



**Comprehensive
Annual Financial Report**

**Fiscal Year Ended
September 30, 2020**

CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2020

CAFR Prepared by the Finance Department

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION



March 5, 2021

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, 2020.

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, 2020. 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 budget within a department with the director's, city manager's and finance director'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 ten years have varied from a low of 3.7% in 2019 to the high of 7% in September 2020. This dramatic increase is due to the world-wide pandemic. Unemployment of 7% in Big Spring compares to 8.3% at the national level and 7.9% for the State of Texas at of the same period. 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 as shown for Governmental Funds in Exhibit A-5) increased modestly in 2019-20 year from \$7,732,039 to \$7,831,857, a 1.3% increase. The property tax rate increased from 72.93 cents, per \$100 of assessed value, to 74.39 cents. The adjusted taxable value from the Assessor's 2019 Effective and Rollback Tax Worksheet increased from \$1,013,407,115 for 2018 to \$1,053,893,833 for 2019, a 4.0% increase.

Sales tax revenue decreased from \$8,160,162 for year ending 9/30/2019 to \$7,338,611 for 9/30/2020, a 10.1% decrease. The city's hotel occupancy tax revenue also decreased from \$2,263,860 for year ending 9/30/2019 to \$1,313,699 for 9/30/2020, a decrease of 42.0%. 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 significant drop in sales and hotel occupancy tax receipts can be attributed to economic headwinds arising from the Covid-19 pandemic. For the first five months of 2020-21, fiscal year to date sales tax receipts totaled \$3,135,062 and fiscal year to date hotel occupancy tax receipts totaled \$322,140. This is above budgeted expectations for sales tax and below budgeted expectations for hotel occupancy tax. We expect to see some recovery in sales tax receipts as the economy continues to slowly recover from the pandemic lows while it may take longer to see recovery in hotel occupancy tax receipts.

The drop in oil prices during 2019-20 from 2018-19 had reduced the City's mineral royalties, although it was a still a significant contributor to the revenue. For 2019-20, mineral royalties contributed \$825,356 in revenue to the General Fund, and \$835,802 to the Airpark Fund. This compares to \$1,560,396 and \$1,501,899 for these two funds in 2018-19. For the first five months of 2020-21, these two funds received \$464,325 and \$308,244 which is in range of the 2020-21 budget. While mineral royalty receipts for the General Fund are below budgeted expectations, this shortfall has been offset by new receipts from right-of-way licensing agreements with oil & gas providers. The increased demand for new right of way agreements with the City of Big Spring as well as the current recovery we are experiencing in the price of oil leads us to believe that we will see some recovery in mineral related receipts.

Much of the increase in business activities from 2012 to 2020 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 during the 2019-20 year. Texas Department of Transportation, after schedule setbacks successfully completed 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 and expanded operations here.

Long-term Financial Planning

Unassigned fund balance in the General Fund was 42.7% of total General Fund expenditures. The fund balance has decreased 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, 2020.

Relevant Financial Policies

The city anticipates opening a cell in a new landfill (with 100-year useful life) in the current 2020-2021 fiscal 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, 2020, the city had \$4,409,585 set aside in investments for anticipated closure and post-closure expenditures with only a current calculated liability cost of \$3,354,971. 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 \$14,834,816. 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 \$9.8 million. 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 Chaplin 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, 2019. 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


Sandra Clarkson, CPA
Interim Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

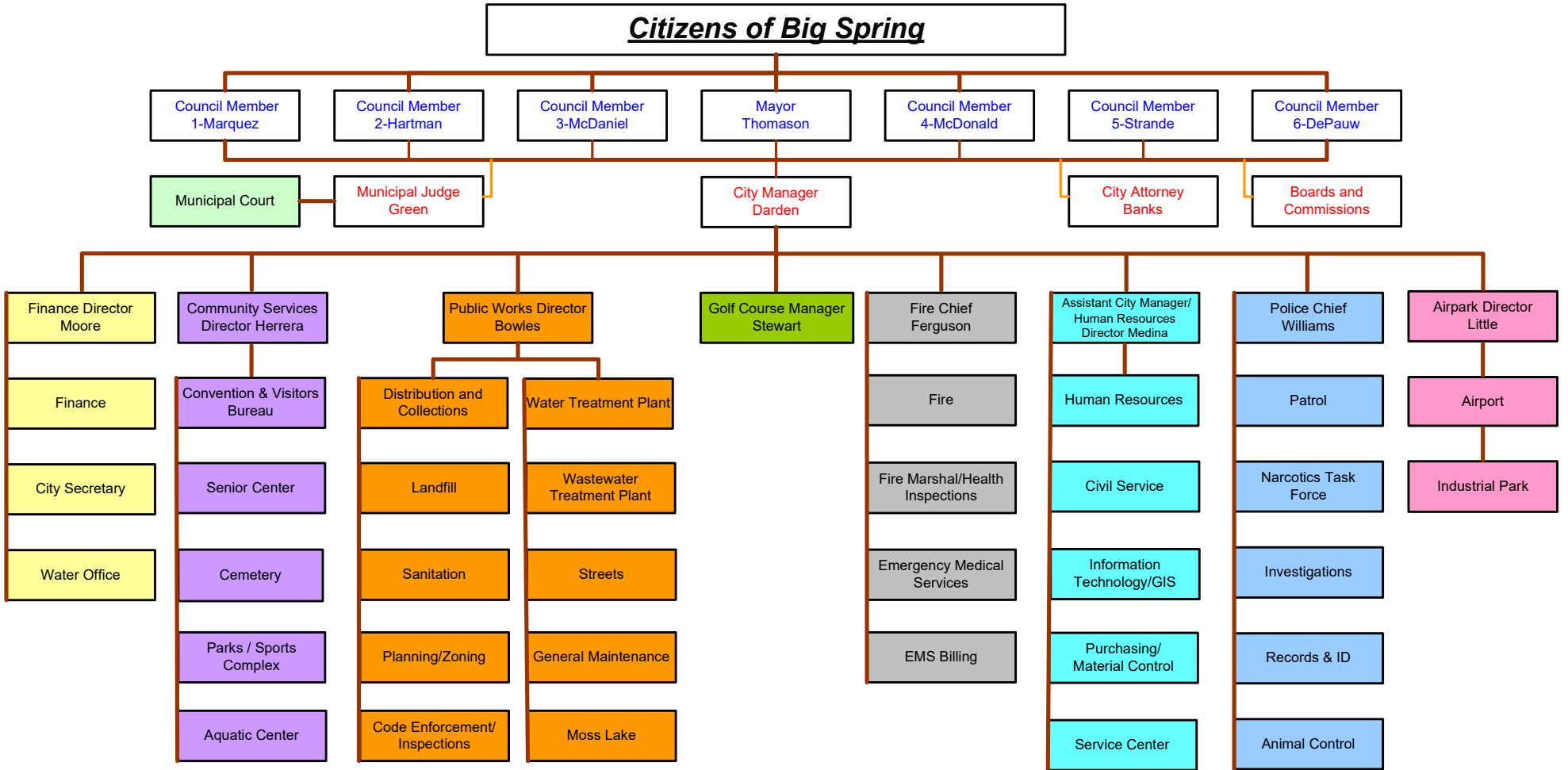
**City of Big Spring
Texas**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO



CITY OF BIG SPRING, TEXAS

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2020**

Elected Officials

Name	Office
Shannon Thomason	Mayor
Nick Ornelas	District 1 Council Member
Doug Hartman, Jr.	Mayor Pro Tem, District 2 Council Member
Cody Hughes	District 3 Council Member
Gloria McDonald	District 4 Council Member
Troy Tompkins	District 5 Council Member
Maury Smith	District 6 Council Member

