,761)	(83,420)
Net Cash from Non-Capital Financing Activities	\$ (628,699)	\$ 1,132,956	\$ 751,404	\$ (265,321)	\$ (7,540)	\$ 982,800	\$ (83,420)
Cash Flows from Capital and Related Financing Activities:							
Principal and Interest Paid	\$ (1,393,233)	\$ (177,572)	\$ (137,601)	\$ (194,771)	\$ (303,100)	\$ (2,206,277)	\$ (4,152)
Paying Agent Fees	(775)					(775)	
Cash Received from Capital Contributions	750,000	950,336	487,500			2,187,836	
Lease Proceeds		190,000				190,000	
Proceeds from the Sale of Assets	63,665		3,353	1,748	2,174	70,940	
Acquisition or Construction of Capital Assets	(2,468,438)	(1,927,007)	(70,066)	(998,357)	(43,336)	(5,507,204)	
Net Cash from Capital and Related Financing Activities	\$ (3,048,781)	\$ (964,243)	\$ 283,186	\$ (1,191,380)	\$ (344,262)	\$ (5,265,480)	\$ (4,152)
Cash Flows from Investing Activities:							
Interest and Dividends on Investments	\$ 97,033	\$ 117,323	\$	\$ 124,386	\$ 22,248	\$ 360,990	\$ 5,973
Net Cash from Investing Activities	\$ 97,033	\$ 117,323	\$ 0	\$ 124,386	\$ 22,248	\$ 360,990	\$ 5,973
Increase (Decrease) in Cash and Cash Equivalents	\$ 130,012	\$ 106,740	\$ (72,496)	\$ (366,945)	\$ 283,496	\$ 80,807	\$ (22,825)
Cash and Cash Equivalents - Beginning of Year	5,381,018	7,575,175	80,264	6,592,396	1,013,520	20,642,373	1,234,204
Cash and Cash Equivalents - End of Year	\$ 5,511,030	\$ 7,681,915	\$ 7,768	\$ 6,225,451	\$ 1,297,016	\$ 20,723,180	\$ 1,211,379
Reconciliation of Operating Income to Net Cash from Operating Activities:							
Operating Income (Loss)	\$ 1,441,134	\$ (1,141,283)	\$ (1,843,100)	\$ (236,833)	\$ 227,518	\$ (1,552,564)	\$ (375,300)
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities							
Depreciation	\$ 1,894,953	\$ 1,336,910	\$ 204,418	\$ 718,916	\$ 315,510	\$ 4,470,707	\$ 2,186
Other	(4,317)	5,740	214,598	279	(853)	215,447	569,988
Change in Assets and Liabilities:							
Decrease (Increase) in Receivables	(34,830)	4,015	7,716	24,291	(32,422)	(31,230)	
Decrease (Increase) in Inventories	34,526		(5,944)			28,582	
Decrease (Increase) in Prepaid Expenses	(12,844)					(12,844)	
Decrease (Increase) in Deferred Outflows	(433,216)	(82,664)	(674,695)	(117,989)	(110,632)	(1,419,196)	
Increase (Decrease) in Accounts Payable	302,636	(121,377)	(17,631)	204,773	(15,241)	353,160	(59,136)
Increase (Decrease) in Claims and Judgements Payable							(78,964)
Increase (Decrease) in Accrued Wages	16,429	2,584	2,820	2,617	3,061	27,511	
Increase (Decrease) in Customer Deposits	12,540	2,603				15,143	
Increase (Decrease) in Unclaimed Property	634					634	
Increase (Decrease) in Accrued Compensated Absences	(103,064)	(24,030)	50,146	1,307	14,236	(61,405)	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				137,265		137,265	
Increase (Decrease) in Net Pension Liability - TMRS	715,636	(96,081)		212,844	216,163	1,048,562	
Increase (Decrease) in Net Pension Liability - BSFRFF			699,297			699,297	
Increase (Decrease) in Total OPEB Liability - TMRS	47,475	(5,183)		13,762	14,033	70,087	
Increase (Decrease) in Total OPEB Liability - Health Insurance	(28,371)	2,177	71,705	18,447	1,887	65,845	
Increase (Decrease) in Deferred Inflows	(138,862)	(62,707)	183,584	(14,309)	(20,210)	(52,504)	
Total Adjustments	\$ 2,269,325	\$ 961,987	\$ 736,014	\$ 1,202,203	\$ 385,532	\$ 5,555,061	\$ 434,074
Net Cash from Operating Activities	\$ 3,710,459	\$ (179,296)	\$ (1,107,086)	\$ 965,370	\$ 613,050	\$ 4,002,497	\$ 58,774
Supplemental Cash Flow Information:							
Non-Cash Related Financing Activities:							
Capital Lease Proceeds and Capital Assets of \$345,065 - Water and Sewer Fund							
Capital Lease Proceeds and Capital Assets of \$31,659 - EMS Fund							
Capital Lease Proceeds and Capital Assets of \$544,542 - Landfill Fund							
Capital Lease Proceeds and Capital Assets of \$19,677 - Airport/Industrial Park 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 fund:

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).

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.

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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, and sanitation funds, and of the government's internal service funds are charges to customers for sales and services.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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	\$ 4,369,765

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, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. 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 (Years)
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	\$ 866,255						\$ 866,255
Municipal Court	1,630,426						1,630,426
Other	71,946	1,131,016			60,291		1,263,253
Accounts	372,649	830,072	279,030	1,241,347	9,810	540,126	3,273,034
Gross Receivables	\$ 2,941,276	\$ 1,961,088	\$ 279,030	\$ 1,241,347	\$ 70,101	\$ 540,126	\$ 7,032,968
Less: Allowance for Uncollectibles	(2,058,992)	(54,573)	(157,204)	(1,064,350)		(43,692)	(3,378,811)
Net Total Receivables	\$ 882,284	\$ 1,906,515	\$ 121,826	\$ 176,997	\$ 70,101	\$ 496,434	\$ 3,654,157

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 Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the balance sheet/statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of fund balance/net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time.

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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
Emergency Medical Services Fund	\$ (3,970,478)	This fund incurred additional costs that will be recaptured. Deficit will be recaptured through subsidies from the General Fund.

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, 2019, the carrying amount of the City's deposits, restricted cash, escrow, and cash on hand was \$33,937,806. At year end the City had \$9,000 in cash on hand. The City's cash in bank deposits at year end were \$33,928,806 with a bank balance of \$34,527,755. The City's cash in bank deposits at September 30, 2019 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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, 2019 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	34 Days Average	AAAm	\$ 24,567,193

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, 2019, 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, 2019, TexPool's portfolio maintained a weighted average maturity of approximately 34 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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, 2019 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, 2019, were as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,940,088	\$ 6,100	\$	\$	\$ 72,946,188
Construction in Progress	2,533,919	269,379	(2,533,919)		269,379
Total Capital Assets Not Being Depreciated	<u>\$ 75,474,007</u>	<u>\$ 275,479</u>	<u>\$ (2,533,919)</u>	<u>\$ 0</u>	<u>\$ 73,215,567</u>
Capital Assets Being Depreciated					
Buildings and Systems	\$ 31,987,857	\$ 5,765	\$	\$ 215,106	\$ 31,778,516
Infrastructure and Improvements	26,354,700	1,402,281	2,533,919		30,290,900
Machinery and Equipment	12,334,930	1,224,576	(33,238)	449,053	13,077,215
Total Capital Assets Being Depreciated	<u>\$ 70,677,487</u>	<u>\$ 2,632,622</u>	<u>\$ 2,500,681</u>	<u>\$ 664,159</u>	<u>\$ 75,146,631</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 28,987,219	\$ 378,078	\$	\$ 215,106	\$ 29,150,191
Improvements Other Than Buildings	20,091,098	2,601,070			22,692,168
Machinery and Equipment	9,075,150	724,060	(33,238)	321,857	9,444,115
Total Accumulated Depreciation	<u>\$ 58,153,467</u>	<u>\$ 3,703,208</u>	<u>\$ (33,238)</u>	<u>\$ 536,963</u>	<u>\$ 61,286,474</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 12,524,020</u>	<u>\$ (1,070,586)</u>	<u>\$ 2,533,919</u>	<u>\$ 127,196</u>	<u>\$ 13,860,157</u>
Governmental Activities Capital Assets, Net	<u>\$ 87,998,027</u>	<u>\$ (795,107)</u>	<u>\$ 0</u>	<u>\$ 127,196</u>	<u>\$ 87,075,724</u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 80,011
Public Safety	448,591
Highways and Streets	1,263,277
Recreation and Parks	911,758
Cemetery	18,973
Economic Development	978,412
	<u>\$ 3,701,022</u>
Depreciation Charged to Internal Service Funds	2,186
Total Depreciation Charged to Governmental Activities	<u>\$ 3,703,208</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	\$ 6,231,414	\$ 81,176	\$	\$	\$ 6,312,590
Historical Works of Art	426,000				426,000
Construction in Progress	<u>2,952,458</u>	<u>3,977,317</u>			<u>6,929,775</u>
Total Capital Assets Not Being Depreciated	<u>\$ 9,609,872</u>	<u>\$ 4,058,493</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,668,365</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 80,288,126	\$ 439,533	\$	\$	\$ 80,727,659
Infrastructure and Improvements	54,370,660	96,160			54,466,820
Machinery and Equipment	<u>10,391,449</u>	<u>1,853,961</u>	<u>33,238</u>	<u>728,533</u>	<u>11,550,115</u>
Total Capital Assets Being Depreciated	<u>\$ 145,050,235</u>	<u>\$ 2,389,654</u>	<u>\$ 33,238</u>	<u>\$ 728,533</u>	<u>\$ 146,744,594</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 60,124,379	\$ 1,833,521	\$	\$	\$ 61,957,900
Infrastructure and Improvements	29,423,670	1,595,794			31,019,464
Machinery and Equipment	<u>6,181,474</u>	<u>1,041,392</u>	<u>33,238</u>	<u>671,156</u>	<u>6,584,948</u>
Total Accumulated Depreciation	<u>\$ 95,729,523</u>	<u>\$ 4,470,707</u>	<u>\$ 33,238</u>	<u>\$ 671,156</u>	<u>\$ 99,562,312</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 49,320,712</u>	<u>\$ (2,081,053)</u>	<u>\$ 0</u>	<u>\$ 57,377</u>	<u>\$ 47,182,282</u>
Business-Type Activities Capital Assets, Net	<u>\$ 58,930,584</u>	<u>\$ 1,977,440</u>	<u>\$ 0</u>	<u>\$ 57,377</u>	<u>\$ 60,850,647</u>
Depreciation Expense		<u>\$ 4,470,707</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2019, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 520,000	Short-Term Loans
Net Internal Balances		<u>\$ 520,000</u>	

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

2. Transfers To and From Other Funds

Transfers at September 30, 2019, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	EMS Fund	\$ (940,000)	Annual Subsidy
Proprietary/Internal Service Funds	General Fund	<u>1,509,322</u>	Administrative Fees
		<u>\$ 569,322</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, and accrued compensated absences. Changes in long-term obligations for the year ended September 30, 2019, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Certificate of Obligation Bonds	\$ 3,100,000	\$	\$ 385,000	\$ 2,715,000	\$ 200,000
General Obligation Refunding Bonds	7,595,000		755,000	6,840,000	770,000
Capital Leases	1,628,459	776,057	716,857	1,687,659	568,735
Economic Conservation	526,433		168,327	358,106	175,378
Compensated Absences	1,611,462		67,492	1,543,970	385,993
Unamortized Bond Premiums	367,992		40,863	327,129	
Total OPEB Liability - Health Insurance	2,933,138	110,473		3,043,611	
Total OPEB Liability - TMRS	508,216	30,719		538,935	
Net Pension Liability - TMRS	5,710,799	2,881,242		8,592,041	
Net Pension Liability - BSFRRF	6,684,177	1,023,418		7,707,595	
Total Governmental Activities	\$ 30,665,676	\$ 4,821,909	\$ 2,133,539	\$ 33,354,046	\$ 2,100,106

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 9,200,000	\$	\$ 550,000	\$ 8,650,000	\$ 565,000
Capital Leases	2,298,513	1,130,943	958,723	2,470,733	832,628
Economic Conservation	887,998		283,936	604,062	295,834
Compensated Absences	766,491		61,405	705,086	176,272
Closure/Postclosure Landfill	3,140,844	137,265		3,278,109	
Unamortized Bond Premiums	220,806		16,515	204,291	
Total OPEB Liability - TMRS	159,347	70,087		229,434	
Total OPEB Liability - Health Insurance	1,354,610	65,845		1,420,455	
Net Pension Liability - TMRS	3,004,602	653,172		3,657,774	
Net Pension Liability - BSFRRF	2,609,212	1,094,687		3,703,899	
Total Business-Type Activities	\$ 23,642,423	\$ 3,151,999	\$ 1,870,579	\$ 24,923,843	\$ 1,869,734

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary
Net Pension Liabilities	Governmental	General
Net Pension Liabilities	Business-Type	Proprietary
Total OPEB Liabilities	Governmental	General
Total OPEB Liabilities	Business-Type	Proprietary

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2019, are as follows:

Year Ending September 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 970,000	\$ 270,788	\$ 1,240,788
2021	1,000,000	247,238	1,247,238
2022	1,015,000	222,838	1,237,838
2023	1,045,000	197,838	1,242,838
2024	1,075,000	167,838	1,242,838
2025-2029	4,150,000	402,496	4,552,496
2030	300,000	6,188	306,188
Totals	<u>\$ 9,555,000</u>	<u>\$ 1,515,224</u>	<u>\$ 11,070,224</u>

<u>Issue</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Outstanding</u>	<u>Purpose of Issue</u>
C.O. Bonds	3/3/2010	\$ 4,200,000	2.0% - 4.125%	2/15/2030	\$ 2,715,000	Family Aquatic Center
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	6,840,000	Refunding of G.O and C.O. Bonds
		<u>\$ 26,465,000</u>			<u>\$ 9,555,000</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2020	\$ 565,000	\$ 295,419	\$ 860,419
2021	585,000	277,732	862,732
2022	605,000	259,413	864,413
2023	620,000	240,538	860,538
2024	640,000	221,138	861,138
2025-2029	3,350,000	1,384,935	4,734,935
2030-2032	2,285,000	169,688	2,454,688
Totals	<u>\$ 8,650,000</u>	<u>\$ 2,848,863</u>	<u>\$ 11,498,863</u>

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	\$ 8,415,000	Water Improvements
2007 C.O. Bonds	2/1/2007	640,000	4.0% - 4.375%	2/15/2027	235,000	Elevated Reservoir Repair
		<u>\$ 12,365,000</u>			<u>\$ 8,650,000</u>	

Economic Conservation debt requirements at September 30, 2019, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2020	\$ 175,378	\$ 15,005	\$ 190,383
2021	182,728	7,656	190,384
Totals	<u>\$ 358,106</u>	<u>\$ 22,661</u>	<u>\$ 380,767</u>

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2020	\$ 295,834	\$ 25,310	\$ 321,144
2021	308,228	12,915	321,143
Totals	<u>\$ 604,062</u>	<u>\$ 38,225</u>	<u>\$ 642,287</u>

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

3. Capital Leases

The City uses an annual capital lease package to buy various pieces of machinery, equipment and vehicles for various departments within the City. Below are the related costs and accumulated depreciation of the lease assets as of September 30, 2019:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 10,217,660	\$ 7,105,226
Less: Accumulated Depreciation	<u>(6,584,631)</u>	<u>(3,321,288)</u>
Totals	<u>\$ 3,633,029</u>	<u>\$ 3,783,938</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2019, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2020	\$ 568,735	\$ 36,496	\$ 605,231
2021	469,488	24,214	493,702
2022	370,270	13,272	383,542
2023	237,647	4,395	242,042
2024	<u>41,519</u>	<u>208</u>	<u>41,727</u>
Total Minimum Rentals	<u>\$ 1,687,659</u>	<u>\$ 78,585</u>	<u>\$ 1,766,244</u>

The effective interest rate on capital leases is 1.54% to 3.01%.

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2020	\$ 832,628	\$ 53,525	\$ 886,153
2021	687,330	35,449	722,779
2022	542,075	19,430	561,505
2023	347,915	3,434	351,349
2024	<u>60,785</u>	<u>305</u>	<u>61,090</u>
Total Minimum Rentals	<u>\$ 2,470,733</u>	<u>\$ 112,143</u>	<u>\$ 2,582,876</u>

The effective interest rate on capital leases is 1.54% to 3.01%.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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 2018, 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 887 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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, 2018</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)	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	152
Inactive Employees Entitled to but not Yet Receiving Benefits	106
Active Employees	<u>173</u>
Total Plan Employees	<u><u>431</u></u>

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 16.93% and 17.38% in calendar years 2017 and 2018, respectively. The City’s contributions to TMRS for the year ended September 30, 2019, were \$2,136,581, and were equal to the required contributions.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2018, 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	27 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 Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. 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 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2018, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. 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. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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%	4.30%
International Equity	17.50%	6.10%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	3.39%
Real Return	10.00%	3.78%
Real Estate	10.00%	4.44%
Absolute Return	10.00%	3.56%
Private Equity	5.00%	7.75%

Discount Rate

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

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2017	\$ 53,684,189	\$ 45,364,178	\$ (8,320,011)
Service Cost	1,428,366		(1,428,366)
Interest (on the Total Pension Liability)	3,568,366		(3,568,366)
Difference Between Expected and Actual Experience	(299,019)		299,019
Contributions - Employer		1,560,343	1,560,343
Contributions - Employee		628,446	628,446
Net Investment Income		(1,352,712)	(1,352,712)
Benefit Payments	(2,776,793)	(2,776,793)	
Administrative Expense		(26,155)	(26,155)
Proportionate Share Adjustment	40,647		(40,647)
Other		(1,366)	(1,366)
Balance 12/31/2018	<u>\$ 55,645,756</u>	<u>\$ 43,395,941</u>	<u>\$ (12,249,815)</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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:

<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
\$ (19,989,238)	\$ (12,249,815)	\$ (5,936,287)

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2019, the City recognized pension expense of \$2,126,685 and calculated as shown below:

Total Service Cost	\$ 1,428,366
Interest on the Total Pension Liability	3,568,366
Employee Contributions (Reduction of Expense)	(628,446)
Projected Earnings on Plan Investments (Reduction of Expense)	(3,049,531)
Administrative Expense	26,155
Other Changes in Fiduciary Net Position	1,366
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(152,677)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	933,086
Total Pension Expense	<u>\$ 2,126,685</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources - Pension Plan	Plan Year	Amount	Remaining Period (Years)
Employer Contribution Deferrals	2019	\$ 1,173,565	1.000
Differences Between Projected and Actual Investment Earnings	2015	527,792	1.000
Differences Between Projected and Actual Investment Earnings	2016	(1,052)	2.000
Differences Between Projected and Actual Investment Earnings	2017	(1,706,124)	3.000
Differences Between Projected and Actual Investment Earnings	2018	3,521,793	4.000
Differences Between Expected and Actual Economic Experience	2016	18,320	0.230
Differences Between Expected and Actual Economic Experience	2017	(176,452)	1.250
Differences Between Expected and Actual Economic Experience	2018	(207,855)	2.280
Total Deferred Outflows of Resources		\$ 3,149,987	

\$1,173,565 of employer contribution deferral will be fully amortized in 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	Amortization of Deferred Outflows
2019	\$ 625,001
2020	184,760
2021	286,213
2022	880,448
	\$ 1,976,422

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

Plan Description

Firemen of the City are covered by a single employer 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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:

	December 31, 2018
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	15.00% to 13.00%
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, 2018 valuation and measurement date, the following amounts represented employees covered by the benefit terms:

	Total Pension Liability
Retirees and Beneficiaries	\$ 12,596,845
Active Employees	9,717,607
Total Plan Employees - Pension Liability	\$ 22,314,452

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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 year 2017 and 15.00% in calendar year 2018. The City's contributions to BSFRRF for the year ended September 30, 2019 were \$662,471 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2018, 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, 2018 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	5 year amortization of investment
Inflation	3.00%
Salary Increases	4.50%
Investment Rate of Return	7.75%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

Changes in assumptions during the plan year 2018, were related to changing updating the mortality tables.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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%

Discount Rate

The discount rate used to measure the total pension liability was 7.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2017	\$ 21,381,101	\$ 11,692,323	\$ (9,688,778)
Service Cost	569,984		(569,984)
Interest (on the Total Pension Liability)	1,633,082		(1,633,082)
Changes in Assumptions and Differences in Experience	(69,842)		69,842
Contributions - Employee		549,091	549,091
Contributions - Employer		633,568	633,568
Net Investment Income		(670,805)	(670,805)
Benefit Payments	(1,199,873)	(1,199,873)	
Administrative Expense		(101,346)	(101,346)
Balance 12/31/2018	<u>\$ 22,314,452</u>	<u>\$ 10,902,958</u>	<u>\$ (11,411,494)</u>

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

<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
\$ (14,302,658)	\$ (11,411,494)	\$ (8,983,114)

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Pension Expense and Deferred Outflows of Resources

Pension Expense for the year ended September 30, 2019 is as follows:

Total Service Cost	\$	569,984
Interest on the Total Pension Liability		1,633,082
Employee Contributions (Reduction of Expense)		(549,091)
Projected Earnings on Plan Investments (Reduction of Expense)		(906,355)
Administrative Expense		101,346
Amortization of Deferred Inflows and Outflows		348,067
Total Pension Expense	\$	<u>1,197,033</u>

Deferred Outflows of Resources related to the pension plan at September 30, 2019 were made up of as follows and will be amortized according to the table below:

<u>Deferred Outflows of Resources - Pension Plan</u>	<u>Amount</u>	<u>Amortization Period</u>
Employer Contribution Deferrals	\$ 482,160	1.000
Differences Between Projected and Actual Investment Earnings	197,902	1.000
Differences Between Projected and Actual Investment Earnings	52,309	2.000
Differences Between Projected and Actual Investment Earnings	(515,197)	3.000
Differences Between Projected and Actual Investment Earnings	1,261,727	4.000
Changes in Assumptions	258,755	3.880
Changes in Assumptions	375,849	5.030
Experience Differences	(360,800)	3.880
Experience Differences	(434,110)	5.030
Total Deferred Outflows of Resources	\$ <u>1,318,595</u>	

Employer contributions of \$482,160 related to contributions subsequent to the plan measurement date will be fully amortized in 2019. Other amounts will be amortized as follows:

<u>Plan Year</u>	<u>Amortization of Deferred Outflows</u>
2019	\$ 297,584
2020	99,684
2021	88,563
2022	362,536
2023 and thereafter	(11,932)
	<u>\$ 836,435</u>

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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 09-30-17					
Health Insurance Claims	\$ 194,256	\$ 2,325,307	\$ 2,323,127	\$ 196,436	\$
Workers' Compensation Claims	448,755	141,051	192,468	397,338	593,774
Year Ending 09-30-18					
Health Insurance Claims	\$ 196,436	\$ 2,787,024	\$ 2,808,210	\$ 175,250	\$
Workers' Compensation Claims	397,338	92,878	150,657	339,559	514,809

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. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$175,250 at September 30, 2019.

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. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$339,559 at September 30, 2019.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

J. Other Post-Employment Benefits (OPEB)

Big Spring Retiree Health Insurance Plan

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 20 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-go financing method.

Employees Covered by Benefit Terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	19
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>227</u>
Total Plan Employees	<u><u>246</u></u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Total OPEB Liability:

The City's total OPEB liability of \$4,287,748 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2017	\$ 4,287,748
Changes for the year:	
Service Cost	275,511
Interest on Total OPEB Liability	146,777
Experience Differences	(360,876)
Effect of Assumptions Changes or Inputs	17,670
Benefit Payments	<u>97,236</u>
Balance as of December 31, 2018	<u>\$ 4,464,066</u>

Actuarial Methods and Assumptions:

Actuarial Cost Method	Individual Entry Age
Discount Rate	3.71% as of December 31, 2018 - Assumption Change
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation - General 4.50% to 9.50% including inflation - Firefighters
Demographic Assumptions	Based on the experience study covering the four year period ending December 31, 2014 as conducted for TMRS and Assumptions from the BSFRRF retirement plan actuary report.
Mortality rates – General	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. Firefighters were updated according the PubS-2010 mortality tables.
Mortality rates – Firefighters	For healthy retirees, the gender distinct PubS-2010 Health Retiree Mortality Tables, The rates are projected on a fully generational basis by scale MP-2018 to account for future mortality improvements.
Health Care Trend Rates	Initial Rate of 7.20% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	It was assumed that 35% of general employees and 80% of firefighters would choose to participate in the retiree medical plan after retirement, if eligible. The participation assumption was assumed to be 10% for non-disability related retirements prior to the age of 50. All retirees are assumed to discontinue coverage at the age of 65.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.71%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current rate. It also show how increasing or decreasing the Healthcare Cost Trend (HCT) Rate over the life of the plan would affect the liability.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
Total OPEB Liability	\$ <u>4,932,908</u>	\$ <u>4,464,066</u>	\$ <u>4,048,279</u>
	<u>1% Decrease in HCT Rate</u>	<u>Current HCT Rate Assumption</u>	<u>1% Increase in HCT Rate</u>
Total OPEB Liability	\$ <u>3,929,825</u>	\$ <u>4,464,066</u>	\$ <u>5,108,655</u>

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$407,534. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
ER Contributions Deferral	\$ 38,530	\$
Experience Differences		352,075
Changes in Assumptions	<u>229,656</u>	
	<u>\$ 268,186</u>	<u>\$ 352,075</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	<u>Amortization of Deferred Resources</u>
2019	\$ 23,776
2020	(14,754)
2021	(14,754)
2022	(14,754)
2023	(14,754)
Thereafter	<u>(48,649)</u>
	<u>\$ (83,889)</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

TMRS – Supplemental Death Benefit Fund

Plan Description:

Texas Municipal Retirement System (TMRS) administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. The death benefit for active employees provides a lump-sum payment approximately equal to the employee’s annual salary (calculated based on the employee’s actual earnings, for the 12-month period preceding the month of death). The death benefit for retirees is considered an OPEB and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan.

The member city contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is not to pre-fund retiree term life insurance during employees’ entire careers.

Benefits Provided:

The plan provides a \$7,500 post-retirement death benefit to beneficiaries of service retirees and disability retirees of employers that have elected participation in the SDBF. The OPEB benefit is a fixed \$7,500 lump-sum benefit and no future increases are assumed in the benefit amount.

The SDBF fund does not meet the requirements of a trust under Paragraph 4b of GASB No. 75, as the assets of the SDBF can be used to pay active SDBF benefits which are not part of the OPEB plan. The contributions for retiree SDBF coverage are assigned to the OPEB plan under GASB 75 and are used to determine the benefit payments shown in the changes in the total OPEB liability.

Benefit terms are established under the TMRS Act. Participation in the retiree SDBF is optional and the employer may elect to opt out of (or opt into) coverage as of Jan. 1 each year. The City’s contribution rate for the retiree SDBF program is calculated annually on an actuarial basis, and is equal to the cost of providing a one-year death benefit equal to \$7,500.

Employees Covered by Benefit Terms:

At the December 31, 2018 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	116
Inactive Employees Entitled to but not Yet Receiving Benefits	23
Active Employees	173
Total Plan Employees	<u>312</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Total OPEB Liability:

The City's total OPEB liability of \$768,369 was measured as of December 31, 2018, and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2017	\$	667,563
Changes for the year:		
Service Cost		24,240
Interest on Total OPEB Liability		22,472
Effect of Assumptions Changes or Inputs		(42,596)
Benefit Payments		(8,080)
Other		3,262
Experience Differences		101,508
Balance as of December 31, 2018	\$	<u>768,369</u>

Actuarial Assumptions:

The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions Changes or Inputs	Straight-Line Amortization over Expected Working Life
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Discount Rate	3.71% - Assumption Change for 2019
Retirees' Share of Benefit-Related Costs	\$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – Service Retirees	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.
Mortality rates – Disabled Retirees	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.71% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2018. At transition, GASB 75 also requires that the Total OPEB Liability (TOL) as of the prior fiscal year end be estimated based on the 20 Year Bond GO Index.

Annuity Purchase Rates:

Annuity purchase rates are used to determine the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) for 2014 are based on the UP-1984 Table with an age setback of two years for retirees and an age setback of eight years for beneficiaries. Beginning in 2027 the APRs will be based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females with both male and female rates multiplied by 107.5% and projected on a fully generational basis with scale BB. For members, a unisex blend of 70% of the males table and 30% of the female table is used, while 30% of the male table and 70% of the female table is used for beneficiaries. From 2015 through 2026, the fully generational APRs will be phased into.

Experience Studies:

Actuarial assumptions 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. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Factors Affecting the Total OPEB Liability:

Changes of assumptions or other inputs reflect a change in the discount rate from 2017 to 2018.

There were no changes of benefit terms that affected measurement during the measurement period.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.71%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.71%) or 1 percentage point higher (4.71%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	<u>1% Decrease in Discount Rate (2.71%)</u>	<u>Discount Rate (3.71%)</u>	<u>1% Increase in Discount Rate (4.71%)</u>
Total OPEB Liability	\$ <u>(883,016)</u>	\$ <u>(768,369)</u>	\$ <u>(678,483)</u>

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

For the year ended September 30, 2019, the City recognized OPEB expense of \$70,655. At September 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$	\$ 6,796
Difference in Expected and Actual Experience	78,697	
Contributions Made Subsequent to Measurement Date	<u>6,828</u>	
	<u>\$ 85,525</u>	<u>\$ 6,796</u>

Amounts currently reported as deferred outflows of resources and deferred inflows of resources related to OPEB benefits will be recognized in OPEB expense as follows:

	<u>Amortization of Deferred Resources</u>
2019	\$ 30,652
2020	23,943
2021	18,057
2022	<u>6,077</u>
	<u>\$ 78,729</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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 \$18,500. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

L. Commitments, Contingencies, and Litigation

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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 30 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 \$3,278,109 reported as landfill closure and post-closure care liability at September 30, 2019, represents the cumulative amount reported to date based on the use of 93.86% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$214,622 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 2019. 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, 2019 the City has designated an investment in the amount of \$4,369,765 for this purpose.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 1,070,609	\$ 1,344,489	\$ 1,396,530	\$ 1,389,056	\$ 1,428,366
Interest	3,098,627	3,234,983	3,282,390	3,431,109	3,568,366
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)
Changes in Assumptions		144,503			
Differences between Expected and Actual Experience	212,542	485,843	257,450	(457,245)	(299,019)
Other	15,116		(3,284)	(106,349)	40,647
Net Change	\$ 1,940,132	\$ 2,494,581	\$ 2,492,354	\$ 1,813,061	\$ 1,961,567
Beginning Balance	44,944,061	46,884,193	49,378,774	51,871,128	53,684,189
Ending Balance	<u>\$ 46,884,193</u>	<u>\$ 49,378,774</u>	<u>\$ 51,871,128</u>	<u>\$ 53,684,189</u>	<u>\$ 55,645,756</u>
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 621,774	\$ 621,181	\$ 614,825	\$ 614,208	\$ 628,446
Employer Contributions	1,513,350	1,463,901	1,414,975	1,485,185	1,560,343
Net Investment Income	2,114,041	56,638	2,562,669	5,517,900	(1,352,712)
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)
Administration Expenses	(22,073)	(33,192)	(28,947)	(28,605)	(26,155)
Other	10,616	32,233	(1,561)	(54,123)	(1,366)
Net Change	\$ 1,780,946	\$ (574,476)	\$ 2,121,229	\$ 5,091,055	\$ (1,968,237)
Beginning Balance	36,945,424	38,726,370	38,151,894	40,273,123	45,364,178
Ending Balance	<u>\$ 38,726,370</u>	<u>\$ 38,151,894</u>	<u>\$ 40,273,123</u>	<u>\$ 45,364,178</u>	<u>\$ 43,395,941</u>
Net Pension Liability	<u>\$ 8,157,823</u>	<u>\$ 11,226,880</u>	<u>\$ 11,598,005</u>	<u>\$ 8,320,011</u>	<u>\$ 12,249,815</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%	77.64%	84.50%	77.99%
Covered Payroll	\$ 8,616,222	\$ 8,972,306	\$ 8,790,799	\$ 8,774,404	\$ 8,977,789
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%	131.93%	94.82%	136.45%

Note: Only five years of GASB 68 data available as of 12/31/2018. The remaining five years of data will be built on a go forward basis.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

	<u>9/30/2015</u>	<u>9/30/2016</u>	<u>9/30/2017</u>	<u>9/30/2018</u>	<u>9/30/2019</u>
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989	\$ 1,466,109	\$ 2,136,581	\$ 1,602,352
Actual Contributions	<u>1,508,017</u>	<u>2,066,989</u>	<u>1,466,109</u>	<u>2,136,581</u>	<u>1,602,352</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
 Covered Payroll	 \$ 8,942,080	 \$ 9,282,783	 \$ 8,778,847	 \$ 8,774,404	 \$ 9,141,737
 Contributions as a Percentage of Covered Payroll	 16.86%	 22.27%	 16.70%	 24.35%	 17.53%

Note: Only five years of GASB 68 data available as of 09/30/2019. The remaining five years of data will be built on a go forward basis.