Appointed Officials

Name	Position
Todd Darden	City Manager
Sandy Clarkson	Interim Finance Director
Andrew Hagen	City Attorney
Chad Williams	Chief of Police
Craig Ferguson	Fire Chief
Shane Bowles	Public Works
John Medina	Asst. City Manager and Human Resource
Jim Little	Airpark Director

FINANCIAL SECTION

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

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

Mayor and 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, 2020, 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, 2020, 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 5, 2021, 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 5, 2021

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, 2020. 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, 2020 by \$131,223 (net position). Of this amount, the unrestricted net position decreased by \$8,212 from \$4,066 to (\$4,145). At the same time, the Net Position Invested in Capital Assets increased by \$9,696 to a total \$133,765.
- The City's total net position increased by \$1,566. Net Pension Liability had an overall decrease of \$2,495. At the end of calendar year 2019 - the fiscal year-end of both TMRS (Non-Fire Employees) and BSFRRF (Firemen's) retirement funds - the City's combined Net Pension Liability is \$21,166.
- The City's governmental funds combined ending fund balance is \$11,118 of which \$9,356, a decrease of \$1,517, is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$9,356, or 46.9% of total general fund revenues and 42.7% of total expenditures.
- The City has reduced Bond and Capital Lease Debt by \$11,810 from \$31,375 at 9/30/2012 to \$19,565 at 9/30/2020, a 37.6% 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 of resources exceeded deferred inflows of resources and liabilities by \$131,223 at September 30, 2020.

The largest portion of the City's net position (\$133,765) 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	
	2020	2019	2020	2019	2020	2019
Assets:						
Cash and Cash Equivalents	\$ 9,367	\$ 13,215	\$ 20,413	\$ 20,723	\$ 29,780	\$ 33,938
Receivables	715	882	3,112	2,772	3,827	3,654
Internal Balances	4,494	520	(4,494)	(520)	0	0
Due from Other Governments	688	868			688	868
Capital Assets	86,360	87,076	68,230	60,851	154,590	147,926
Other Assets	7	5	524	464	531	469
Total Assets	<u>\$ 101,631</u>	<u>\$ 102,566</u>	<u>\$ 87,785</u>	<u>\$ 84,290</u>	<u>\$ 189,416</u>	<u>\$ 186,856</u>
Deferred Outflows of Resources	<u>\$ 3,019</u>	<u>\$ 4,473</u>	<u>\$ 1,277</u>	<u>\$ 1,848</u>	<u>\$ 4,296</u>	<u>\$ 6,321</u>
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 2,896	\$ 1,689	\$ 3,338	\$ 2,016	\$ 6,234	\$ 3,704
Current Portion of Long-term Liabilities	2,090	2,100	1,796	1,870	3,886	3,970
Long-term Liabilities	<u>28,319</u>	<u>31,254</u>	<u>21,372</u>	<u>23,054</u>	<u>49,691</u>	<u>54,308</u>
Total Liabilities	<u>\$ 33,305</u>	<u>\$ 35,043</u>	<u>\$ 26,506</u>	<u>\$ 26,939</u>	<u>\$ 59,811</u>	<u>\$ 61,982</u>
Deferred Inflows of Resources	<u>1,828</u>	<u>1,057</u>	<u>850</u>	<u>481</u>	<u>2,678</u>	<u>1,538</u>
Net Position:						
Invested in Capital Assets	\$ 75,907	\$ 75,148	\$ 57,858	\$ 48,922	\$ 133,765	\$ 124,070
Restricted	1,603	1,522			1,603	1,522
Unrestricted	<u>(7,995)</u>	<u>(5,730)</u>	<u>3,849</u>	<u>9,796</u>	<u>(4,146)</u>	<u>4,066</u>
Total Net Position	<u>\$ 69,515</u>	<u>\$ 70,940</u>	<u>\$ 61,707</u>	<u>\$ 58,718</u>	<u>\$ 131,222</u>	<u>\$ 129,658</u>

The City has restricted net position totaling 1.2% of total net position, which represents 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 (\$4,145).

There was an overall increase of \$9,695 in net investment in capital assets, with capital assets in governmental activities increasing by \$759 and capital assets in business-type activities increasing by \$8,936. 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)

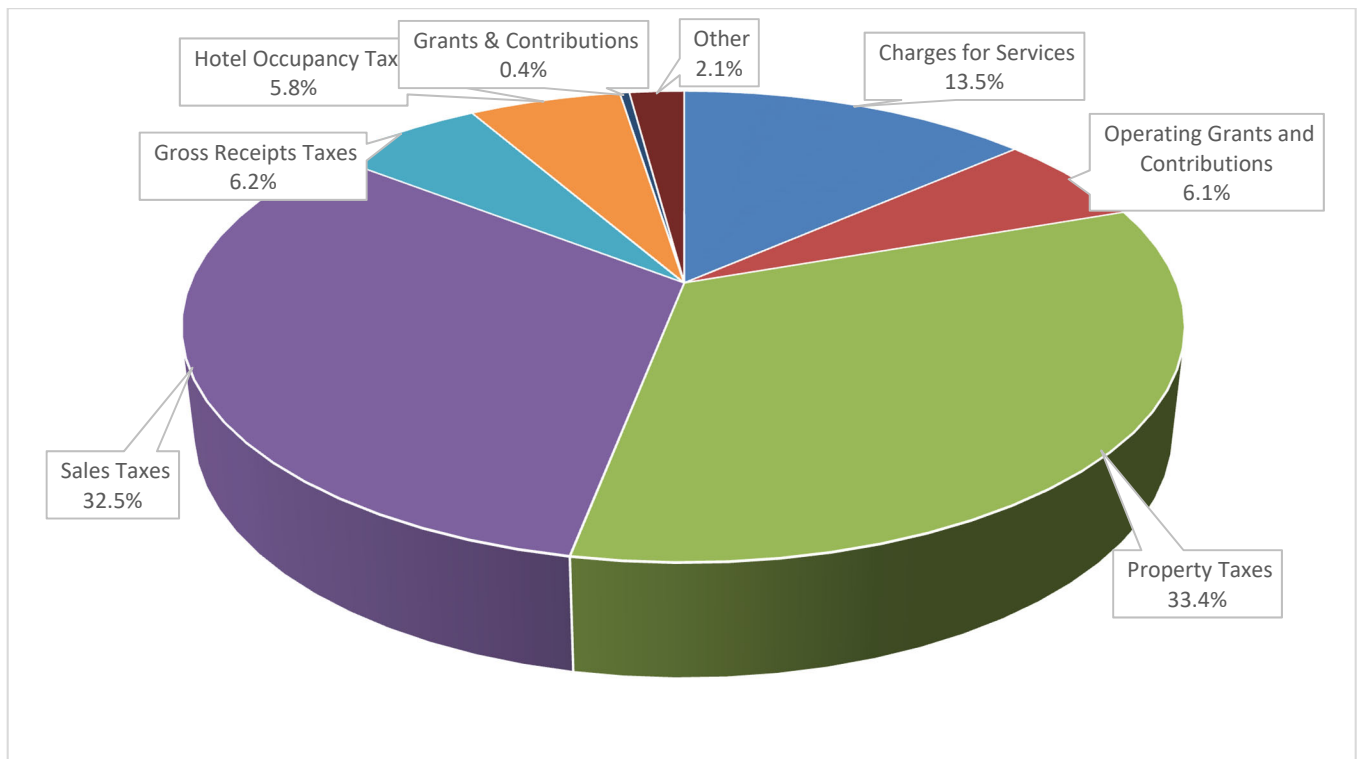
	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues						
Charges for Services	\$ 3,057	\$ 3,820	\$ 24,039	\$ 23,056	\$ 27,096	\$ 26,876
Operating Grants and Contributions	1,382	1,240			1,382	1,240
Capital Grants and Contributions			1,595	2,188	1,595	2,188
General Revenues						
Property Taxes	7,542	8,023			7,542	8,023
Sales Taxes	7,339	8,160			7,339	8,160
Gross Receipts Taxes	1,397	1,562			1,397	1,562
Hotel Occupancy Tax	1,319	2,264			1,319	2,264
Grants and Contributions Not						
Restricted to Specific Programs	83	28	31	99	114	127
Unrestricted Investment Earnings	121	224	167	361	288	585
Miscellaneous	353	697	1,196	1,730	1,549	2,427
Total Revenues	\$ 22,593	\$ 26,018	\$ 27,028	\$ 27,434	\$ 49,621	\$ 53,452
Expenses:						
Water and Sewer	\$	\$	\$ 12,532	\$ 13,197	\$ 12,532	\$ 13,197
Airport/Industrial Park			2,615	2,614	2,615	2,614
Emergency Medical Services			3,602	3,927	3,602	3,927
Landfill			2,030	2,123	2,030	2,123
Sanitation			2,950	3,137	2,950	3,137
General Government	2,319	3,406			2,319	3,406
Public Safety	12,376	12,727			12,376	12,727
Highways and Streets	2,914	3,690			2,914	3,690
Recreation and Parks	4,280	3,104			4,280	3,104
Economic Development	1,546	2,167			1,546	2,167
Other	892	895			892	895
Total Expenses	\$ 24,327	\$ 25,989	\$ 23,729	\$ 24,998	\$ 48,056	\$ 50,987
Increase in Net Position Before Transfers	\$ (1,734)	\$ 29	\$ 3,299	\$ 2,436	\$ 1,565	\$ 2,465
Transfers	309	569	(309)	(569)	0	0
Increase (Decrease) in Net Position	\$ (1,425)	\$ 598	\$ 2,990	\$ 1,867	\$ 1,565	\$ 2,465
Net Position-Beginning	70,940	70,342	58,718	56,851	129,658	119,636
Net Position-Ending	\$ 69,515	\$ 70,940	\$ 61,708	\$ 58,718	\$ 131,223	\$ 129,658