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 453,334	\$ 453,334	\$ 506,260	\$ 545,439	\$ 569,984
Interest	1,447,905	1,564,936	1,598,125	1,562,997	1,633,082
Differences between Expected and Actual Experience			(736,630)		(520,414)
Changes in Assumptions				392,133	450,572
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)
Net Change	\$ 624,108	\$ 678,410	\$ (562,465)	\$ 1,268,723	\$ 933,351
Beginning Balance	19,372,325	19,996,433	20,674,843	20,112,378	21,381,101
Ending Balance	\$ 19,996,433	\$ 20,674,843	\$ 20,112,378	\$ 21,381,101	\$ 22,314,452
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 496,045	\$ 525,572	\$ 519,916	\$ 488,555	\$ 549,091
Employer Contributions	496,046	525,572	519,916	488,555	633,568
Net Investment Income	594,840	(107,469)	691,060	1,655,622	(670,805)
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)
Administration Expenses	(80,057)	(61,331)	(100,928)	(107,814)	(101,346)
Net Change	\$ 229,743	\$ (457,516)	\$ (300,256)	\$ 1,293,072	\$ (789,365)
Beginning Balance	10,927,280	11,157,023	10,699,507	10,399,251	11,692,323
Ending Balance	\$ 11,157,023	\$ 10,699,507	\$ 10,399,251	\$ 11,692,323	\$ 10,902,958
Net Pension Liability	\$ 8,839,410	\$ 9,975,336	\$ 9,713,127	\$ 9,688,778	\$ 11,411,494
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%	51.71%	54.69%	48.86%
Covered Payroll	\$ 3,634,001	\$ 4,042,862	\$ 3,766,262	\$ 3,758,115	\$ 4,259,859
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%	257.90%	257.81%	267.88%

Note: Only five years of GASB 68 data available as of 12/31/2018. The remaining five years of data will be built on a go forward basis.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019
Actuarially Determined Contribution	\$ 511,584	\$ 546,693	\$ 491,271	\$ 578,137	\$ 662,471
Actual Contributions	511,584	546,693	491,271	578,137	662,471
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 3,935,256	\$ 4,205,336	\$ 3,779,008	\$ 3,410,923	\$ 4,416,470
Contributions as a Percentage of Covered Payroll	13.00%	13.00%	13.00%	16.95%	15.00%

Note: Only five years of GASB 68 data available as of 09/30/2019. The remaining five years of data will be built on a go forward basis.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TMRS - SUPPLEMENTAL DEATH BENEFIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018
	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 20,080	\$ 24,240
Interest	22,350	22,472
Benefit Payments	(6,985)	(8,080)
Differences Between Expected and Actual Experience		101,508
Changes in Assumption	47,404	(42,596)
Other		3,262
	\$ 82,849	\$ 100,806
Net Change		
Beginning Balance	584,714	667,563
Ending Balance	\$ 667,563	\$ 768,369
Total OPEB Liability	\$ 667,563	\$ 768,369
Covered Payroll	\$ 8,774,404	\$ 8,977,789
Total OPEB Liability as a Percentage of Covered Payroll	7.61%	8.56%

Note: Only two years of GASB 75 data available as of 12/31/2018. The remaining eight years of data will be built on a go forward basis.

Notes to RSI:

1. This plan does not have assets accumulated in a trust that meets the criteria in GASBS No. 75.
2. Changes in Assumptions are due to updating discount rate based on the requirements of GASBS No. 75.

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
BIG SPRING RETIREE HEALTH INSURANCE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2017</u>	<u>12/31/2018</u>
	Total OPEB	Total OPEB
	Liability	Liability
Service Cost	\$ 234,314	\$ 275,511
Interest	151,828	146,777
Differences between Expected and Actual Experience	(49,191)	(360,876)
Benefit Payments	194,116	17,670
Changes in Assumptions	<u>(222,312)</u>	<u>97,236</u>
Net Change	\$ 308,755	\$ 176,318
Beginning Balance	3,978,993	4,287,748
Ending Balance	<u>\$ 4,287,748</u>	<u>\$ 4,464,066</u>
Total OPEB Liability	<u>\$ 4,287,748</u>	<u>\$ 4,464,066</u>
Covered Payroll	\$ 10,106,139	\$ 13,237,648
Total OPEB Liability as a Percentage of Covered Payroll	42.43%	33.72%

Note: Only two years of GASB 75 data available as of 12/31/2018. The remaining eight years of data will be built on a go forward basis.

Notes to RSI:

1. This plan does not have assets accumulated in a trust that meets the criteria in GASBS No. 75.
2. Changes in Assumptions are due to updating discount rate based on the requirements of GASBS No. 75.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-7

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 5,704,445	\$ 6,053,000	\$ 6,232,125	\$ 179,125
General Sales Taxes	7,350,000	7,800,000	8,160,162	360,162
Gross Receipts Business Taxes	1,425,200	1,427,914	1,511,386	83,472
License and Permits	338,950	415,920	390,390	(25,530)
Intergovernmental	964,900	1,096,381	1,130,133	33,752
Fines	347,700	316,240	272,479	(43,761)
Recreation	897,750	626,239	689,593	63,354
Investment Earnings	65,000	200,000	189,796	(10,204)
Rents and Royalties	2,481,251	2,279,653	2,260,121	(19,532)
Miscellaneous	51,828	561,878	239,819	(322,059)
Contributions and Donations	(1,430)	24,700	24,685	(15)
Total Revenues	\$ 19,625,594	\$ 20,801,925	\$ 21,100,689	\$ 298,764
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 567,157	\$ 405,231	\$ 457,162	\$ (51,931)
City Council (110)	115,714	154,927	142,739	12,188
Finance (120)	588,616	619,934	627,918	(7,984)
City Manager (130)	323,380	329,638	332,636	(2,998)
Information Technology (140)	370,926	367,902	355,792	12,110
Legal (150)	487,322	415,960	399,757	16,203
Human Resources (160)	444,143	498,141	500,319	(2,178)
Special Projects (170)		50,000		50,000
Planning Department (190)	166,738	158,719	163,376	(4,657)
Public Safety				
Police (200)	6,390,704	6,229,618	6,016,715	212,903
Narcotics Task Force (201)	562,832	339,660	324,270	15,390
Fire (210)	4,631,373	5,088,599	5,213,254	(124,655)
Municipal Court (220)	302,182	318,415	325,092	(6,677)
Fire Marshal (230)	140,262	182,582	182,086	496
Animal Control (240)	423,759	419,386	346,903	72,483
Highways and Streets				
Code Enforcement (300)	351,096	435,216	466,352	(31,136)
General Maintenance (310)	145,283	132,453	135,913	(3,460)
Streets (320)	3,785,710	2,577,675	2,249,714	327,961
Recreation and Parks				
Parks (370)	458,317	489,589	493,047	(3,458)
Sports Complex (375)	575,794	584,199	513,097	71,102
Swimming Pool (380)	775,741	621,730	510,542	111,188
Golf Course (390)	1,151,114	1,160,066	987,985	172,081
Lake (410)	26,375	27,699	24,989	2,710
City Hall (420)	251,150	355,712	332,853	22,859
Economic Development (180)			2,193	(2,193)
Debt Service:				
Principal	833,340	862,708	865,092	(2,384)
Interest	40,848	65,377	63,377	2,000
Total Expenditures	\$ 23,909,876	\$ 22,891,136	\$ 22,033,173	\$ 857,963
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (4,284,282)	\$ (2,089,211)	\$ (932,484)	\$ 1,156,727
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 1,031,842	\$ 782,557	\$ 1,029,096	\$ 246,539
Proceeds from Capital Lease Financing	671,000	760,000	776,057	16,057
Total Other Financing Sources	\$ 1,702,842	\$ 1,542,557	\$ 1,805,153	\$ 262,596
Net Change in Fund Balances	\$ (2,581,440)	\$ (546,654)	\$ 872,669	\$ 1,419,323
Fund Balances - Beginning	10,105,620	10,105,620	10,105,620	
Fund Balances - Ending	\$ 7,524,180	\$ 9,558,966	\$ 10,978,289	

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	27 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: There were no changes in assumptions during the year.

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	5 year amortization of investment
Inflation	3.00%
Salary Increases	4.50%
Investment Rate of Return	7.75%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

Other Information:

Changes in Benefits:

There were no benefit changes during the year.

Changes in Assumptions:

Pay increases were reduced from 5.00% to 4.50% during the 2017 valuation, and the discount rate was also reduced to 7.75% from 8.00%.

-78-
CITY OF BIG SPRING, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2019

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, 2019

	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)
ASSETS							
Assets:							
Cash and Cash Equivalents	\$ 1,230,791	\$	\$	\$ 17,557	\$ 161	\$ 370,519	\$ 1,619,028
Receivables (Net of Allowance for Uncollectibles)	<u>207,867</u>	<u>5,773</u>	<u>1,358</u>	<u>15,498</u>	<u>37,902</u>		<u>268,398</u>
Total Assets	<u>\$ 1,438,658</u>	<u>\$ 5,773</u>	<u>\$ 1,358</u>	<u>\$ 33,055</u>	<u>\$ 38,063</u>	<u>\$ 370,519</u>	<u>\$ 1,887,426</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$ 55,310	\$	\$	\$	\$	\$	\$ 55,310
Retainage Payable	11,892						11,892
Accrued Wages	11,557						11,557
Due to Other Funds					900	19,000	19,900
Unearned Revenue	61,747						61,747
Customer Deposits	<u>14,925</u>						<u>14,925</u>
Total Liabilities	<u>\$ 155,431</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 900</u>	<u>\$ 19,000</u>	<u>\$ 175,331</u>
DEFERRED INFLOWS OF RESOURCES:							
Unavailable Revenue - Property Taxes	\$	\$ 5,773	\$ 1,358	\$ 12,024	\$ 29,406	\$	\$ 48,561
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 5,773</u>	<u>\$ 1,358</u>	<u>\$ 12,024</u>	<u>\$ 29,406</u>	<u>\$ 0</u>	<u>\$ 48,561</u>
Fund Balances:							
Nonspendable Fund Balances:							
Cemetery Permanent Care	\$	\$	\$	\$	\$	\$ 351,519	\$ 351,519
Restricted Fund Balances:							
Restricted for Advertising and Promotions	901,726						901,726
Restricted for Court Security	1,811						1,811
Restricted for Court Technology	21,423						21,423
Restricted for Public, Educational and Governmental Television Access	216,515						216,515
Restricted for Public Safety Improvements	13,744						13,744
Restricted for Debt Service				21,031	7,757		28,788
Restricted for Senior Citizen's Center	57,945						57,945
Committed Fund Balances:							
Committed for Employee Education	23,408						23,408
Committed for Cemetery Operations	<u>46,655</u>						<u>46,655</u>
Total Fund Balances	<u>\$ 1,283,227</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,031</u>	<u>\$ 7,757</u>	<u>\$ 351,519</u>	<u>\$ 1,663,534</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,438,658</u>	<u>\$ 5,773</u>	<u>\$ 1,358</u>	<u>\$ 33,055</u>	<u>\$ 38,063</u>	<u>\$ 370,519</u>	<u>\$ 1,887,426</u>

-80-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	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-5)
Revenue:							
Taxes							
General Property Taxes	\$	\$ 167,878	\$ 39,168	\$ 381,087	\$ 911,781	\$	\$ 1,499,914
Gross Receipts Business Tax	50,444						50,444
Motel Occupancy Taxes	2,263,860						2,263,860
Intergovernmental	109,368						109,368
Charges for Services	29,764						29,764
Fines	11,453						11,453
Investment Earnings	17,725			364	1,389	8,425	27,903
Rents and Royalties	166,485						166,485
Miscellaneous	13,495						13,495
Contributions and Donations	2,250						2,250
Total Revenue	<u>\$ 2,664,844</u>	<u>\$ 167,878</u>	<u>\$ 39,168</u>	<u>\$ 381,451</u>	<u>\$ 913,170</u>	<u>\$ 8,425</u>	<u>\$ 4,174,936</u>
Expenditures:							
Current							
General Government	\$ 25,899	\$	\$	\$	\$	\$	\$ 25,899
Public Safety	225,238						225,238
Community Service	382,800						382,800
Economic Development	1,477,908						1,477,908
Cemetery	119,413						119,413
Debt Service							
Principal	16,320		190,000	195,000	755,000		1,156,320
Interest	1,091		4,025	112,250	181,000		298,366
Fiscal Agent's Fees			675	400	400		1,475
Total Expenditures	<u>\$ 2,248,669</u>	<u>\$ 0</u>	<u>\$ 194,700</u>	<u>\$ 307,650</u>	<u>\$ 936,400</u>	<u>\$ 0</u>	<u>\$ 3,687,419</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 416,175</u>	<u>\$ 167,878</u>	<u>\$ (155,532)</u>	<u>\$ 73,801</u>	<u>\$ (23,230)</u>	<u>\$ 8,425</u>	<u>\$ 487,517</u>
Other Financing Sources (Uses):							
Transfers In (Out)	<u>\$ (345,117)</u>	<u>\$ (167,878)</u>	<u>\$ 155,532</u>	<u>\$ (52,770)</u>	<u>\$ 10,510</u>	<u>\$ (8,425)</u>	<u>\$ (408,148)</u>
Proceeds from the Sale of Capital Assets	1,156						1,156
Total Other Financing Sources (Uses)	<u>\$ (343,961)</u>	<u>\$ (167,878)</u>	<u>\$ 155,532</u>	<u>\$ (52,770)</u>	<u>\$ 10,510</u>	<u>\$ (8,425)</u>	<u>\$ (406,992)</u>
Net Change in Fund Balances	\$ 72,214	\$ 0	\$ 0	\$ 21,031	\$ (12,720)	\$ 0	\$ 80,525
Fund Balances - Beginning	<u>1,211,013</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>20,477</u>	<u>351,519</u>	<u>1,583,009</u>
Fund Balances - Ending	<u>\$ 1,283,227</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,031</u>	<u>\$ 7,757</u>	<u>\$ 351,519</u>	<u>\$ 1,663,534</u>