Governmental Activities - Governmental activities resulted in a decrease of \$1,734 in the City's net position. As the result of the mandated restrictions resulting from the COVID-19 world-wide pandemic, the City's governmental revenues declined by 13.2%. Even with careful budget controls and reducing expenditures from the previous year by \$1,662, the decrease in Net Position was unavoidable.

Key elements of this decrease are as follows:

- Due to the restraints caused by the world-wide COVID-19 pandemic, the major classes of General Government revenues realized declines of (6.0%) to (50.7%) in 2019-20.
- The largest source, 33.4%, of general revenues, Property Taxes, declined by (6.0%), from \$8,023 in 2018-19 to \$7,542 in 2019-20. This category includes collections and penalty/interest for both the current year and delinquent taxes.
- Sales tax collections, the second largest source of general revenues, dropped by (10.1%) to \$7,339.
- The only class of revenue to see an increase in 2019-20 was Grants and Contributions. As a result of the Federal Economic Stimulus efforts, this class of revenue realized an increase of 11.5%.

**Revenues by Source
Governmental Activities
Fiscal Year 2019-20**

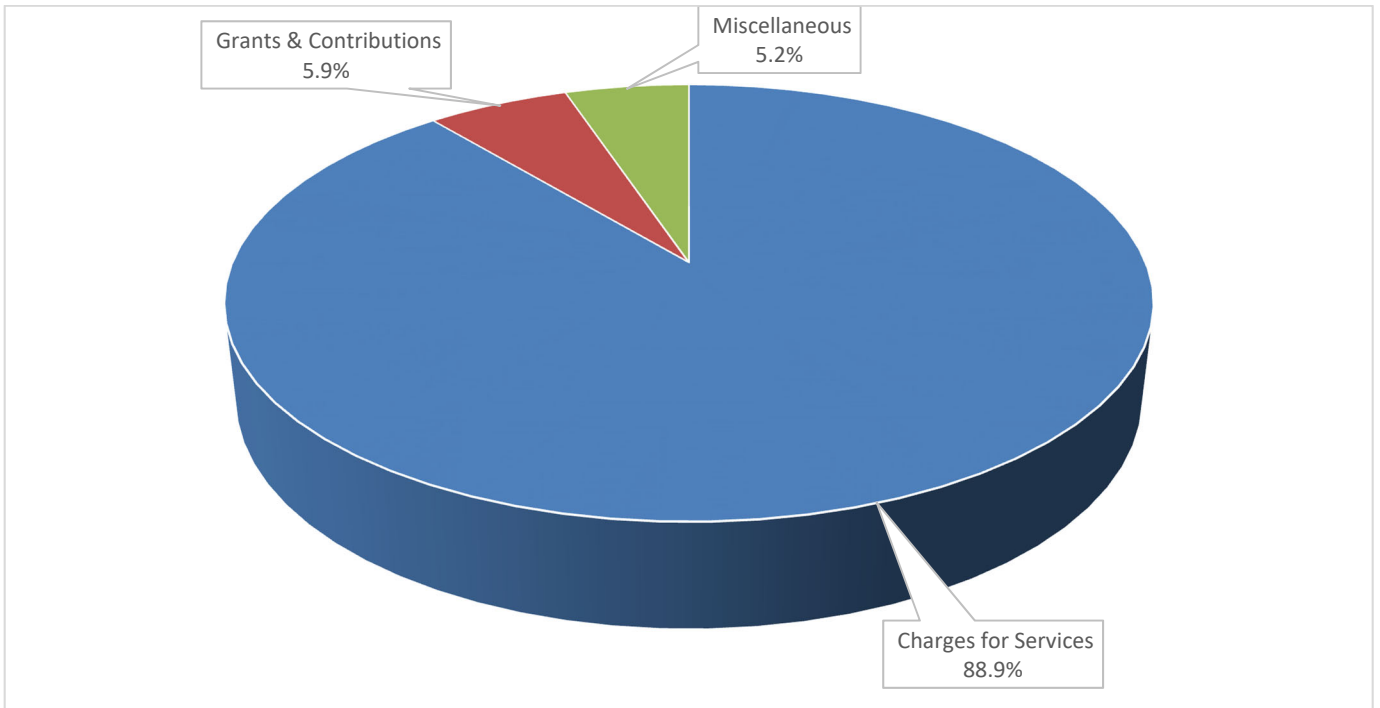


Business-type Activities - Business-type activities increased the City of Big Spring's total net position by \$3,299 in the current fiscal year. Key elements of this increase are as follows.

- Total business-type revenues declined (\$406) from the total in 2018-19, largely due to a 44.4% decline in mineral royalty income at the Airpark.

- Charges for services – the major class of revenues in the business-type activities – increased by \$983 to \$24,039.
- Total expenses for the City’s business-type activities decreased from \$24,998 for the year ended September 30, 2019 to \$23,729 for the year ended September 30, 2020.

**Revenues by Source
Business-type Activities
Fiscal Year 2019-20**



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 2019-20 year, its governmental funds reported combined ending fund balances of \$11,118, representing a decrease of \$1,523 from the prior year’s balance of \$12,641. This is attributed to the reduced revenues from mineral royalties, hotel occupancy taxes and charges for services.

The General Fund is the major operating fund of the City. Unassigned fund balance represents 42.7% of total General Fund expenditures.