-81-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2019**

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Total Nonmajor-Special Revenue Funds (See Exhibit C-1)
ASSETS										
Assets:										
Cash and Cash Equivalents	\$ 23,408	\$ 585	\$ 21,423	\$ 73,672	\$ 69,517	\$ 217,471	\$ 810,971	\$ 13,491	\$ 253	\$ 1,230,791
Receivables (Net of Allowance for Uncollectibles)		1,226		36,427			170,214			207,867
Total Assets	\$ 23,408	\$ 1,811	\$ 21,423	\$ 110,099	\$ 69,517	\$ 217,471	\$ 981,185	\$ 13,491	\$ 253	\$ 1,438,658
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$	\$	\$	\$ 3,063	\$ 7,246	\$ 956	\$ 44,045	\$	\$	\$ 55,310
Retainage Payable							11,892			11,892
Accrued Wages				1,634	4,326		5,597			11,557
Unearned Revenue				58,747			3,000			61,747
Customer Deposits							14,925			14,925
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 63,444	\$ 11,572	\$ 956	\$ 79,459	\$ 0	\$ 0	\$ 155,431
Fund Balances:										
Restricted Fund Balances:										
Restricted for Advertising and Promotions	\$	\$	\$	\$	\$	\$	\$ 901,726	\$	\$	\$ 901,726
Restricted for Court Security		1,811								1,811
Restricted for Court Technology			21,423							21,423
Restricted for Public, Educational and Governmental Television Access						216,515				216,515
Restricted for Public Safety Improvements								13,491	253	13,744
Restricted for Senior Citizen's Center					57,945					57,945
Committed Fund Balances:										
Committed for Employee Education	23,408									23,408
Committed for Cemetery Operations				46,655						46,655
Total Fund Balances	\$ 23,408	\$ 1,811	\$ 21,423	\$ 46,655	\$ 57,945	\$ 216,515	\$ 901,726	\$ 13,491	\$ 253	\$ 1,283,227
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 23,408	\$ 1,811	\$ 21,423	\$ 110,099	\$ 69,517	\$ 217,471	\$ 981,185	\$ 13,491	\$ 253	\$ 1,438,658

-82-
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, 2019**

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Total Nonmajor-Special Revenue Funds (See Exhibit C-1)
Revenue:										
Taxes										
Gross Receipts Business Tax	\$	\$	\$	\$	\$	\$ 50,444	\$	\$	\$	\$ 50,444
Motel Occupancy Taxes							2,263,860			2,263,860
Intergovernmental					92,436			14,614	2,318	109,368
Charges for Services	13,140				16,624					29,764
Fines		4,917	6,536							11,453
Investment Earnings	782	61	344	2,364	685	3,322	8,316	660	1,191	17,725
Rents and Royalties				106,337			60,148			166,485
Miscellaneous							13,495			13,495
Contributions and Donations					1,000		1,250			2,250
Total Revenue	\$ 13,922	\$ 4,978	\$ 6,880	\$ 108,701	\$ 110,745	\$ 53,766	\$ 2,347,069	\$ 15,274	\$ 3,509	\$ 2,664,844
Expenditures:										
Current										
General Government	\$ 16,512	\$	\$	\$	\$	\$ 9,387	\$	\$	\$	\$ 25,899
Public Safety		10,114	3,515					46,768	164,841	225,238
Community Service					382,800					382,800
Economic Development							1,477,908			1,477,908
Cemetery				119,413						119,413
Debt Service										
Principal				11,114			5,206			16,320
Interest				409			682			1,091
Total Expenditures	\$ 16,512	\$ 10,114	\$ 3,515	\$ 130,936	\$ 382,800	\$ 9,387	\$ 1,483,796	\$ 46,768	\$ 164,841	\$ 2,248,669
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,590)	\$ (5,136)	\$ 3,365	\$ (22,235)	\$ (272,055)	\$ 44,379	\$ 863,273	\$ (31,494)	\$ (161,332)	\$ 416,175
Other Financing Sources (Uses):										
Transfers In (Out)	\$ (40,000)	\$	\$	\$ 8,425	\$ 330,000	\$	\$ (643,542)	\$	\$	\$ (345,117)
Proceeds from the Sale of Capital Assets				1,156						1,156
Total Other Financing Sources (Uses)	\$ (40,000)	\$ 0	\$ 0	\$ 9,581	\$ 330,000	\$ 0	\$ (643,542)	\$ 0	\$ 0	\$ (343,961)
Net Change in Fund Balances	\$ (42,590)	\$ (5,136)	\$ 3,365	\$ (12,654)	\$ 57,945	\$ 44,379	\$ 219,731	\$ (31,494)	\$ (161,332)	\$ 72,214
Fund Balances - Beginning	65,998	6,947	18,058	59,309	0	172,136	681,995	44,985	161,585	1,211,013
Fund Balances - Ending	\$ 23,408	\$ 1,811	\$ 21,423	\$ 46,655	\$ 57,945	\$ 216,515	\$ 901,726	\$ 13,491	\$ 253	\$ 1,283,227

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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 1,830,500	\$ 2,175,800	\$ 2,263,860	\$ 88,060
Investment Earnings	2,500	5,500	8,316	2,816
Rents and Royalties	43,050	56,130	60,148	4,018
Miscellaneous	2,208	6,304	13,495	7,191
Contributions and Donations	20,000	1,500	1,250	(250)
Total Revenues	<u>\$ 1,898,258</u>	<u>\$ 2,245,234</u>	<u>\$ 2,347,069</u>	<u>\$ 101,835</u>
 Expenditures:				
Economic Development	\$ 1,509,595	\$ 1,895,402	\$ 1,477,908	\$ 417,494
Debt Service:				
Principal	4,796	4,796	5,206	(410)
Interest	1,092	1,092	682	410
Total Expenditures	<u>\$ 1,515,483</u>	<u>\$ 1,901,290</u>	<u>\$ 1,483,796</u>	<u>\$ 417,494</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 382,775</u>	<u>\$ 343,944</u>	<u>\$ 863,273</u>	<u>\$ 519,329</u>
 Other Financing Uses:				
Transfers Out	\$ (643,542)	\$ (643,542)	\$ (643,542)	\$ 0
Total Other Financing Uses	<u>\$ (643,542)</u>	<u>\$ (643,542)</u>	<u>\$ (643,542)</u>	<u>\$ 0</u>
 Net Change in Fund Balances	\$ (260,767)	\$ (299,598)	\$ 219,731	\$ 519,329
 Fund Balances - Beginning	<u>681,995</u>	<u>681,995</u>	<u>681,995</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 421,228</u></u>	<u><u>\$ 382,397</u></u>	<u><u>\$ 901,726</u></u>	<u><u>\$ 519,329</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Charges for Services	\$ 11,000	\$ 16,000	\$ 13,140	\$ (2,860)
Investment Earnings	350	750	782	32
Total Revenues	<u>\$ 11,350</u>	<u>\$ 16,750</u>	<u>\$ 13,922</u>	<u>\$ (2,828)</u>
Expenditures:				
Current				
General Government	\$ 4,000	\$ 12,000	\$ 16,512	\$ (4,512)
Total Expenditures	<u>\$ 4,000</u>	<u>\$ 12,000</u>	<u>\$ 16,512</u>	<u>\$ (4,512)</u>
Excess of Revenues Over Expenditures	<u>\$ 7,350</u>	<u>\$ 4,750</u>	<u>\$ (2,590)</u>	<u>\$ (7,340)</u>
Other Financing Sources (Uses):				
Transfers Out	\$ (40,000)	\$ (40,000)	\$ (40,000)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>\$ (40,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (32,650)	\$ (35,250)	\$ (42,590)	\$ (7,340)
Fund Balances - Beginning	<u>65,998</u>	<u>65,998</u>	<u>65,998</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 33,348</u></u>	<u><u>\$ 30,748</u></u>	<u><u>\$ 23,408</u></u>	<u><u>\$ (7,340)</u></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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 6,500	\$ 6,000	\$ 4,917	\$ (1,083)
Investment Earnings	5	80	61	(19)
Total Revenues	<u>\$ 6,505</u>	<u>\$ 6,080</u>	<u>\$ 4,978</u>	<u>\$ (1,102)</u>
Expenditures:				
Current				
Public Safety	<u>\$ 7,356</u>	<u>\$ 10,063</u>	<u>\$ 10,114</u>	<u>\$ (51)</u>
Total Expenditures	<u>\$ 7,356</u>	<u>\$ 10,063</u>	<u>\$ 10,114</u>	<u>\$ (51)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (851)</u>	<u>\$ (3,983)</u>	<u>\$ (5,136)</u>	<u>\$ (1,153)</u>
Net Change in Fund Balances	\$ (851)	\$ (3,983)	\$ (5,136)	\$ (1,153)
Fund Balances - Beginning	<u>6,947</u>	<u>6,947</u>	<u>6,947</u>	
Fund Balances - Ending	<u><u>\$ 6,096</u></u>	<u><u>\$ 2,964</u></u>	<u><u>\$ 1,811</u></u>	<u><u>\$ (1,153)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-8

MUNICIPAL COURT TECHNOLOGY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 8,840	\$ 6,800	\$ 6,536	\$ (264)
Investment Earnings	150	250	344	94
Total Revenues	<u>\$ 8,990</u>	<u>\$ 7,050</u>	<u>\$ 6,880</u>	<u>\$ (170)</u>
Expenditures:				
Current				
Public Safety	\$ 0	\$ 3,515	\$ 3,515	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 3,515</u>	<u>\$ 3,515</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 8,990</u>	<u>\$ 3,535</u>	<u>\$ 3,365</u>	<u>\$ (170)</u>
Net Change in Fund Balances	\$ 8,990	\$ 3,535	\$ 3,365	\$ (170)
Fund Balances - Beginning	<u>18,058</u>	<u>18,058</u>	<u>18,058</u>	
Fund Balances - Ending	<u>\$ 27,048</u>	<u>\$ 21,593</u>	<u>\$ 21,423</u>	<u>\$ (170)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

CEMETERY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Investment Earnings	\$ 1,400	\$ 1,700	\$ 2,364	\$ 664
Rents and Royalties	90,700	106,700	106,337	(363)
Total Revenues	<u>\$ 92,100</u>	<u>\$ 108,400</u>	<u>\$ 108,701</u>	<u>\$ 301</u>
Expenditures:				
Cemetery	\$ 152,325	\$ 174,173	\$ 119,413	\$ 54,760
Debt Service:				
Principal Payments	12,346	10,867	11,114	(247)
Interest	655	655	409	246
Total Expenditures	<u>\$ 165,326</u>	<u>\$ 185,695</u>	<u>\$ 130,936</u>	<u>\$ 54,759</u>
Deficiency of Revenues Under Expenditures	<u>\$ (73,226)</u>	<u>\$ (77,295)</u>	<u>\$ (22,235)</u>	<u>\$ 55,060</u>
Other Financing Sources:				
Transfers In	\$ 4,300	\$ 23,000	\$ 8,425	\$ (14,575)
Proceeds from the Sale of Capital Assets	0	1,156	1,156	0
Total Other Financing Sources	<u>\$ 4,300</u>	<u>\$ 24,156</u>	<u>\$ 9,581</u>	<u>\$ (14,575)</u>
Net Change in Fund Balances	\$ (68,926)	\$ (53,139)	\$ (12,654)	\$ 40,485
Fund Balances - Beginning	<u>59,309</u>	<u>59,309</u>	<u>59,309</u>	
Fund Balances - Ending	<u><u>\$ (9,617)</u></u>	<u><u>\$ 6,170</u></u>	<u><u>\$ 46,655</u></u>	<u><u>\$ 40,485</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

SENIOR CENTER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 95,450	\$ 89,500	\$ 92,436	\$ 2,936
Charges for Services	17,720	16,070	16,624	554
Investment Earnings	180	350	685	335
Contributions and Donations	20	500	1,000	500
Total Revenues	<u>\$ 113,370</u>	<u>\$ 106,420</u>	<u>\$ 110,745</u>	<u>\$ 4,325</u>
Expenditures:				
Community Service	\$ 427,922	\$ 423,680	\$ 382,800	\$ 40,880
Total Expenditures	<u>\$ 427,922</u>	<u>\$ 423,680</u>	<u>\$ 382,800</u>	<u>\$ 40,880</u>
Deficiency of Revenues Under Expenditures	<u>\$ (314,552)</u>	<u>\$ (317,260)</u>	<u>\$ (272,055)</u>	<u>\$ 45,205</u>
Other Financing Sources:				
Transfers In	\$ 316,000	\$ 330,000	\$ 330,000	\$ 0
Total Other Financing Sources	<u>\$ 316,000</u>	<u>\$ 330,000</u>	<u>\$ 330,000</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,448	\$ 12,740	\$ 57,945	\$ 45,205
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balances - Ending	<u>\$ 1,448</u>	<u>\$ 12,740</u>	<u>\$ 57,945</u>	<u>\$ 45,205</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-11

P.E.G. FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Gross Receipts Business Tax	\$ 50,000	\$ 50,000	\$ 50,444	\$ 444
Investment Earnings	1,400	2,800	3,322	522
Total Revenues	<u>\$ 51,400</u>	<u>\$ 52,800</u>	<u>\$ 53,766</u>	<u>\$ 966</u>
Expenditures:				
General Governmental	\$ 23,034	\$ 29,734	\$ 9,387	\$ 20,347
Total Expenditures	<u>\$ 23,034</u>	<u>\$ 29,734</u>	<u>\$ 9,387</u>	<u>\$ 20,347</u>
Deficiency of Revenues Under Expenditures	<u>\$ 28,366</u>	<u>\$ 23,066</u>	<u>\$ 44,379</u>	<u>\$ 21,313</u>
Net Change in Fund Balances	\$ 28,366	\$ 23,066	\$ 44,379	\$ 21,313
Fund Balances - Beginning	<u>172,136</u>	<u>172,136</u>	<u>172,136</u>	
Fund Balances - Ending	<u>\$ 200,502</u>	<u>\$ 195,202</u>	<u>\$ 216,515</u>	<u>\$ 21,313</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-12

STATE FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 4,000	\$ 9,743	\$ 14,614	\$ 4,871
Investment Earnings	160	580	660	80
Total Revenues	<u>\$ 4,160</u>	<u>\$ 10,323</u>	<u>\$ 15,274</u>	<u>\$ 4,951</u>
Expenditures:				
General Governmental	\$ 40,000	\$ 28,397	\$ 46,768	\$ (18,371)
Total Expenditures	<u>\$ 40,000</u>	<u>\$ 28,397</u>	<u>\$ 46,768</u>	<u>\$ (18,371)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (35,840)</u>	<u>\$ (18,074)</u>	<u>\$ (31,494)</u>	<u>\$ (13,420)</u>
Other Financing Sources:				
Proceeds from the Sale of Capital Assets	\$ 1,000	\$ 4,904	\$ 0	\$ (4,904)
Total Other Financing Sources	<u>\$ 1,000</u>	<u>\$ 4,904</u>	<u>\$ 0</u>	<u>\$ (4,904)</u>
Net Change in Fund Balances	\$ (34,840)	\$ (13,170)	\$ (31,494)	\$ (18,324)
Fund Balances - Beginning	<u>44,985</u>	<u>44,985</u>	<u>44,985</u>	
Fund Balances - Ending	<u>\$ 10,145</u>	<u>\$ 31,815</u>	<u>\$ 13,491</u>	<u>\$ (18,324)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-13