Total fund balance in the City's General Fund decreased by (\$1,616) during fiscal year 2019-20. The other governmental funds realized a net increase to fund balance of \$93 or 5.6%.

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:

	<u>2020</u>	<u>2019</u>	<u>Change</u>
Water and Sewer Fund	\$ 5,331	\$ 3,712	\$ 1,619
Airport/Industrial Park	7,076	7,217	(141)
Emergency Medical Services	(4,517)	(4,309)	(208)
Landfill	(4,558)	2,106	(6,664)
Sanitation	517	1,070	(553)
	<u>\$ 3,849</u>	<u>9,796</u>	<u>\$ (5,947)</u>

Unrestricted net position increased by \$1,619 in the Water and Sewer Fund and decreased by (\$141) in the Airport/Industrial Park. The Emergency Medical Services Fund decreased from a negative (\$4,309) to a negative (\$4,517) by (\$208). The Landfill Fund's unrestricted net position decreased by (\$6,664) as the City continues to invest in the new landfill using accumulated cash assets. The Sanitation fund decreased unrestricted net position by (\$553) after capital contribution to the Sanitation Fund of \$1,200.

GENERAL FUND BUDGETARY HIGHLIGHTS

As the impact of COVID-19 pandemic became clear in the second and third quarters of the year, all areas of the City were re-examined to find realistic expectations of revenue collection and reductions in expenditures while continuing to provide essential services. As a result of this review, the revenue budget was reduced (\$1,243) and appropriations decreased (\$1,866) between the original and final amended budget. Despite these dramatic reductions, the General Fund had a net decrease of fund balance of (\$1,616) at 9/30/2020. The following are some of the highlights that contributed to this decrease in fund balance.

- Final revenue totals had a combined negative variance with the final budget of (\$139). This is primarily due to the decrease in mineral royalties which dropped (47.1%) compared to the previous year.
- Police Department operations were lower than the final budget by (\$500), primarily because of unfilled positions and realignment of equipment purchases.
- The Fire Department exceeded the amended budget by \$88 as the result of hiring new staff to meet the demands of a growing city and the unavoidable extra demands placed on them by the pandemic. Some of these excess costs were offset by grant revenues.

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, 2020, amounts to \$154,590 (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 \$6,664 or 4.5%.

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

- Infrastructure and Improvements increased by a net of \$2,240 as projects in business-type activities were completed and put into operation.
- Buildings and Systems fell by a net of (\$9) mainly because of depreciation.
- Construction in Progress of Business-Type Activities increased by \$3,762 and governmental activities increased \$1,179 as the City continues its commitment to improving infrastructure and facilities.
- Machinery and Equipment decreased by (\$508) mainly by equipment retirement and depreciation in most departments exceeding new purchases of equipment.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2020
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Land	\$72,946	\$72,946	\$6,313	\$6,313	\$79,259	\$79,259
Historical Works of Arts			426	426	426	426
Buildings and Systems	2,149	2,628	19,240	18,770	21,389	21,398
Infrastructure and Improvements	6,330	7,599	26,955	23,447	33,285	31,046
Machinery and Equipment	3,486	3,633	4,604	4,965	8,090	8,598
Construction in Progress	1,449	269	10,692	6,930	12,141	7,199
	<u>\$86,360</u>	<u>\$87,076</u>	<u>\$68,230</u>	<u>\$60,851</u>	<u>\$154,590</u>	<u>\$147,926</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.

In 2020, the City took advantage of favorable market conditions to refinance \$2,715,000 in callable certificates of obligation. The issues that were refunded were the Series 2010 Combination Tax & Surplus Revenue Certificates of Obligation (\$2,515,000 refunded) and the Series 2007 Certificates of Obligation (\$200,000 refunded). The Series 2020 Refunding Bonds have par value of \$2,455,000 and average interest rate of 4%. However, because of the combined debt service savings of \$323,996.92 over the remaining 10-year lifetime of the outstanding COs, the true interest cost is 1.539%.

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$16,410. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$8,345 of the total and the remaining \$8,065 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 \$49,691.

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, 2020
(in thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Serviced by Tax Revenues						
General Obligation Bonds	\$8,345	\$6,840			\$8,345	\$6,840
Certificates of Obligation Bonds		2,715				2,715
Serviced by Enterprise Funds			180		180	
Certificates of Obligation Bonds			7,885	8,650	7,885	8,650
	<u>\$8,345</u>	<u>\$9,555</u>	<u>\$8,065</u>	<u>\$8,650</u>	<u>\$16,410</u>	<u>\$18,205</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 33.4% and 32.5%, at \$7,542 and \$7,339. Due to impact of the world-wide pandemic on all areas of life, both of these revenue streams had substantial decreases of 2.4% and 10.1% respectively.

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. Mineral revenues in fiscal 2020 totaled \$1,661,178, down from \$3,062,295 at the end of fiscal 2019. This decline in mineral revenues is a direct result of the drop in crude oil – from \$116.54/barrel at the end of September 2019 to \$40.35/barrel at the same point in 2020. This depressed price of oil has curtailed new drilling and exploration, which translates to fewer oil field workers in Big Spring’s hotels, restaurants and retail stores. To some extent, the City has offset this decline in mineral and tax revenues by entering into right-of-way agreements with oil and gas producers.

Unemployment increased, from 3.7% in 2019 to 7% in 2020, which compares to the state’s unemployment rate of 8.3% and the national rate of 7.9% for September 2020. Median household income grew 4.41% from \$47,184 to \$49,266.

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.

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, 2020

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and Cash Equivalents	\$ 9,366,876	\$ 16,003,590	\$ 25,370,466	\$ 7,761,334
Cash and Cash Equivalents - Restricted		4,409,585	4,409,585	
Receivables (Net of Allowances for Uncollectibles)	714,720	3,112,407	3,827,127	3,543
Internal Balances	4,493,701	(4,493,701)		
Due from Other Governments	687,877		687,877	395,960
Inventories		522,369	522,369	
Prepaid Items	7,211	2,110	9,321	6,486
Notes Receivable				200,310
Other Assets				67,980
Capital Assets, Not Being Depreciated	74,393,797	17,430,450	91,824,247	25,000
Capital Assets, Net of Accumulated Depreciation	11,965,790	50,799,497	62,765,287	94,601
Total Assets	\$ 101,629,972	\$ 87,786,307	\$ 189,416,279	\$ 8,555,214
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - TMRS	\$ 963,720	\$ 446,730	\$ 1,410,450	\$ 27,503
Deferred Outflows - Pension Plan - BSFRRF	1,310,156	605,603	1,915,759	
Deferred Outflows - OPEB - TMRS	70,781	32,266	103,047	1,547
Deferred Outflows - OPEB - Health Insurance	380,497	192,779	573,276	
Deferred Outflows - Loss on Refunding	294,253		294,253	
Total Deferred Outflows of Resources	\$ 3,019,407	\$ 1,277,378	\$ 4,296,785	\$ 29,050
LIABILITIES:				
Accounts Payable	\$ 2,112,802	\$ 2,574,159	\$ 4,686,961	\$ 80,866
Retainage Payable	32,076	209,318	241,394	
Claims and Judgments Payable	342,723		342,723	
Accrued Interest Payable	42,128	44,116	86,244	5,752
Accrued Wages	289,948	121,635	411,583	
Unearned Revenue	62,872		62,872	
Customer Deposits	13,950	355,700	369,650	
Unclaimed Property		33,018	33,018	
Noncurrent Liabilities				
Due Within One Year	2,090,177	1,796,315	3,886,492	550,000
Due In More Than One Year	28,319,486	21,371,516	49,691,002	5,125,846
Total Liabilities	\$ 33,306,162	\$ 26,505,777	\$ 59,811,939	\$ 5,762,464
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows - Pension Plan - TMRS	\$ 1,034,132	\$ 468,963	\$ 1,503,095	\$ 25,789
Deferred Inflows - Pension Plan - BSFRRF	399,918	183,411	583,329	
Deferred Inflows - OPEB - TMRS	28,269	12,820	41,089	705
Deferred Inflows - OPEB - Health Insurance	365,454	185,159	550,613	
Total Deferred Inflows of Resources	\$ 1,827,773	\$ 850,353	\$ 2,678,126	\$ 26,494
NET POSITION				
Net Investment in Capital Assets	\$ 75,907,163	\$ 57,858,080	\$ 133,765,243	\$ 119,601
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	220,846		220,846	
Economic Development				2,675,705
Advertising and Promotions	875,530		875,530	
Debt Service	153,226		153,226	
Court Security	1,891		1,891	
Unrestricted	(7,994,731)	3,849,475	(4,145,256)	
Total Net Position	\$ 69,515,444	\$ 61,707,555	\$ 131,222,999	\$ 2,795,306

The accompanying notes are an integral part of this statement.

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

Functions/Programs	<u>Expenses</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>	<u>Component Unit</u>
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 2,319,131	\$ 1,447,812	\$ 91,059	\$	\$ (780,260)	\$	\$ (780,260)	\$
Public Safety	12,375,807	468,015	1,160,703	\$	(10,747,089)	\$	(10,747,089)	\$
Highways and Streets	2,914,464			\$	(2,914,464)	\$	(2,914,464)	\$
Community Service	402,571	41,965	92,530	\$	(268,076)	\$	(268,076)	\$
Recreation and Parks	4,280,052	1,031,451	37,650	\$	(3,210,951)	\$	(3,210,951)	\$
Cemetery	153,204	62,822		\$	(90,382)	\$	(90,382)	\$
Economic Development	1,546,079	4,890		\$	(1,541,189)	\$	(1,541,189)	\$
Interest on Long-Term Debt	250,179			\$	(250,179)	\$	(250,179)	\$
Bond Issuance Costs	85,474			\$	(85,474)	\$	(85,474)	\$
Total Governmental Activities	<u>\$ 24,326,961</u>	<u>\$ 3,056,955</u>	<u>\$ 1,381,942</u>	<u>\$ 0</u>	<u>\$ (19,888,064)</u>	<u>\$ 0</u>	<u>\$ (19,888,064)</u>	<u>\$ 0</u>
Business-Type Activities:								
Water and Sewer	\$ 12,531,442	\$ 14,834,816	\$	\$ 750,000	\$	\$ 3,053,374	\$ 3,053,374	\$
Airport/Industrial Park	2,615,324	1,467,119	\$	\$	\$	(1,148,205)	(1,148,205)	\$
Emergency Medical Services	3,601,760	1,847,112	\$	844,588	\$	(910,060)	(910,060)	\$
Landfill	2,029,714	2,084,418	\$	\$	\$	54,704	54,704	\$
Sanitation	2,950,235	3,805,557	\$	\$	\$	855,322	855,322	\$
Total Business-Type Activities	<u>\$ 23,728,475</u>	<u>\$ 24,039,022</u>	<u>\$ 0</u>	<u>\$ 1,594,588</u>	<u>\$ 0</u>	<u>\$ 1,905,135</u>	<u>\$ 1,905,135</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 48,055,436</u>	<u>\$ 27,095,977</u>	<u>\$ 1,381,942</u>	<u>\$ 1,594,588</u>	<u>\$ (19,888,064)</u>	<u>\$ 1,905,135</u>	<u>\$ (17,982,929)</u>	<u>\$ 0</u>
COMPONENT UNIT:								
Economic Development Corporation	<u>\$ 4,372,376</u>	<u>\$</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$</u>	<u>\$</u>	<u>\$ (4,372,376)</u>	<u>\$</u>
General Revenues:								
Property Taxes					\$ 7,542,320	\$	\$ 7,542,320	\$
Sales Taxes					7,338,611	\$	7,338,611	2,443,865
Gross Receipts Taxes					1,397,440	\$	1,397,440	\$
Motel Occupancy Taxes					1,318,699	\$	1,318,699	\$
Grants and Contributions Not Restricted to Specific Programs					82,604	31,265	113,869	\$
Unrestricted Investment Earnings					120,667	167,488	288,155	45,599
Miscellaneous					354,048	1,195,353	1,549,401	12,094
Transfers					309,430	(309,430)	\$	\$
Total General Revenue and Transfers					<u>\$ 18,463,819</u>	<u>\$ 1,084,676</u>	<u>\$ 19,548,495</u>	<u>\$ 2,501,558</u>
Change in Net Position					<u>\$ (1,424,245)</u>	<u>\$ 2,989,811</u>	<u>\$ 1,565,566</u>	<u>\$ (1,870,818)</u>
Net Position - Beginning					<u>70,939,689</u>	<u>58,717,744</u>	<u>129,657,433</u>	<u>4,666,124</u>
Net Position - Ending					<u>\$ 69,515,444</u>	<u>\$ 61,707,555</u>	<u>\$ 131,222,999</u>	<u>\$ 2,795,306</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, 2020

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ 6,116,033	\$ 2,117,957	\$ 8,233,990
Receivables (Net of Allowances for Uncollectibles)	567,814	146,906	714,720
Due from Other Funds	4,681,059		4,681,059
Due from Other Governments	687,877		687,877
Prepaid Items	<u>6,112</u>	<u>1,099</u>	<u>7,211</u>
 Total Assets	 <u>\$ 12,058,895</u>	 <u>\$ 2,265,962</u>	 <u>\$ 14,324,857</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable	\$ 1,999,693	\$ 46,841	\$ 2,046,534
Retainage Payable		32,076	32,076
Accrued Wages	275,587	14,361	289,948
Unearned Revenue		62,872	62,872
Due to Other Funds	172,679	287,026	459,705
Customer Deposits	275	13,675	13,950
Total Liabilities	<u>\$ 2,448,234</u>	<u>\$ 456,851</u>	<u>\$ 2,905,085</u>
 DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	<u>\$ 248,541</u>	<u>\$ 52,771</u>	<u>\$ 301,312</u>
Total Deferred Inflows of Resources	<u>\$ 248,541</u>	<u>\$ 52,771</u>	<u>\$ 301,312</u>
 FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 6,112	\$ 1,099	\$ 7,211
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		875,530	875,530
Restricted for Court Security		1,891	1,891
Restricted for Public, Educational and Governmental Television Access		220,846	220,846
Restricted for Public Safety Improvements		16,438	16,438
Restricted for Debt Service		153,226	153,226
Restricted for Senior Citizen's Center		100,527	100,527
Committed Fund Balances:			
Committed for Employee Education		35,264	35,264
Unassigned Fund Balance	<u>9,356,008</u>		<u>9,356,008</u>
Total Fund Balances	<u>\$ 9,362,120</u>	<u>\$ 1,756,340</u>	<u>\$ 11,118,460</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 12,058,895</u>	 <u>\$ 2,265,962</u>	 <u>\$ 14,324,857</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, 2020