**POLICE DEPARTMENT SEIZURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Intergovernmental	\$ 20,000	\$ 2,318	\$ 2,318	\$ 0
Investment Earnings	500	1,200	1,191	(9)
Total Revenues	<u>\$ 20,500</u>	<u>\$ 3,518</u>	<u>\$ 3,509</u>	<u>\$ (9)</u>
Expenditures:				
General Governmental	\$ 213,584	\$ 213,924	\$ 164,841	\$ 49,083
Total Expenditures	<u>\$ 213,584</u>	<u>\$ 213,924</u>	<u>\$ 164,841</u>	<u>\$ 49,083</u>
Deficiency of Revenues Under Expenditures	<u>\$ (193,084)</u>	<u>\$ (210,406)</u>	<u>\$ (161,332)</u>	<u>\$ 49,074</u>
Net Change in Fund Balances	\$ (193,084)	\$ (210,406)	\$ (161,332)	\$ 49,074
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u></u>
Fund Balances - Ending	<u><u>\$ (193,084)</u></u>	<u><u>\$ (210,406)</u></u>	<u><u>\$ (161,332)</u></u>	<u><u>\$ 49,074</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-14

2007 G.O. BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 157,004	\$ 168,448	\$ 167,878	\$ (570)
Investment Earnings	(100)	569	0	(569)
Total Revenues	<u>\$ 156,904</u>	<u>\$ 169,017</u>	<u>\$ 167,878</u>	<u>\$ (1,139)</u>
Other Financing Sources (Uses):				
Transfers Out	<u>\$ (167,878)</u>	<u>\$ (167,878)</u>	<u>\$ (167,878)</u>	<u>\$ 0</u>
Total Other Financing Sources (Uses)	<u>\$ (167,878)</u>	<u>\$ (167,878)</u>	<u>\$ (167,878)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (10,974)	\$ 1,139	\$ 0	\$ (1,139)
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u></u>
Fund Balances - Ending	<u><u>\$ (10,974)</u></u>	<u><u>\$ 1,139</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ (1,139)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-15

2007 C.O. BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 26,340	\$ 39,630	\$ 39,168	\$ (462)
Investment Earnings	30	462	0	(462)
Total Revenues	<u>\$ 26,370</u>	<u>\$ 40,092</u>	<u>\$ 39,168</u>	<u>\$ (924)</u>
Expenditures:				
Debt Service:				
Principal	\$ 190,000	\$ 190,000	\$ 190,000	\$ 0
Interest and Fiscal Charges	7,550	4,025	4,025	0
Fiscal Agent's Fees	375	675	675	0
Total Expenditures	<u>\$ 197,925</u>	<u>\$ 194,700</u>	<u>\$ 194,700</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ (171,555)</u>	<u>\$ (154,608)</u>	<u>\$ (155,532)</u>	<u>\$ (924)</u>
Other Financing Sources (Uses):				
Transfers In	<u>\$ 175,933</u>	<u>\$ 165,423</u>	<u>\$ 155,532</u>	<u>\$ (9,891)</u>
Total Other Financing Sources (Uses)	<u>\$ 175,933</u>	<u>\$ 165,423</u>	<u>\$ 155,532</u>	<u>\$ (9,891)</u>
Net Change in Fund Balances	\$ 4,378	\$ 10,815	\$ 0	\$ (10,815)
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	<u></u>
Fund Balances - Ending	<u>\$ 4,378</u>	<u>\$ 10,815</u>	<u>\$ 0</u>	<u>\$ (10,815)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

2010 C.O. BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 342,500	\$ 362,200	\$ 381,087	\$ 18,887
Investment Earnings	150	100	364	264
Total Revenues	<u>\$ 342,650</u>	<u>\$ 362,300</u>	<u>\$ 381,451</u>	<u>\$ 19,151</u>
Expenditures:				
Debt Service:				
Principal	\$ 195,000	\$ 195,000	\$ 195,000	\$ 0
Interest and Fiscal Charges	112,250	112,250	112,250	0
Fiscal Agent's Fees	400	400	400	0
Total Expenditures	<u>\$ 307,650</u>	<u>\$ 307,650</u>	<u>\$ 307,650</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 35,000</u>	<u>\$ 54,650</u>	<u>\$ 73,801</u>	<u>\$ 19,151</u>
Other Financing Sources:				
Transfers Out	<u>\$ 0</u>	<u>\$ (52,770)</u>	<u>\$ (52,770)</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ (52,770)</u>	<u>\$ (52,770)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 35,000	\$ 1,880	\$ 21,031	\$ 19,151
Fund Balances - Beginning	<u>0</u>	<u>0</u>	<u>0</u>	
Fund Balances - Ending	<u><u>\$ 35,000</u></u>	<u><u>\$ 1,880</u></u>	<u><u>\$ 21,031</u></u>	<u><u>\$ 19,151</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-17

2016 G.O. REFUNDING BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 904,400	\$ 893,400	\$ 911,781	\$ 18,381
Investment Earnings	260	1,500	1,389	(111)
Total Revenues	<u>\$ 904,660</u>	<u>\$ 894,900</u>	<u>\$ 913,170</u>	<u>\$ 18,270</u>
Debt Service:				
Principal	\$ 755,000	\$ 755,000	\$ 755,000	\$ 0
Interest and Fiscal Charges	181,000	181,000	181,000	0
Bond Issuance Costs	700	400	400	0
Total Expenditures	<u>\$ 936,700</u>	<u>\$ 936,400</u>	<u>\$ 936,400</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ (32,040)</u>	<u>\$ (41,500)</u>	<u>\$ (23,230)</u>	<u>\$ 18,270</u>
Other Financing Sources (Uses):				
Transfers In	<u>\$ 0</u>	<u>\$ 10,510</u>	<u>\$ 10,510</u>	<u>\$ 0</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 10,510</u>	<u>\$ 10,510</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (32,040)</u>	<u>\$ (30,990)</u>	<u>\$ (12,720)</u>	<u>\$ 18,270</u>
Fund Balances - Beginning	<u>20,477</u>	<u>20,477</u>	<u>20,477</u>	
Fund Balances - Ending	<u><u>\$ (11,563)</u></u>	<u><u>\$ (10,513)</u></u>	<u><u>\$ 7,757</u></u>	<u><u>\$ 18,270</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-18

CEMETERY PERMANENT CARE FUND
PERMANENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>4,300</u>	\$ <u>7,000</u>	\$ <u>8,425</u>	\$ <u>1,425</u>
Total Revenues	\$ <u>4,300</u>	\$ <u>7,000</u>	\$ <u>8,425</u>	\$ <u>1,425</u>
Other Financing Uses:				
Transfers Out	\$ <u>(4,300)</u>	\$ <u>(7,000)</u>	\$ <u>(8,425)</u>	\$ <u>(1,425)</u>
Total Other Financing Uses	\$ <u>(4,300)</u>	\$ <u>(7,000)</u>	\$ <u>(8,425)</u>	\$ <u>(1,425)</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, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Water Sales	\$ 10,951,500	\$ 11,006,000	\$ 11,185,680	\$ 179,680
Sewer Charges	2,700,000	2,750,000	2,762,332	12,332
Other Services	320,740	305,400	345,016	39,616
Total Operating Revenues	<u>\$ 13,972,240</u>	<u>\$ 14,061,400</u>	<u>\$ 14,293,028</u>	<u>\$ 231,628</u>
OPERATING EXPENSES:				
Personnel Services	\$ 2,400,027	\$ 2,343,143	\$ 2,424,573	\$ (81,430)
Supplies and Materials	5,620,360	5,227,165	5,286,074	(58,909)
Contractual Services	1,449,635	1,478,991	1,499,188	(20,197)
Maintenance	1,021,098	1,409,080	1,602,590	(193,510)
Depreciation	4,241,500	3,766,449	1,894,953	1,871,496
Other	80,000	95,812	144,516	(48,704)
Total Operating Expenses	<u>\$ 14,812,620</u>	<u>\$ 14,320,640</u>	<u>\$ 12,851,894</u>	<u>\$ 1,468,746</u>
Operating Income	<u>\$ (840,380)</u>	<u>\$ (259,240)</u>	<u>\$ 1,441,134</u>	<u>\$ 1,700,374</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 31,070	\$ 66,700	\$ 97,033	\$ 30,333
Gain/(Loss) on Disposal of Assets		6,289	6,289	0
Other	2,500	5,000	(4,317)	(9,317)
Interest Expense and Paying Agent Fees	(997,699)	(993,271)	(345,748)	647,523
Total Non-Operating Expenses	<u>\$ (964,129)</u>	<u>\$ (915,282)</u>	<u>\$ (246,743)</u>	<u>\$ 668,539</u>
Income Before Transfers	<u>\$ (1,804,509)</u>	<u>\$ (1,174,522)</u>	<u>\$ 1,194,391</u>	<u>\$ 2,368,913</u>
Capital Contributions	750,000	750,000	750,000	0
Transfers Out	<u>(634,260)</u>	<u>(640,260)</u>	<u>(640,260)</u>	<u>0</u>
Change in Net Position	<u>\$ (1,688,769)</u>	<u>\$ (1,064,782)</u>	<u>\$ 1,304,131</u>	<u>\$ 2,368,913</u>
Total Net Position - Beginning	<u>20,533,097</u>	<u>20,533,097</u>	<u>20,533,097</u>	
Total Net Position - Ending	<u>\$ 18,844,328</u>	<u>\$ 19,468,315</u>	<u>\$ 21,837,228</u>	<u>\$ 2,368,913</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-20

AIRPORT/INDUSTRIAL PARK
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Commercial Rentals and Fees	\$ 1,314,600	\$ 1,232,900	\$ 1,457,670	\$ 224,770
Total Operating Revenues	<u>\$ 1,314,600</u>	<u>\$ 1,232,900</u>	<u>\$ 1,457,670</u>	<u>\$ 224,770</u>
OPERATING EXPENSES:				
Personnel Services	\$ 713,807	\$ 468,652	\$ 191,877	\$ 276,775
Supplies and Materials	52,130	54,300	46,100	8,200
Contractual Services	330,589	269,885	229,592	40,293
Maintenance	763,250	826,694	735,239	91,455
Depreciation	6,312,000	1,583,297	1,336,910	246,387
Other	2,000	2,000	59,235	(57,235)
Total Operating Expenses	<u>\$ 8,173,776</u>	<u>\$ 3,204,828</u>	<u>\$ 2,598,953</u>	<u>\$ 605,875</u>
Operating Income (Expense)	<u>\$ (6,859,176)</u>	<u>\$ (1,971,928)</u>	<u>\$ (1,141,283)</u>	<u>\$ 830,645</u>
NON-OPERATING REVENUES (EXPENSES):				
Intergovernmental Revenue	\$ 65,000	\$ 65,000	\$ 74,123	\$ 9,123
Interest Revenue	45,000	80,000	117,323	37,323
Rents and Royalties	2,402,880	1,583,590	1,501,899	(81,691)
Other	105,061	33,903	5,740	(28,163)
Interest Expense and Paying Agent Fees			(14,919)	(14,919)
Total Non-Operating Revenues	<u>\$ 2,617,941</u>	<u>\$ 1,762,493</u>	<u>\$ 1,684,166</u>	<u>\$ (78,327)</u>
Income (Loss) Before Transfers	<u>\$ (4,241,235)</u>	<u>\$ (209,435)</u>	<u>\$ 542,883</u>	<u>\$ 752,318</u>
Capital Contributions			950,336	950,336
Transfers Out	<u>(662,351)</u>	<u>(443,066)</u>	<u>(443,066)</u>	<u>0</u>
Change in Net Position	<u>\$ (4,903,586)</u>	<u>\$ (652,501)</u>	<u>\$ 1,050,153</u>	<u>\$ 1,702,654</u>
Total Net Position - Beginning	<u>31,777,138</u>	<u>31,777,138</u>	<u>31,777,138</u>	
Total Net Position - Ending	<u>\$ 26,873,552</u>	<u>\$ 31,124,637</u>	<u>\$ 32,827,291</u>	<u>\$ 1,702,654</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-21

EMERGENCY MEDICAL SERVICES FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Emergency Medical Services	\$ 1,800,150	\$ 4,100,150	\$ 2,076,736	\$ (2,023,414)
Total Operating Revenues	<u>\$ 1,800,150</u>	<u>\$ 4,100,150</u>	<u>\$ 2,076,736</u>	<u>\$ (2,023,414)</u>
OPERATING EXPENSES:				
Personnel Services	\$ 1,900,233	\$ 2,010,186	\$ 2,292,122	\$ (281,936)
Supplies and Materials	137,850	137,582	100,426	37,156
Contractual Services	151,700	156,800	178,367	(21,567)
Maintenance	36,900	35,844	35,416	428
Depreciation	35,000	105,840	204,418	(98,578)
Other	690,000	740,000	1,109,087	(369,087)
Total Operating Expenses	<u>\$ 2,951,683</u>	<u>\$ 3,186,252</u>	<u>\$ 3,919,836</u>	<u>\$ (733,584)</u>
Operating Loss	<u>\$ (1,151,533)</u>	<u>\$ 913,898</u>	<u>\$ (1,843,100)</u>	<u>\$ (2,756,998)</u>
NON-OPERATING REVENUES (EXPENSES):				
Gain/(Loss) on Disposal of Assets	\$	\$ 3,353	\$ 3,353	\$ 0
Other	200,500	231,339	214,598	(16,741)
Interest Expense and Paying Agent Fees	(138,298)	(137,621)	(7,091)	130,530
Total Non-Operating Revenues (Expenses)	<u>\$ 62,202</u>	<u>\$ 97,071</u>	<u>\$ 210,860</u>	<u>\$ 113,789</u>
Loss Before Transfers	<u>\$ (1,089,331)</u>	<u>\$ 1,010,969</u>	<u>\$ (1,632,240)</u>	<u>\$ (2,643,209)</u>
Capital Contributions	450,000	450,000	487,500	37,500
Transfers In	<u>811,404</u>	<u>811,404</u>	<u>811,404</u>	<u>0</u>
Change in Net Position	\$ 172,073	\$ 2,272,373	\$ (333,336)	\$ (2,605,709)
Total Net Position - Beginning	<u>(3,637,142)</u>	<u>(3,637,142)</u>	<u>(3,637,142)</u>	<u></u>
Total Net Position - Ending	<u>\$ (3,465,069)</u>	<u>\$ (1,364,769)</u>	<u>\$ (3,970,478)</u>	<u>\$ (2,605,709)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-22

LANDFILL FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Landfill Fees	\$ 1,694,700	\$ 1,769,500	\$ 1,871,336	\$ 101,836
Other Services	2,000	3,000	2,800	(200)
Total Operating Revenues	<u>\$ 1,696,700</u>	<u>\$ 1,772,500</u>	<u>\$ 1,874,136</u>	<u>\$ 101,636</u>
OPERATING EXPENSES:				
Personnel Services	\$ 653,603	\$ 685,415	\$ 818,629	\$ (133,214)
Supplies and Materials	46,700	68,382	89,589	(21,207)
Contractual Services	152,760	150,052	152,945	(2,893)
Maintenance	50,901	186,601	182,089	4,512
Depreciation	3,075,000	1,480,000	718,916	761,084
Other	50,005	28,685	148,801	(120,116)
Total Operating Expenses	<u>\$ 4,028,969</u>	<u>\$ 2,599,135</u>	<u>\$ 2,110,969</u>	<u>\$ 488,166</u>
Operating Income	<u>\$ (2,332,269)</u>	<u>\$ (826,635)</u>	<u>\$ (236,833)</u>	<u>\$ 589,802</u>
NON-OPERATING REVENUES (EXPENSES):				
Intergovernmental Revenue	\$	\$	\$ 24,539	\$ 24,539
Interest Revenue	43,000	93,000	124,386	31,386
Gain/(Loss) on Disposal of Assets		1,748	1,748	0
Other	50	150	279	129
Interest Expense and Paying Agent Fees	(381,042)	(195,034)	(11,933)	183,101
Total Non-Operating Expenses	<u>\$ (337,992)</u>	<u>\$ (100,136)</u>	<u>\$ 139,019</u>	<u>\$ 239,155</u>
Income Before Transfers	<u>\$ (2,670,261)</u>	<u>\$ (926,771)</u>	<u>\$ (97,814)</u>	<u>\$ 828,957</u>
Capital Contributions		24,539		(24,539)
Transfers Out	(289,860)	(289,860)	(289,860)	0
Change in Net Position	<u>\$ (2,960,121)</u>	<u>\$ (1,192,092)</u>	<u>\$ (387,674)</u>	<u>\$ 804,418</u>
Total Net Position - Beginning	<u>6,509,019</u>	<u>6,509,019</u>	<u>6,509,019</u>	
Total Net Position - Ending	<u>\$ 3,548,898</u>	<u>\$ 5,316,927</u>	<u>\$ 6,121,345</u>	<u>\$ 804,418</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-23