Total Fund Balances - Governmental Funds Balance Sheet	\$ 11,118,460
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.	86,347,139
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	301,312
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.	897,381
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,002,802
Payables for bond principal which are not due in the current period are not reported in the funds.	(8,345,000.00)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,361,862.00)
Payables for notes payable which are not due in the current period are not reported in the funds.	(181,074.00)
Payables for bond interest which are not due in the current period are not reported in the funds.	(42,128)
Bond Premiums are not recorded in the funds.	(558,600)
Deferred Outflows of Resources - Loss on Refundings are not recorded in the funds.	294,253
Net pension liabilities are not reported in the funds.	(14,532,571)
Total OPEB Liabilities are not reported in the funds.	(3,935,070)
Payables for compensated absences which are not reported in the funds.	<u>(1,489,598)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>69,515,444</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, 2020**

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	\$ 6,468,528	\$ 1,363,329	\$ 7,831,857
General Sales Taxes	7,338,611		7,338,611
Gross Receipts Business Taxes	1,349,147	48,293	1,397,440
Motel Occupancy Taxes		1,318,699	1,318,699
License and Permits	515,244		515,244
Intergovernmental	1,286,851	95,091	1,381,942
Charges for Services	2,000	36,179	38,179
Fines	186,868	9,745	196,613
Recreation	1,031,451		1,031,451
Investment Earnings	97,740	16,282	114,022
Rents and Royalties	1,183,971	91,497	1,275,468
Miscellaneous	484,066	21,797	505,863
Contributions and Donations	280	82,324	82,604
Total Revenues	<u>\$ 19,944,757</u>	<u>\$ 3,083,236</u>	<u>\$ 23,027,993</u>
Expenditures:			
Current:			
General Government	\$ 2,593,148	\$ 57,692	\$ 2,650,840
Public Safety	11,364,199	30,402	11,394,601
Highways and Streets	3,429,914		3,429,914
Community Service		395,056	395,056
Recreation and Parks	3,704,537		3,704,537
Economic Development	145	1,374,262	1,374,407
Cemetery		198,654	198,654
Debt Service:			
Principal	784,511	992,400	1,776,911
Interest	46,785	222,036	268,821
Bond Issuance Costs		85,474	85,474
Total Expenditures	<u>\$ 21,923,239</u>	<u>\$ 3,355,976</u>	<u>\$ 25,279,215</u>
Excess of Revenues Over Expenditures	<u>\$ (1,978,482)</u>	<u>\$ (272,740)</u>	<u>\$ (2,251,222)</u>
Other Financing Sources:			
Transfers In (Out)	\$ 99,437	\$ 279,320	\$ 378,757
Capital Lease Proceeds	262,876	50,980	313,856
Refunding Bonds Issued		2,565,663	2,565,663
Payment to Refunded Bonds Escrow Agent		(2,530,417)	(2,530,417)
Total Other Financing Sources (Uses)	<u>\$ 362,313</u>	<u>\$ 365,546</u>	<u>\$ 727,859</u>
Net Change in Fund Balances	\$ (1,616,169)	\$ 92,806	\$ (1,523,363)
Fund Balances - Beginning	<u>10,978,289</u>	<u>1,663,534</u>	<u>12,641,823</u>
Fund Balances - Ending	<u>\$ 9,362,120</u>	<u>\$ 1,756,340</u>	<u>\$ 11,118,460</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, 2020

Net Change in Fund Balances - Total Governmental Funds	\$ (1,523,363)
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	2,954,029
Losses on the retirement of capital assets are not recorded in the funds.	(298,303)
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,370,527)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(313,856)
Certain revenues are deferred in the funds. This is the change in these amounts this year.	(289,537)
Change in Deferred Outflows and Inflows related to Pensions is not reported in the funds.	(2,199,007)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	970,000
Repayment of capital lease and notes payable principal is an expenditure in the funds but is not an expense in the SOA.	806,911
The net impact of bond refundings are capitalized on the SNP.	(35,246)
Bond Premiums and Losses on Refundings' related amortization is not recorded in the funds.	18,160
Change in accrued interest from beginning of period to end of period.	699
The net revenue of internal service funds is reported with governmental activities.	386,882
Change related to pension and total OPEB liabilities is not recorded in the funds.	1,414,541
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>54,372</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>(1,424,245)</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2020**

	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	\$ 6,611,629	\$ 7,954,787	\$ 11,654	\$ 644,161	\$ 781,359	\$ 16,003,590	\$ 1,132,886
Cash and Cash Equivalents - Restricted				4,409,585		4,409,585	
Receivables (Net of Allowances for Uncollectibles)	2,303,924	100,214	105,244	50,330	552,695	3,112,407	
Due from Other Funds						0	272,543
Inventories	461,366		61,003			522,369	
Prepaid Items				2,110		2,110	
Total Current Assets	\$ 9,376,919	\$ 8,055,001	\$ 177,901	\$ 5,106,186	\$ 1,334,054	\$ 24,050,061	\$ 1,405,429
NONCURRENT ASSETS							
Capital Assets (Net of Accumulated Depreciation)							
Land	\$ 5,035	\$ 5,671,290	\$	\$ 636,265	\$	\$ 6,312,590	\$ 10,000
Historical Planes - Display Collection		426,000				426,000	
Buildings and Systems	13,180,117	5,840,175		220,175		19,240,467	
Infrastructure and Improvements	14,469,103	11,967,766		518,568		26,955,437	
Machinery and Equipment	699,426	889,838	784,411	1,184,396	1,045,522	4,603,593	2,448
Construction in Progress	127,452	839,783		9,724,625		10,691,860	
Total Noncurrent Assets	\$ 28,481,133	\$ 25,634,852	\$ 784,411	\$ 12,284,029	\$ 1,045,522	\$ 68,229,947	\$ 12,448
Total Assets	\$ 37,858,052	\$ 33,689,853	\$ 962,312	\$ 17,390,215	\$ 2,379,576	\$ 92,280,008	\$ 1,417,877
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows - Pension Plan - TMRS	\$ 254,196	\$ 51,285	\$	\$ 62,259	\$ 78,990	\$ 446,730	\$
Deferred Outflows - Pension Plan - BSFRRF			605,603			605,603	
Deferred Outflows - OPEB - TMRS	18,314	3,675		5,209	5,068	32,266	
Deferred Outflows - OPEB - Health Insurance	90,635	15,055	46,305	20,268	20,516	192,779	
Total Deferred Outflows of Resources	\$ 363,145	\$ 70,015	\$ 651,908	\$ 87,736	\$ 104,574	\$ 1,277,378	\$ 0
LIABILITIES:							
Current Liabilities							
Accounts Payable	\$ 767,644	\$ 366,242	\$ 14,138	\$ 1,332,338	\$ 93,797	\$ 2,574,159	\$ 66,268
Claims and Judgments Payable							342,723
Retainage Payable		7,793		201,525		209,318	
Accrued Wages	48,102	10,174	39,984	8,499	14,876	121,635	
Due to Other Funds	157,038	7,381	305,326	4,010,925	13,031	4,493,701	196
Customer Deposits	312,351	43,349				355,700	
Unclaimed Property	33,018					33,018	
Accrued Interest Payable	43,985	131				44,116	
Accrued Compensated Absences - Current	36,124	15,651	131,442	11,953	15,694	210,864	
Long Term Debt - Current	942,381	160,909	79,730	233,570	168,861	1,585,451	4,003
Total Current Liabilities	\$ 2,340,643	\$ 611,630	\$ 570,620	\$ 5,798,810	\$ 306,259	\$ 9,627,962	\$ 413,190
NONCURRENT LIABILITIES							
Accrued Compensated Absences	\$ 108,373	\$ 46,952	\$ 394,324	\$ 35,859	\$ 47,051	\$ 632,559	\$
Net Pension Liability - TMRS	1,594,683	319,397		473,325	424,251	2,811,656	
Net Pension Liability - BSFRRF			3,821,432			3,821,432	
Total OPEB Liability - TMRS	141,401	28,322		41,970	37,619	249,312	
Total OPEB Liability - Health Insurance	806,384	133,947	411,981	180,330	182,528	1,715,170	
Long-Term Debt	7,941,644	217,811	65,208	416,114	145,639	8,786,416	1,885
Closure/Post-closure Landfill Obligation				3,354,971		3,354,971	
Total Noncurrent Liabilities	\$ 10,592,485	\$ 746,429	\$ 4,692,945	\$ 4,502,569	\$ 837,088	\$ 21,371,516	\$ 1,885
Total Liabilities	\$ 12,933,128	\$ 1,358,059	\$ 5,263,565	\$ 10,301,379	\$ 1,143,347	\$ 30,999,478	\$ 415,075
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows - Pension Plan - TMRS	\$ 265,981	\$ 53,273	\$	\$ 78,947	\$ 70,762	\$ 468,963	\$
Deferred Inflows - Pension Plan - BSFRRF			183,411			183,411	
Deferred Inflows - OPEB - TMRS	7,271	1,457		2,158	1,934	12,820	
Deferred Inflows - OPEB - Health Insurance	87,052	14,460	44,475	19,467	19,705	185,159	
Total Deferred Inflows of Resources	\$ 360,304	\$ 69,190	\$ 227,886	\$ 100,572	\$ 92,401	\$ 850,353	\$ 0
NET POSITION:							
Net Investment in Capital Assets	\$ 19,597,108	\$ 25,256,132	\$ 639,473	\$ 11,634,345	\$ 731,022	\$ 57,858,080	\$ 6,560
Unrestricted	5,330,657	7,076,487	(4,516,704)	(4,558,345)	517,380	3,849,475	996,242
Total Net Position	\$ 24,927,765	\$ 32,332,619	\$ (3,877,231)	\$ 7,076,000	\$ 1,248,402	\$ 61,707,555	\$ 1,002,802