**SANITATION FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
OPERATING REVENUES:				
Sanitation Revenue	\$ 3,051,000	\$ 3,184,000	\$ 3,292,766	\$ 108,766
Other Services	60,000	60,000	61,365	1,365
Total Operating Revenues	<u>\$ 3,111,000</u>	<u>\$ 3,244,000</u>	<u>\$ 3,354,131</u>	<u>\$ 110,131</u>
OPERATING EXPENSES:				
Personnel Services	\$ 659,123	\$ 672,912	\$ 820,432	\$ (147,520)
Supplies and Materials	299,580	310,180	317,156	(6,976)
Contractual Services	1,029,744	1,035,944	1,053,415	(17,471)
Maintenance	312,451	498,627	561,706	(63,079)
Depreciation			315,510	(315,510)
Other	47,500	60,000	58,394	1,606
Total Operating Expenses	<u>\$ 2,348,398</u>	<u>\$ 2,577,663</u>	<u>\$ 3,126,613</u>	<u>\$ (548,950)</u>
Operating Income	<u>\$ 762,602</u>	<u>\$ 666,337</u>	<u>\$ 227,518</u>	<u>\$ (438,819)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 4,000	\$ 20,000	\$ 22,248	\$ 2,248
Gain/(Loss) on Disposal of Assets		2,174	2,174	0
Other	1,000	1,000	(853)	(1,853)
Interest Expense and Paying Agent Fees	(295,370)	(307,468)	(10,004)	297,464
Total Non-Operating Revenues (Expenses)	<u>\$ (290,370)</u>	<u>\$ (284,294)</u>	<u>\$ 13,565</u>	<u>\$ 297,859</u>
Income Before Transfers	\$ 472,232	\$ 382,043	\$ 241,083	\$ (140,960)
Transfers Out	<u>(7,540)</u>	<u>(7,540)</u>	<u>(7,540)</u>	<u>0</u>
Change in Net Position	\$ 464,692	\$ 374,503	\$ 233,543	\$ (140,960)
Total Net Position - Beginning	<u>1,668,815</u>	<u>1,668,815</u>	<u>1,668,815</u>	
Total Net Position - Ending	<u>\$ 2,133,507</u>	<u>\$ 2,043,318</u>	<u>\$ 1,902,358</u>	<u>\$ (140,960)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-24

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2019

	<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>
ASSETS:					
Current Assets					
Cash and Cash Equivalents	\$ 283	\$ 504,628	\$ 646,021	\$ 60,447	\$ 1,211,379
Total Current Assets	<u>\$ 283</u>	<u>\$ 504,628</u>	<u>\$ 646,021</u>	<u>\$ 60,447</u>	<u>\$ 1,211,379</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	3,784				3,784
Total Noncurrent Assets	<u>\$ 13,784</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,784</u>
Total Assets	<u>\$ 14,067</u>	<u>\$ 504,628</u>	<u>\$ 646,021</u>	<u>\$ 60,447</u>	<u>\$ 1,225,163</u>
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 2,792	\$	\$ 16,221	\$ 60,291	\$ 79,304
Claims and Judgments Payable		175,250	339,559		514,809
Due to Other Funds	5,200			156	5,356
Long Term Debt - Current	3,886				3,886
Total Current Liabilities	<u>\$ 11,878</u>	<u>\$ 175,250</u>	<u>\$ 355,780</u>	<u>\$ 60,447</u>	<u>\$ 603,355</u>
Noncurrent Liabilities					
Long Term Debt	\$ 5,888	\$	\$	\$	\$ 5,888
Total Noncurrent Liabilities	<u>\$ 5,888</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 5,888</u>
Total Liabilities	<u>\$ 17,766</u>	<u>\$ 175,250</u>	<u>\$ 355,780</u>	<u>\$ 60,447</u>	<u>\$ 609,243</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 4,010	\$	\$	\$	\$ 4,010
Unrestricted Net Position	<u>(7,709)</u>	<u>329,378</u>	<u>290,241</u>	<u></u>	<u>611,910</u>
Total Net Position	<u>\$ (3,699)</u>	<u>\$ 329,378</u>	<u>\$ 290,241</u>	<u>\$ 0</u>	<u>\$ 615,920</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, 2019

	<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	\$ 56,000	\$ 3,250,387	\$ 491,111	\$ 3,797,498
Total Operating Revenues	<u>\$ 56,000</u>	<u>\$ 3,250,387</u>	<u>\$ 491,111</u>	<u>\$ 3,797,498</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 6,372	\$	\$	\$ 6,372
Contractual Services	12,928	3,849,716	150,657	4,013,301
Maintenance	13,575			13,575
Depreciation	2,186			2,186
Other Expense		107,796	29,568	137,364
Total Operating Expenses	<u>\$ 35,061</u>	<u>\$ 3,957,512</u>	<u>\$ 180,225</u>	<u>\$ 4,172,798</u>
Operating Income (Loss)	<u>\$ 20,939</u>	<u>\$ (707,125)</u>	<u>\$ 310,886</u>	<u>\$ (375,300)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 35	\$ 2,251	\$ 3,687	\$ 5,973
Other Income		569,988		569,988
Interest Expense and Paying Agent Fees	(380)			(380)
Total Non-Operating Revenues (Expenses)	<u>\$ (345)</u>	<u>\$ 572,239</u>	<u>\$ 3,687</u>	<u>\$ 575,581</u>
Income (Loss) Before Transfers	\$ 20,594	\$ (134,886)	\$ 314,573	\$ 200,281
Transfers In (Out)	<u></u>	<u>352,709</u>	<u>(404,335)</u>	<u>(51,626)</u>
Change in Net Position	\$ 20,594	\$ 217,823	\$ (89,762)	\$ 148,655
Total Net Position - Beginning	<u>(24,293)</u>	<u>111,555</u>	<u>380,003</u>	<u>467,265</u>
Total Net Position - Ending	<u><u>\$ (3,699)</u></u>	<u><u>\$ 329,378</u></u>	<u><u>\$ 290,241</u></u>	<u><u>\$ 615,920</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-26

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-9)</u>
Cash Flows from Operating Activities					
Cash Received from Interfund Services Provided	\$ 56,000	\$ 3,250,387	\$ 491,111	\$	\$ 3,797,498
Cash Payments to Suppliers for Goods and Services	(35,279)	(3,978,697)	(246,153)	(48,583)	(4,308,712)
Net Cash from Operating Activities	<u>\$ 20,721</u>	<u>\$ (728,310)</u>	<u>\$ 244,958</u>	<u>\$ (48,583)</u>	<u>\$ (511,214)</u>
Cash Flows from Non-Capital Financing Activities					
Cash Transfers from (to) Other Funds	\$ (19,800)	\$ 352,709	\$ (415,896)	\$ (433)	\$ (83,420)
Various Reimbursements		569,988			569,988
Net Cash from Non-Capital Financing Activities	<u>\$ (19,800)</u>	<u>\$ 922,697</u>	<u>\$ (415,896)</u>	<u>\$ (433)</u>	<u>\$ 486,568</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (4,152)	\$	\$	\$	\$ (4,152)
Net Cash from Capital and Related Financing Activities	<u>\$ (4,152)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,152)</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$ 35	\$ 2,251	\$ 3,687	\$	\$ 5,973
Net Cash from Investing Activities	<u>\$ 35</u>	<u>\$ 2,251</u>	<u>\$ 3,687</u>	<u>\$ 0</u>	<u>\$ 5,973</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (3,196)	\$ 196,638	\$ (167,251)	\$ (49,016)	\$ (22,825)
Cash and Cash Equivalents at Beginning of Year	3,479	307,990	813,272	109,463	1,234,204
Cash and Cash Equivalents at End of Year	<u>\$ 283</u>	<u>\$ 504,628</u>	<u>\$ 646,021</u>	<u>\$ 60,447</u>	<u>\$ 1,211,379</u>
Reconciliation of Operating Income to Net Cash from Operating Activities					
Operating Income (Loss)	\$ 20,939	\$ (707,125)	\$ 310,886	\$ 0	\$ (375,300)
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities					
Depreciation	\$ 2,186	\$	\$	\$	\$ 2,186
Change in Assets and Liabilities					
Increase (Decrease) in Accounts Payable	(2,404)		(8,149)	(48,583)	(59,136)
Increase (Decrease) in Claims and Judgements Payable		(21,185)	(57,779)		(78,964)
Total Adjustments	<u>\$ (218)</u>	<u>\$ (21,185)</u>	<u>\$ (65,928)</u>	<u>\$ (48,583)</u>	<u>\$ (135,914)</u>
Net Cash from Operating Activities	<u>\$ 20,721</u>	<u>\$ (728,310)</u>	<u>\$ 244,958</u>	<u>\$ (48,583)</u>	<u>\$ (511,214)</u>
Supplemental Cash Flow Information:					
Non-Cash Related Financing Activities:					
Transfers of Fully Depreciated Capital Assets of \$136,615 - From Sanitation Fund to Garage Fund					
Transfers of Fully Depreciated Capital Assets of \$150,737 - From General Fund to Garage Fund					

CITY OF BIG SPRING, TEXAS

EXHIBIT C-27

**GARAGE FUND
INTERNAL SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 30,000	\$ 52,717	\$ 56,000	\$ 3,283
Total Operating Revenues	<u>\$ 30,000</u>	<u>\$ 52,717</u>	<u>\$ 56,000</u>	<u>\$ 3,283</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 4,050	\$ 5,650	\$ 6,372	\$ 722
Contractual Services	13,400	13,922	12,928	(994)
Maintenance	15,100	12,775	13,575	800
Depreciation	0	0	2,186	2,186
Total Operating Expenses	<u>\$ 32,550</u>	<u>\$ 32,347</u>	<u>\$ 35,061</u>	<u>\$ 2,714</u>
Operating Loss	<u>\$ (2,550)</u>	<u>\$ 20,370</u>	<u>\$ 20,939</u>	<u>\$ 569</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$	\$	\$ 35	\$ 35
Other Income	12,000	5,000		(5,000)
Interest Expense and Paying Agent Fees	(4,512)	(4,147)	(380)	3,767
Total Non-Operating Expenses	<u>\$ 7,488</u>	<u>\$ 853</u>	<u>\$ (345)</u>	<u>\$ (1,198)</u>
Change in Net Position	\$ 4,938	\$ 21,223	\$ 20,594	\$ (629)
Total Net Position - Beginning	<u>(24,293)</u>	<u>(24,293)</u>	<u>(24,293)</u>	
Total Net Position - Ending	<u>\$ (19,355)</u>	<u>\$ (3,070)</u>	<u>\$ (3,699)</u>	<u>\$ (629)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-28

HEALTH INSURANCE FUND
INTERNAL SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ <u>3,023,994</u>	\$ <u>4,086,600</u>	\$ <u>3,250,387</u>	\$ <u>(836,213)</u>
Total Operating Revenues	\$ <u>3,023,994</u>	\$ <u>4,086,600</u>	\$ <u>3,250,387</u>	\$ <u>(836,213)</u>
OPERATING EXPENSES:				
Contractual Services	\$ 3,756,701	\$ 3,821,000	\$ 3,849,716	\$ (28,716)
Other	111,500	111,500	107,796	3,704
Total Operating Expenses	\$ <u>3,868,201</u>	\$ <u>3,932,500</u>	\$ <u>3,957,512</u>	\$ <u>(25,012)</u>
Operating Loss	\$ <u>(844,207)</u>	\$ <u>154,100</u>	\$ <u>(707,125)</u>	\$ <u>(861,225)</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 700	\$ 1,200	\$ 2,251	\$ 1,051
Other Income		600,000	569,988	(30,012)
Total Non-Operating Revenues	\$ <u>700</u>	\$ <u>601,200</u>	\$ <u>572,239</u>	\$ <u>(28,961)</u>
Loss Before Transfers	\$ (843,507)	\$ 755,300	\$ (134,886)	\$ (890,186)
Transfers In/(Out)	<u>352,709</u>	<u>352,709</u>	<u>352,709</u>	<u>0</u>
Change in Net Position	\$ (490,798)	\$ 1,108,009	\$ 217,823	\$ (890,186)
Total Net Position - Beginning	<u>111,555</u>	<u>111,555</u>	<u>111,555</u>	
Total Net Position - Ending	\$ <u>(379,243)</u>	\$ <u>1,219,564</u>	\$ <u>329,378</u>	\$ <u>(890,186)</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, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 454,554	\$ 491,111	\$ 491,111	\$ 0
Total Operating Revenues	<u>\$ 454,554</u>	<u>\$ 491,111</u>	<u>\$ 491,111</u>	<u>\$ 0</u>
OPERATING EXPENSES:				
Contractual Services	\$ 200,000	\$ 200,000	\$ 150,657	\$ 49,343
Other	32,000	32,000	29,568	2,432
Total Operating Expenses	<u>\$ 232,000</u>	<u>\$ 232,000</u>	<u>\$ 180,225</u>	<u>\$ 51,775</u>
Operating Income	<u>\$ 222,554</u>	<u>\$ 259,111</u>	<u>\$ 310,886</u>	<u>\$ 51,775</u>
NON-OPERATING REVENUES:				
Interest Revenue	\$ 3,500	\$ 4,000	\$ 3,687	\$ (313)
Total Non-Operating Revenues	<u>\$ 3,500</u>	<u>\$ 4,000</u>	<u>\$ 3,687</u>	<u>\$ (313)</u>
Income Before Transfers	\$ 226,054	\$ 263,111	\$ 314,573	\$ 51,462
Transfers Out	<u>(404,335)</u>	<u>(404,335)</u>	<u>(404,335)</u>	<u>0</u>
Change in Net Position	\$ (178,281)	\$ (141,224)	\$ (89,762)	\$ 51,462
Total Net Position - Beginning	<u>380,003</u>	<u>380,003</u>	<u>380,003</u>	
Total Net Position - Ending	<u>\$ 201,722</u>	<u>\$ 238,779</u>	<u>\$ 290,241</u>	<u>\$ 51,462</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

Financial Trends	Pages
This segment contains information to help the reader understand how the City's financial performance and well-being have changed over time.	109-113
Revenue Capacity	
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.	114-119
Debt Capacity	
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.	120-123
Economic and Demographic Information	
This segment contains demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	124-125
Operating Information	
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.	126-128