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, 2020**

	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	\$ 11,531,285	\$	\$	\$	\$	\$ 11,531,285	\$
Sewer Charges	2,944,364					2,944,364	
Landfill Fees				2,058,454		2,058,454	
Sanitation Revenue					3,743,262	3,743,262	
Emergency Medical Services			1,847,112			1,847,112	
Commercial Rentals and Fees		1,467,119				1,467,119	
Billings to Departments and Employees							3,413,368
Other Services	359,167			25,964	62,295	447,426	
Total Operating Revenues	\$ 14,834,816	\$ 1,467,119	\$ 1,847,112	\$ 2,084,418	\$ 3,805,557	\$ 24,039,022	\$ 3,413,368
OPERATING EXPENSES:							
Personnel Services	\$ 2,607,301	\$ 559,526	\$ 2,150,098	\$ 821,174	\$ 859,467	\$ 6,997,566	\$
Supplies and Materials	4,877,536	51,653	138,171	40,541	210,487	5,318,388	6,231
Contractual Services	1,393,077	269,676	117,658	171,265	1,070,643	3,022,319	2,948,853
Maintenance	1,384,750	266,288	28,183	176,325	467,850	2,323,396	14,303
Depreciation	1,902,405	1,410,519	175,923	730,582	289,029	4,508,458	1,335
Other Expense	49,169	44,848	986,691	77,091	43,359	1,201,158	139,359
Total Operating Expenses	\$ 12,214,238	\$ 2,602,510	\$ 3,596,724	\$ 2,016,978	\$ 2,940,835	\$ 23,371,285	\$ 3,110,081
Operating Income (Loss)	\$ 2,620,578	\$ (1,135,391)	\$ (1,749,612)	\$ 67,440	\$ 864,722	\$ 667,737	\$ 303,287
NON-OPERATING REVENUES (EXPENSES)							
Intergovernmental Revenue	\$	\$ 31,265	\$	\$	\$	\$ 31,265	\$
Interest Revenue	48,196	68,679		40,529	10,084	167,488	6,645
Rents and Royalties						0	
Gain/(Loss) on Disposal of Assets			63,807		12,500	76,307	
Other Income (Expense)	9,254	931,417	177,248	158	969	1,119,046	146,488
Interest Expense and Paying Agent Fees	(317,204)	(12,814)	(5,036)	(12,736)	(9,400)	(357,190)	(211)
Total Non-Operating Revenues (Expenses)	\$ (259,754)	\$ 1,018,547	\$ 236,019	\$ 27,951	\$ 14,153	\$ 1,036,916	\$ 152,922
Income (Loss) Before Capital Contributions and Transfers	\$ 2,360,824	\$ (116,844)	\$ (1,513,593)	\$ 95,391	\$ 878,875	\$ 1,704,653	\$ 456,209
Capital Contributions	750,000		844,588			1,594,588	
Transfers In (Out)	(20,287)	(377,828)	762,252	859,264	(1,532,831)	(309,430)	(69,327)
Change in Net Position	\$ 3,090,537	\$ (494,672)	\$ 93,247	\$ 954,655	\$ (653,956)	\$ 2,989,811	\$ 386,882
Total Net Position - Beginning	21,837,228	32,827,291	(3,970,478)	6,121,345	1,902,358	58,717,744	615,920
Total Net Position - Ending	\$ 24,927,765	\$ 32,332,619	\$ (3,877,231)	\$ 7,076,000	\$ 1,248,402	\$ 61,707,555	\$ 1,002,802