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental Activities										
General Government	\$ 2,036,771	\$ 2,208,403	\$ 1,465,600	\$ 2,271,190	\$ 2,949,162	\$ 2,827,225	\$ 3,610,242	\$ 4,319,516	\$ 2,322,398	\$ 3,405,826
Public Safety	8,959,484	8,858,090	10,206,784	9,169,573	10,019,614	9,793,329	8,121,985	11,108,472	10,610,351	12,727,175
Highways and Streets	2,004,963	2,166,500	2,818,290	2,856,428	3,241,167	2,752,555	3,074,989	2,603,386	3,140,916	3,690,260
Sanitation	1,843,457	1,971,841	1,917,764	2,245,954						
Community Service	518,615	541,643	488,382	544,265	445,156	388,350	485,436	428,628	422,772	407,909
Recreation and Parks	1,616,841	2,249,772	2,141,638	2,576,760	2,704,295	2,885,114	2,922,106	2,975,491	2,935,567	3,104,047
Cemetery	146,107	138,837	136,214	197,462	178,970	112,931	157,622	160,716	149,166	133,503
Economic Development	1,816,715	1,997,635	2,597,377	2,653,925	579,099	1,885,570	884,174	943,376	1,259,566	2,167,088
Interest on Long-Term Debt	814,498	864,355	820,539	775,200	731,792	721,634	545,700	406,966	384,767	353,988
Total Governmental Activities Expenses	\$ 19,757,451	\$ 20,997,076	\$ 22,592,588	\$ 23,290,757	\$ 20,849,255	\$ 21,366,708	\$ 19,802,254	\$ 22,946,551	\$ 21,225,503	\$ 25,989,796
Business-Type Activities										
Water and Sewer	\$ 10,851,962	\$ 10,285,767	\$ 10,276,144	\$ 10,619,316	\$ 11,017,032	\$ 11,630,379	\$ 12,870,168	\$ 12,161,138	\$ 12,502,630	\$ 13,197,642
Airport/Industrial Park	1,516,681	1,713,690	1,703,282	1,865,245	1,871,990	1,926,139	2,197,454	2,267,046	2,978,344	2,613,872
Emergency Medical Services	2,183,830	2,293,215	2,316,840	2,732,967	2,439,037	2,263,904	4,748,202	2,437,397	3,900,030	4,250,445
Landfill					786,699	956,719	911,517	1,294,588	2,365,078	2,122,902
Sanitation					2,375,412	2,604,324	2,510,088	2,677,446	2,499,118	3,136,617
Malone & Hogan Clinic				196,300	304,504	333,196	149,171			
Total Business-Type Activities Expenses	\$ 14,552,473	\$ 14,292,672	\$ 14,296,266	\$ 15,413,828	\$ 18,794,674	\$ 19,714,661	\$ 23,386,600	\$ 20,837,615	\$ 24,245,200	\$ 25,321,478
Total Primary Government Expenses	\$ 34,309,924	\$ 35,289,748	\$ 36,888,854	\$ 38,704,585	\$ 39,643,929	\$ 41,081,369	\$ 43,188,854	\$ 43,784,166	\$ 45,470,703	\$ 51,311,274
Program Revenues										
Governmental Activities										
Charges for Services										
Public Safety	\$	\$	\$	\$	\$	\$ 383,893	\$ 463,439	\$ 735,710	\$ 713,524	\$ 555,191
Sanitation	2,735,430	2,860,676	2,914,021	2,905,146						
Community Service	50,740	37,848	40,464	26,867	25,095	20,015	21,532	58,245	63,241	73,347
Recreation and Parks	407,605	731,107	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593
Cemetery						97,334	104,927	109,569	89,726	106,337
General Government	223,348	238,024	233,895	287,084	381,874	321,863	425,291	1,160,988	3,122,346	2,392,392
Economic Development							15,046	600	2,810	3,425
Operating Grants and Contributions	227,973	241,571	200,736	280,323	263,453	161,905	178,985	1,051,110	1,296,290	1,239,501
Capital Grants and Contributions	135,368	99,993								
Total Governmental Activities Program Revenues	\$ 3,780,464	\$ 4,209,219	\$ 4,239,956	\$ 4,477,207	\$ 1,605,034	\$ 1,881,830	\$ 1,899,142	\$ 3,745,684	\$ 5,961,410	\$ 5,059,786
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 9,702,905	\$ 10,399,803	\$ 12,510,503	\$ 12,139,757	\$ 11,887,981	\$ 12,818,098	\$ 13,328,561	\$ 13,472,446	\$ 14,284,234	\$ 14,293,028
Airport/Industrial Park	847,816	864,539	942,427	1,134,065	1,099,100	1,172,073	1,184,708	1,102,834	1,283,136	1,457,670
Emergency Medical Services	1,747,596	1,732,690	1,729,411	1,728,680	1,325,358	1,488,687	1,788,374	1,784,060	1,944,405	2,076,736
Landfill					1,437,172	1,629,385	1,883,292	1,847,307	1,756,388	1,874,136
Sanitation					2,653,868	3,380,689	3,203,951	3,140,550	3,228,622	3,354,131
Molone & Hogan Clinic				198,983	289,171	267,838	138,695			
Operating Grants and Contributions	163,875	181,052	156,348	173,337	966,157	456,771	453,867			
Capital Grants and Contributions			1,243,346	2,304,000	2,612,347	2,569,184	5,261,762	1,489,325	3,447,092	2,187,836
Total Business-Type Activities Program Revenues	\$ 12,462,192	\$ 13,178,084	\$ 16,582,035	\$ 17,678,822	\$ 22,271,154	\$ 23,782,725	\$ 27,243,210	\$ 22,836,522	\$ 25,943,877	\$ 25,243,537
Total Primary Government Program Revenues	\$ 16,242,656	\$ 17,387,303	\$ 20,821,991	\$ 22,156,029	\$ 23,876,188	\$ 25,664,555	\$ 29,142,352	\$ 26,582,206	\$ 31,905,287	\$ 30,303,323
Net (Expense) Revenue										
Governmental Activities	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (19,484,878)	\$ (17,903,112)	\$ (19,200,867)	\$ (15,264,093)	\$ (20,930,010)
Business-Type Activities	(2,090,281)	(1,114,588)	2,285,769	2,264,994	3,476,480	4,068,064	3,856,610	1,998,907	1,698,677	(77,941)
Total Primary Government Net Expense	\$ (18,067,268)	\$ (17,902,445)	\$ (16,066,863)	\$ (16,548,556)	\$ (15,767,741)	\$ (15,416,814)	\$ (14,046,502)	\$ (17,201,960)	\$ (13,565,416)	\$ (21,007,951)

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

	Fiscal Year									
	2010	2011	2012	2012	2014	2015	2016	2017	2018	2019
Net (Expense) Revenue										
Governmental Activities	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (19,484,878)	\$ (17,903,112)	\$ (19,200,867)	\$ (15,264,093)	\$ (20,930,010)
Business-Type Activities	<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>4,068,064</u>	<u>3,856,610</u>	<u>1,998,907</u>	<u>1,698,677</u>	<u>(77,941)</u>
Total Primary Government Net Expense	<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>\$ (15,416,814)</u>	<u>\$ (14,046,502)</u>	<u>\$ (17,201,960)</u>	<u>\$ (13,565,416)</u>	<u>\$ (21,007,951)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$ 5,068,566	\$ 5,400,654	\$ 5,558,497	\$ 5,542,990	\$ 5,261,553	\$ 5,161,268	\$ 5,566,502	\$ 6,575,360	\$ 7,464,151	\$ 8,023,326
Sales Taxes	6,047,491	5,778,812	5,734,386	6,479,539	7,721,480	8,915,307	6,347,971	6,354,361	7,756,760	8,160,162
Gross Receipts Taxes	1,522,960	1,414,058	1,428,017	1,468,738	1,530,152	1,553,002	1,631,818	1,392,071	1,455,774	1,561,830
Motel Occupancy Taxes	694,339	505,456	499,279	732,252	1,145,353	1,339,310	1,512,024	967,870	2,157,204	2,263,860
Unrestricted Grants and Contributions	1,053,729	1,182,689	1,126,704	1,144,321	1,077,560	992,900	1,200,350	756,762	389,368	28,435
Investment Earnings	844,532	186,464	71,567	51,606	38,154	33,510	17,681	33,262	106,615	223,672
Miscellaneous	1,364,251	1,450,330	1,265,495	1,383,766	1,469,698	1,284,148	1,805,292	1,320,595	590,565	697,262
Transfers	<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>	<u>1,041,997</u>	<u>569,322</u>
Total Governmental Activities	<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>	<u>\$ 20,962,434</u>	<u>\$ 21,527,869</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$ 1,036,216	\$	\$	\$	\$	\$	\$	\$	\$ 12,481	\$ 98,662
Investment Earnings	106,972	20,005	1,646	1,252	2,374	12,897	7,819	37,572	191,813	360,990
Other	3,711	6,737	24,814	20,272	24,989	(5,816)	2,081,058	(500,275)	3,095,576	1,730,910
Transfers	<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>	<u>(1,041,997)</u>	<u>(569,322)</u>
Total Business-Type Activities	<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>	<u>\$ 2,257,873</u>	<u>\$ 1,621,240</u>
Total Primary Government	<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>	<u>\$ 23,220,307</u>	<u>\$ 23,149,109</u>
Change in Net Position										
Governmental Activities	\$ 2,426,855	\$ 287,829	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 393,103	\$ 480,496	\$ (1,465,064)	\$ 5,698,341	\$ 597,859
Business-Type Activities	<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>3,476,609</u>	<u>5,643,517</u>	<u>1,200,682</u>	<u>3,956,550</u>	<u>1,543,299</u>
Total Primary Government	<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>\$ 3,869,712</u>	<u>\$ 6,124,013</u>	<u>\$ (264,382)</u>	<u>\$ 9,654,891</u>	<u>\$ 2,141,158</u>

CITY OF BIG SPRING, TEXAS

TABLE E-4

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

<u>Pre-GASB 54</u>											
		<u>Fiscal Year</u>									
		2010									
General Fund											
Reserved	\$	8,818									
Unreserved		<u>7,314,099</u>									
Total General Fund	\$	<u>7,322,917</u>									
All Other Governmental Funds											
Reserved for Cemetery Care	\$	351,511									
Reserved for Debit Service Funds		236,291									
Reserved for Capital Projects		5,484,028									
Unreserved, Reported in:											
Special Revenue Funds		1,717,260									
Capital Projects Funds		<u>1,919,549</u>									
Total All Other Governmental Funds	\$	<u>9,708,639</u>									
Post-GASB 54											
		<u>Fiscal Year</u>									
		2011	2012	2013	2014	2015	2016	2017	2018	2019	
General Fund											
Nonspendable	\$	30,344	\$ 40,815	\$ 48,631	\$ 24,125	\$ 23,737	\$ 22,240	\$ 13,290	\$ 725	\$ 4,900	
Restricted											
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>	<u>6,526,342</u>	<u>7,380,095</u>	<u>10,873,389</u>	
Total General Fund	\$	<u>8,342,822</u>	<u>9,944,669</u>	<u>10,758,453</u>	<u>6,067,972</u>	<u>6,137,425</u>	<u>6,122,839</u>	<u>6,549,205</u>	<u>10,105,620</u>	<u>10,978,289</u>	
All Other Governmental Funds											
Nonspendable	\$	353,324	\$ 353,370	\$ 351,511	\$ 351,519	\$ 351,519	\$ 351,519	\$ 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	530,499	1,106,183	1,241,952	
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>	<u>158,523</u>	<u>125,307</u>	<u>70,063</u>	
Total All Other Governmental Funds	\$	<u>6,411,124</u>	<u>3,101,097</u>	<u>3,493,271</u>	<u>4,225,357</u>	<u>3,769,803</u>	<u>2,088,038</u>	<u>1,040,541</u>	<u>1,583,009</u>	<u>1,663,534</u>	

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes	\$ 13,203,041	\$ 14,228,655	\$ 15,689,578	\$ 16,976,475	\$ 14,999,605	\$ 16,798,695	\$ 15,234,110	\$ 16,272,566	\$ 18,882,589	\$ 19,717,891
License and Permits	213,509	229,314	225,050	279,026	373,964	314,981	378,798	554,169	451,219	390,390
Fines	451,300	464,054	485,534	402,604	402,282	352,406	422,150	354,784	359,512	283,932
Charges for Services	3,002,540	3,179,692	3,204,314	3,210,841	62,451	39,343	28,537	43,113	35,165	29,764
Recreation	407,605	731,107	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593
Intergovernmental	1,492,007	1,386,686	1,278,297	1,273,084	1,462,302	1,107,031	1,066,092	1,051,110	1,296,290	1,239,501
Investment Earnings	71,567	49,298	35,385	28,833	14,382	15,781	29,907	26,364	101,524	217,699
Other Revenues	682,384	761,982	743,179	897,198	1,274,850	845,652	1,276,344	1,553,770	3,619,343	2,708,355
Total Revenues	\$ 19,523,953	\$ 21,030,788	\$ 22,512,177	\$ 24,045,848	\$ 19,524,448	\$ 20,370,709	\$ 19,125,860	\$ 20,485,338	\$ 25,419,115	\$ 25,277,125
Expenditures										
General Government	\$ 1,861,001	\$ 1,968,659	\$ 1,869,559	\$ 2,028,809	\$ 2,558,536	\$ 2,742,772	\$ 2,690,586	\$ 3,003,998	\$ 2,605,343	\$ 3,007,099
Public Safety	9,257,095	8,718,705	10,572,874	9,591,341	9,878,175	10,727,744	10,156,799	9,833,425	11,125,996	12,633,559
Highways and Streets	4,820,334	2,052,702	2,054,093	2,070,155	2,390,778	1,986,967	2,788,053	2,616,535	2,763,331	2,851,978
Sanitation	2,210,220	1,604,844	2,251,328	3,368,138						
Community Service	528,189	529,711	476,450	534,888	440,099	399,761	441,448	409,539	416,639	382,800
Recreation and Parks	2,216,615	4,559,619	1,412,645	1,738,664	1,812,530	1,823,242	1,929,483	2,044,458	2,022,254	2,862,512
Economic Development	1,832,712	2,047,073	2,583,829	2,611,025	575,969	1,706,224	1,443,657	2,265,602	1,944,591	1,480,101
Cemetery	125,424	116,176	115,531	195,940	189,728	97,332	179,392	131,738	139,283	119,413
Interest and Fees	750,003	908,500	816,451	777,180	734,474	698,954	543,544	415,394	392,195	363,218
Bond Issuance Costs							60,454			
Principal	1,349,565	1,432,358	1,513,830	1,562,698	1,410,909	1,498,335	1,651,655	1,893,801	1,942,199	2,021,412
Total Expenditures	\$ 24,951,158	\$ 23,938,347	\$ 23,666,590	\$ 24,478,838	\$ 19,991,198	\$ 21,681,331	\$ 21,885,071	\$ 22,614,490	\$ 23,351,831	\$ 25,722,092
Excess of Revenues Under Expenditures	\$ (5,427,205)	\$ (2,907,559)	\$ (1,154,413)	\$ (432,990)	\$ (466,750)	\$ (1,310,622)	\$ (2,759,211)	\$ (2,129,152)	\$ 2,067,284	\$ (444,967)
Other Financing Sources (Uses)										
Capital Leases	\$ 955,949	\$	\$ 862,139	\$ 1,243,129	\$ 693,436	\$ 719,707	\$ 862,938	\$ 217,938	\$ 912,520	\$ 776,057
Payment to Escrow Agent							(8,639,736)			
Issuance of Debt	4,120,670						8,453,629			
Proceeds from Sale of Capital Assets										1,156
Transfers In (Out)	687,099	629,949	(1,415,906)	406,819	340,399	204,814	386,029	1,290,083	1,119,079	620,948
Total Other Financing Sources	\$ 5,763,718	\$ 629,949	\$ (553,767)	\$ 1,649,948	\$ 1,033,835	\$ 924,521	\$ 1,062,860	\$ 1,508,021	\$ 2,031,599	\$ 1,398,161
Net Change in Fund Balances	\$ 336,513	\$ (2,277,610)	\$ (1,708,180)	\$ 1,216,958	\$ 567,085	\$ (386,101)	\$ (1,696,351)	\$ (621,131)	\$ 4,098,883	\$ 953,194
Debt Service as a Percentage of Noncapital Expenditures										
	10.8%	11.6%	10.4%	10.8%	11.2%	11.1%	11.1%	11.7%	11.2%	10.5%
Capital Outlay	\$ 5,423,093	\$ 3,687,953	\$ 1,287,045	\$ 2,798,369	\$ 889,527	\$ 1,824,349	\$ 2,028,020	\$ 2,881,984	\$ 2,506,287	\$ 2,908,101

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 Occupancy Tax</u>	<u>Total</u>
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
2017	6,909,294	6,638,741	1,560,892	1,163,639	16,272,566
2018	7,513,909	7,756,760	1,402,310	2,157,204	18,830,183
2019	7,630,682	8,262,550	1,505,503	2,263,860	19,662,595
Percent Change 2015-2019	24.0%	8.0%	-1.6%	60.2%	

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>
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%
2016-17	1.50%	0.50%	2.00%	6.25%	8.25%
2017-18	1.50%	0.50%	2.00%	6.25%	8.25%
2018-19	1.50%	0.50%	2.00%	6.25%	8.25%

Note: Effective May 1990, the citizens of Big Spring approved a referendum calling for the creation of a one-half cent sales tax to be used to support economic development activities in Big Spring.

-116-
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		
2010	480,480,335	480,480,335	59,928,374	59,928,374	540,408,709	540,408,709	1.0132	100.00%
2011	486,149,592	486,149,592	59,926,475	59,926,475	546,076,067	546,076,067	0.9995	100.00%
2012	485,739,452	485,739,452	61,267,318	61,267,318	547,006,770	547,006,770	0.9495	100.00%
2013	515,418,056	515,418,056	59,925,347	59,925,347	575,343,403	575,343,403	0.8650	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	0.8566	100.00%
2017	831,024,412	831,024,412	72,971,760	72,971,760	903,996,172	903,996,172	0.7900	100.00%
2018	804,429,080	804,429,080	75,165,078	75,165,078	879,594,158	879,594,158	0.8423	100.00%
2019	934,947,002	934,947,002	76,515,535	76,515,535	1,011,462,537	1,011,462,537	0.7293	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	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Oxy USA Inc. (MIN)	\$ 16,613,330	1	1.64%	\$		
SM Energy Company	15,131,570	6	1.50%			
Kerr Management Inc.	13,487,378	2	1.33%			
The Reserves at 700, LLC	12,000,000	3	1.19%			
Oncor Electric Delivery	11,615,740	4	1.15%			
Scenic Mountain Medical Center	11,059,728	5	1.09%			
Atmos Energy/West Texas Div	8,081,800	7	0.80%			
Endurance Lift Solutions LLC	7,911,390	8	0.78%			
Wal-Mart Real Estate	6,730,588	9	0.67%			
Western Container				19,417,570	1	3.59%
Scenic Mountain Medical Center				17,012,700	2	3.17%
The Coca-Cola Company				10,975,760	3	2.05%
Wal-Mart Stores Texas LP				8,178,829	4	1.52%
Oncor Electric Delivery				8,101,500	5	1.49%
Wal-Mart Real Estate				7,028,040	6	1.30%
Southwestern Bell Telephone LP				5,077,777	7	0.93%
General Electric Capital Corp				4,159,420	8	0.76%
HTP TA Properties Trust				3,304,648	9	0.61%
Atmos Energy/West Texas Div				3,132,870	10	0.57%
Total	<u>\$ 102,631,524</u>		<u>10.15%</u>	<u>\$ 86,389,114</u>		<u>15.99%</u>

Source: Texas State Comptroller

CITY OF BIG SPRING, TEXAS

TABLE E-10

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections in Year	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 5,481,753	\$ 5,275,275	\$ 96.23%	\$ 118,517	\$ 5,393,792	98.40%
2011	5,461,889	5,271,162	96.51%	138,433	5,409,595	99.04%
2012	5,198,600	5,013,337	96.44%	147,470	5,160,807	99.27%
2013	4,983,657	4,903,121	98.38%	141,296	5,044,417	101.22%
2014	5,602,553	5,261,038	93.90%	125,421	5,044,417	90.04%
2015	6,251,900	5,936,236	94.95%	108,500	5,386,459	86.16%
2016	6,747,516	6,223,217	92.23%	137,190	6,360,407	94.26%
2017	7,141,569	6,578,840	92.12%	162,470	6,360,407	89.06%
2018	7,408,821	7,053,440	95.20%	210,589	6,741,310	90.99%
2019	7,376,708	7,144,906	96.86%	307,503	7,452,409	101.03%

Source: Howard County

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2019			2010		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Department Stores	\$ 1,295,903	1	23.19%	\$ 93,118	11	1.70%
Limited Service Restaurants	839,494	2	15.02%	215,133	2	3.92%
Support Activities for Oil and Gas Operations	640,905	3	11.47%			
Gasoline Stations with Convenience Stores	507,900	4	9.09%	174,237	4	3.18%
Full Service Restaurants	337,933	5	6.05%	131,860	7	2.41%
All Other Miscellaneous Manufacturing	322,934	6	5.78%			
Supermarkets and Other Grocery (except Convenience St	314,099	7	5.62%	179,454	3	3.27%
Electric Power Distribution	282,847	8	5.06%	252,085	1	4.60%
Other Material Building Dealers	279,970	9	5.01%			
Natural Gas Distribution	273,554	10	4.90%			
Wired Telecommunications Carriers	251,488	11	4.50%	144,714	6	2.64%
Wireless Telecommunications Carriers	240,369	12	4.30%	153,950	5	2.81%
Cafeterias, Grill Buffets and Buffets				91,017	12	1.66%
Gasoline Service Stations				104,083	9	1.90%
Eating Places				124,057	8	2.26%
Crude Petroleum and Natural Gas Extraction				96,833	10	1.77%
Total	\$ <u>5,587,396</u>		<u>100.00%</u>	\$ <u>1,760,541</u>		<u>32.12%</u>

Source: Texas State Comptroller

-120-
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	Unamortized Bond Premiums	Capital Leases	Energy Conservation Loan	General Obligation Bonds	Certificate Of Obligation	Unamortized Bond Premiums	Capital Leases	Energy Conservation Loan			
2019	\$ 6,840,000	\$ 2,715,000	\$ 327,129	\$ 1,687,659	\$ 358,106	\$	\$ 8,650,000	\$ 204,291	\$ 2,470,733	\$ 604,062	\$ 23,856,980	1.56%	608
2018	7,595,000	3,100,000	367,992	1,628,459	526,433		9,200,000	220,806	2,298,513	887,998	25,825,201	1.86%	875
2017	8,505,000	3,310,000	408,855	1,375,086	687,990		9,730,000	237,306	1,956,745	1,160,515	27,371,497	2.16%	793
2016	9,380,000	3,510,000	449,717	1,864,372	843,051		10,245,000	253,811	1,848,606	1,422,072	29,816,629	2.68%	927
2015	10,190,000	3,775,000	70,927	1,602,707	991,876		10,835,000	270,315	1,765,570	1,673,111	32,514,163	2.72%	989
2014	10,825,000	3,965,000	76,218	1,418,435	1,134,719		11,611,820	286,820	1,282,096	1,914,055	34,792,896	2.71%	1057
2013	11,430,000	4,150,000	81,509	1,493,345	1,403,396	1,045,000	12,255,000	303,325	264,057	2,367,264	35,555,952	3.63%	1151
2012	12,015,000	4,335,000	86,800	1,493,345	1,403,396	1,045,000	12,255,000	291,090	264,057	2,367,264	25,042,280	3.63%	1151
2011	12,575,000	4,515,000	92,019	1,259,896	1,529,683	1,555,000	555,000	66,272	314,117	2,580,293	27,327,938	2.91%	799
2010	13,115,000	4,625,000	97,223	1,934,431	1,650,895	2,000,000	580,000	54,571	486,063	2,784,755	24,106,439	3.66%	1075

CITY OF BIG SPRING, TEXAS

TABLE E-13

RATIOS OF TAX SUPPORTED 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>
2015	13,965,000	423,038	13,541,962	1.54%	865
2016	12,890,000	518,810	12,371,190	1.41%	807
2017	11,815,000	398,701	11,416,299	1.26%	761
2018	10,695,000	42,878	10,652,122	1.21%	382
2019	9,555,000	251,016	9,303,984	0.92%	330

(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 100 for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 108.

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*	\$ 47,575,000	*	50.69%	\$ 24,115,768
Forsan Independent School District*	16,225,117	*	0.96%	155,761
Coahoma Independent School District*	14,343,090	*	0.44%	63,110
Howard County*	9,365,000	*	21.52%	2,015,348
Howard College*	10,715,000	*	21.52%	2,305,868
Subtotal, Overlapping Debt				<u>\$ 28,655,854</u>
City of Big Spring Direct Debt	\$ 11,927,894		100%	<u>\$ 11,927,894</u>
Total Direct and Overlapping Debt				<u><u>\$ 40,583,748</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

-123-
CITY OF BIG SPRING, TEXAS

TABLE E-15

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	\$ 8,106,131	\$ 8,191,141	\$ 8,205,102	\$ 8,630,151	\$ 9,810,681	\$ 10,947,758	\$ 13,135,981	\$ 13,559,943	\$ 13,193,912	\$ 15,171,938
Total Net Debt Applicable to Limit	<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>	<u>(538,868)</u>	<u>(1,028,789)</u>	<u>(9,303,984)</u>
Legal Debt Margin	<u>\$ 8,106,131</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>	<u>\$ 13,021,075</u>	<u>\$ 12,165,123</u>	<u>\$ 5,867,954</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.59%	4.34%	2.77%	3.55%	3.65%	2.61%	2.10%	3.97%	7.80%	61.32%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,011,462,537
Debt Limit (1.5% Assessed Value) Assessed Value	\$ 15,171,938
Debt Applicable to Limit:	
General Obligation Bonds and Certificates	\$ 9,555,000
Less: Amount Set Aside for Repayment	<u>(251,016)</u>
Net Debt Applicable to Limit	<u>\$ 9,303,984</u>
Legal Debt Margin	<u>\$ 5,867,954</u>

-124-
CITY OF BIG SPRING, TEXAS

TABLE E-16

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Population (1)	27,282	27,282	27,282	27,282	28,125	28,472	28,862	28,532	27,905	28,162
Total Personal Income	\$ 742,607,190	\$ 854,990,598	\$ 867,049,242	\$ 989,981,934	\$ 1,063,012,500	\$ 1,033,903,736	\$ 999,317,888	\$ 1,047,352,656	\$ 1,310,679,000	\$ 1,467,670,000
Per Capita Personal Income (1)	\$ 29,430	\$ 31,339	\$ 31,781	\$ 36,287	\$ 37,796	\$ 36,313	\$ 34,624	\$ 36,705	\$ 36,367	\$ 37,644
Median Age (1)	37	37	36	37	37	37	37	37	37	36
Unemployment (2)	7.3%	6.9%	5.7%	5.3%	5.4%	4.6%	4.6%	5.2%	3.9%	3.7%

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	2019			2010		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Veterans Administration Hospital	682	1	4.89%	541	3	4.13%
Big Spring State Hospital	630	2	4.52%	578	2	4.41%
Big Spring ISD	562	3	4.03%	616	1	4.70%
Howard College & SWICD	450	4	3.23%	212	11	1.62%
GEO Group	442	5	3.17%			
Scenic Mountain Medical Center	398	6	2.86%	323	7	2.46%
Wal-Mart	276	7	1.98%	338	6	2.58%
City of Big Spring	247	8	1.77%	285	8	2.17%
Delek	230	9	1.65%			
Federal Bureau of Prisons	188	10	1.35%	260	9	1.98%
Basic Energy Services	186	11	1.33%			
Howard County	175	12	1.26%			
Alon USA				188	12	1.43%
Cornell Corrections, Inc.				485	4	3.38%
Price Construction				232	10	1.77%
Robinson Drilling of Texas				353	5	2.69%
Total	4,466		32.05%	4,411		33.32%

Source: Economic Development Corp

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Management Services	8	9	9	9	9	9	9	9	9	10
Finance	5	5	5	5	5	5	5	5	5	5
Other	8.5	8.5	8.5	8	11	11	11	11	14	14
Information Technology	2	2	2	2	2	3	3	3	3	3
Convention and Visitors Bureau	2	2	2	2	1	3	3	3	3	3
Police										
Officers	54	54	49	48	52	52	51	51	51	51
Civilians	15	15	12	7	8	8	9	8	8	8
Fire										
Firefighters and Officers	45	45	45	44	44	44	44	44	45	45
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1
EMS										
EMS and Officers	16	16	16	16	16	16	16	16	17	18
Civilians	2	2	2	2	2	2	1	0	0	0
Refuse Collection (Landfill)	6	7	7	7	7	7	7	7	9	9
Other Public Works	21.5	17	18	18	17.5	17.5	19	19	19	19
Parks and Recreation	14	19	19	22	20.2	20.2	21	18	17	17
Service Center	8	8	8							
Streets	14	14	14	14	14	14	13	13	13	14
Sanitation	8	7	7	7	7	7	7	7	7	7
Airpark	7	7	6	6	7	7	6	6	6	6
Water	41	40	40	40	37	37	36	37	25	25
Wastewater	9	9	9	9	7	7	9	9	9	9
Total	287	287	279	267	267	270	271	267	261	264

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									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government										
Building Permits Issued	1,267	1,262	1,386	1,616	1,444	1,491	2,207	1,807	1,428	1,558
Police										
Physical Arrests	2,743	2,466	2,158	1,984	1,948	1,638	1,870	1,702	1,852	1,746
Number of Calls for Service	35,661	37,700	33,028	30,281	32,438	35,305	40,336	37,138	53,039	30,285
Alarm Responses	1143	1001	1522	1616	1402	1562	1473	1213	1,114	1,080
Fire										
Emergency Responses	409	424	607	1952	1971	1998	1849	1592	1,642	2,253
EMS Service										
Number of Runs	3,275	4,057	4,272	4,815	4,732	3,768	3,837	4,844	4,414	4,834
Refuse Collection										
Collected (Tons per Day)	156	130	130	128	118	124	116	137	130	138
Water										
Active Accounts	8,579	8,687	8,693	8,754	8,847	8,733	8,537	8,470	8,722	8,704
Water Main Breaks	580	210	167	131	212	313	226	234	258	213
Average Daily Consumption (Thousands of Gallons)	5,320	4,991	3,467	4,967	5,034	5,171	4,776	5,056	4,846	3,898
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,576	2,176	2,176	3,282	2,945	2,490	3,216	3,453	3,444	3,954

Data Sources: Various City Departments

-128-
CITY OF BIG SPRING, TEXAS

TABLE E-20

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

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	43	38	41	41	43	46	40	46	45	37
Unmarked	19	17	12	12	11	20	18	18	19	19
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	6	8	8	8	9	10	10
Other Public Works										
Streets										
Paved (Miles)	189	189	189	189	189	190	190	190	190	190
Unpaved (Miles)	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05	0.05
Street Lights	1,784	1,779	1,873	1,873	1,862	1,862	1,863	1,863	1,863	1,863
Parks and Recreation										
Acreage	1,069	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211	1,211
Parks	8	8	8	8	8	8	8	8	8	8
Lakes	2	2	2	2	2	2	2	2	2	2
Baseball/Softball Fields	14	14	14	14	14	14	14	14	14	14
Soccer/Football Fields	6	6	6	6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	177	177	177	177	177	178	178	178	178	178
Fire Hydrants	722	722	722	722	722	722	722	722	722	722
System Capacity (Thousands of Gallons)	13,450	13,450	13,450	13,450	13,450	12,500	12,500	12,500	12,500	12,500
Wastewater										
Sanitary Sewers (Miles)	125	125	125	125	125	127	127	127	127	127
Treatment Capacity (Thousands of Gallons)	5,000	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

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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, 2019, 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 18, 2020. 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' 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' internal control. Accordingly, we do not express an opinion on the effectiveness of City of Big Spring, Texas' internal control.

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

Our consideration of internal control 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 18, 2020