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, 2020

	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	\$ 14,431,570	\$ 2,411,060	\$ 2,096,113	\$ 2,104,347	\$ 3,750,265	\$ 24,793,355	\$
Cash Receipts from Interfund Services Provided							\$ 3,413,368
Cash Payments to Employees for Services	(2,519,555)	(500,858)	(1,894,894)	(553,480)	(769,635)	(6,238,422)	
Cash Payments to Other Suppliers for Goods and Services	(7,926,874)	(296,958)	(1,290,954)	728,776	(1,802,378)	(10,588,388)	(3,293,867)
Net Cash from Operating Activities	\$ 3,985,141	\$ 1,613,244	\$ (1,089,735)	\$ 2,279,643	\$ 1,178,252	\$ 7,966,545	\$ 119,501
Cash Flows from Non-Capital Financing Activities:							
Cash Received from Intergovernmental Grants	\$	\$ 31,265	\$	\$	\$	\$ 31,265	\$
Various Reimbursements							\$ 146,488
Cash Transfers from (to) Other Funds	16,751	(370,447)	667,578	4,870,189	(1,519,800)	3,664,271	(347,030)
Net Cash from Non-Capital Financing Activities	\$ 16,751	\$ (339,182)	\$ 667,578	\$ 4,870,189	\$ (1,519,800)	\$ 3,695,536	\$ (200,542)
Cash Flows from Capital and Related Financing Activities:							
Principal and Interest Paid	\$ (1,607,400)	\$ (189,396)	\$ (111,347)	\$ (125,618)	\$ (196,693)	\$ (2,230,454)	\$ (4,097)
Paying Agent Fees	(775)					(775)	
Cash Received from Capital Contributions	750,000		844,588			1,594,588	
Lease Proceeds	36,584			40		36,624	
Proceeds from the Sale of Assets			63,807		12,500	76,307	
Acquisition or Construction of Capital Assets	(2,127,898)	(880,473)	(371,005)	(8,236,488)		(11,615,864)	
Net Cash from Capital and Related Financing Activities	\$ (2,949,489)	\$ (1,069,869)	\$ 426,043	\$ (8,362,066)	\$ (184,193)	\$ (12,139,574)	\$ (4,097)
Cash Flows from Investing Activities:							
Interest and Dividends on Investments	\$ 48,196	\$ 68,679	\$	\$ 40,529	\$ 10,084	\$ 167,488	\$ 6,645
Net Cash from Investing Activities	\$ 48,196	\$ 68,679	\$ 0	\$ 40,529	\$ 10,084	\$ 167,488	\$ 6,645
Increase (Decrease) in Cash and Cash Equivalents	\$ 1,100,599	\$ 272,872	\$ 3,886	\$ (1,171,705)	\$ (515,657)	\$ (310,005)	\$ (78,493)
Cash and Cash Equivalents - Beginning of Year	5,511,030	7,681,915	7,768	6,225,451	1,297,016	20,723,180	1,211,379
Cash and Cash Equivalents - End of Year	\$ 6,611,629	\$ 7,954,787	\$ 11,654	\$ 5,053,746	\$ 781,359	\$ 20,413,175	\$ 1,132,886
Reconciliation of Operating Income to Net Cash from Operating Activities:							
Operating Income (Loss)	\$ 2,620,578	\$ (1,135,391)	\$ (1,749,612)	\$ 67,440	\$ 864,722	\$ 667,737	\$ 303,287
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities							
Depreciation	\$ 1,902,405	\$ 1,410,519	\$ 175,923	\$ 730,582	\$ 289,029	\$ 4,508,458	\$ 1,335
Other	9,256	931,417	177,248	158	969	1,119,048	
Change in Assets and Liabilities:							
Decrease (Increase) in Receivables	(397,409)	21,612	71,753	19,771	(56,261)	(340,534)	
Decrease (Increase) in Inventories	(52,588)		(18,129)			(70,717)	
Decrease (Increase) in Prepaid Expenses	12,844			(2,110)		10,734	
Decrease (Increase) in Deferred Outflows	329,116	59,120	48,866	77,236	56,668	571,006	
Increase (Decrease) in Accounts Payable	(182,598)	335,507	(2,122)	1,196,108	(10,039)	1,336,856	(13,035)
Increase (Decrease) in Claims and Judgements Payable							(172,086)
Increase (Decrease) in Accrued Wages	7,085	2,201	9,095	(3,384)	2,931	17,928	
Increase (Decrease) in Customer Deposits	(16,481)	(9,088)				(25,569)	
Increase (Decrease) in Unclaimed Property	1,388					1,388	
Increase (Decrease) in Accrued Compensated Absences	16,531	5,999	98,378	8,100	9,329	138,337	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				76,862		76,862	
Increase (Decrease) in Net Pension Liability - TMRS	(685,031)	(94,637)		12,126	(78,576)	(846,118)	
Increase (Decrease) in Net Pension Liability - BSFRRF			117,533			117,533	
Increase (Decrease) in Total OPEB Liability - TMRS	(1,594)	2,352		13,041	6,079	19,878	
Increase (Decrease) in Total OPEB Liability - Health Insurance	180,220	34,855	40,735	10,468	28,437	294,715	
Increase (Decrease) in Deferred Inflows	241,419	48,778	(59,403)	73,245	64,964	369,003	
Total Adjustments	\$ 1,364,563	\$ 2,748,635	\$ 659,877	\$ 2,212,203	\$ 313,530	\$ 7,298,808	\$ (183,786)
Net Cash from Operating Activities	\$ 3,985,141	\$ 1,613,244	\$ (1,089,735)	\$ 2,279,643	\$ 1,178,252	\$ 7,966,545	\$ 119,501
Supplemental Cash Flow Information:							
Non-Cash Related Financing Activities:							
Capital Lease Proceeds and Capital Assets of \$36,567 - Water and Sewer Fund							
Capital Lease Proceeds and Capital Assets of \$114,216 - Landfill Fund							

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

GASB Statement No. 61 identifies criteria for determining if other entities are potential component units that should be reported within the City's basic financial statements. The application of these criteria provides for identification of any entities for which the City is financially accountable and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's basic financial statements to be misleading. Based on the application of these criteria, one component unit (Big Spring Economic Development Corporation) is included within the reporting City. The City is financially accountable for the Corporation. The City established the sales tax that is the principal source of revenue for the Corporation. The City Council appoints the Board of Directors and approves the annual budget. This component unit has been discretely presented in the accompanying financial statements. Complete financial statements for the component unit can be obtained from their office at 215 West 3rd Street, Big Spring, Texas.

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the City and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The City does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

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

The City reports the following major governmental 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	\$ 4,409,585

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	\$ 821,958						\$ 821,958
Municipal Court	1,891,002						1,891,002
Other	32,327	1,265,604		71,768	40,327		1,410,026
Accounts	352,895	1,118,360	269,906	1,205,543	10,003	596,387	3,553,094
Gross Receivables	\$ 3,098,182	\$ 2,383,964	\$ 269,906	\$ 1,277,311	\$ 50,330	\$ 596,387	\$ 7,676,080
Less: Allowance for Uncollectibles	(2,383,462)	(80,040)	(169,692)	(1,172,067)		(43,692)	(3,848,953)
Net Total Receivables	\$ 714,720	\$ 2,303,924	\$ 100,214	\$ 105,244	\$ 50,330	\$ 552,695	\$ 3,827,127

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 position.

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	\$ (3,877,231)	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, 2020, the carrying amount of the City's deposits, restricted cash, escrow, and cash on hand was \$29,780,051. At year end the City had \$9,520 in cash on hand. The City's cash in bank deposits at year end were \$29,770,531 with a bank balance of \$29,870,581. The City's cash in bank deposits at September 30, 2020 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, 2020 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	34 Days Average	AAAm	\$ 8,377,378.00
Certificates of Deposit (CD)	Various		5,482,020.00
Bonds	8/13/2025		1,000,000.00
Money Market Fund	N/A		9,737,436.00

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, 2020, 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, 2020, TexPool's portfolio maintained a weighted average maturity of approximately 37 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, 2020 the City considered TexPool, CD's, and Money Market Fund investments level 1 and the bonds as level 2 in the hierarchy and they are 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, 2020, were as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,946,188				\$ 72,946,188
Construction in Progress	269,379	1,442,399	(264,169)		1,447,609
Total Capital Assets Not Being Depreciated	<u>\$ 73,215,567</u>	<u>\$ 1,442,399</u>	<u>\$ (264,169)</u>	<u>\$ 0</u>	<u>\$ 74,393,797</u>
Capital Assets Being Depreciated					
Buildings and Systems	\$ 31,778,516	\$ 149,772		\$ 372,880	\$ 31,555,408
Infrastructure and Improvements	30,290,900	757,587	255,153		31,303,640
Machinery and Equipment	13,077,215	604,271	52,034	882,232	12,851,288
Total Capital Assets Being Depreciated	<u>\$ 75,146,631</u>	<u>\$ 1,511,630</u>	<u>\$ 307,187</u>	<u>\$ 1,255,112</u>	<u>\$ 75,710,336</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 29,150,191	\$ 330,746		\$ 74,576	\$ 29,406,361
Improvements Other Than Buildings	22,692,168	2,281,188			24,973,356
Machinery and Equipment	9,444,115	759,928	43,018	882,232	9,364,829
Total Accumulated Depreciation	<u>\$ 61,286,474</u>	<u>\$ 3,371,862</u>	<u>\$ 43,018</u>	<u>\$ 956,808</u>	<u>\$ 63,744,546</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 13,860,157</u>	<u>\$ (1,860,232)</u>	<u>\$ 264,169</u>	<u>\$ 298,304</u>	<u>\$ 11,965,790</u>
Governmental Activities Capital Assets, Net	<u>\$ 87,075,724</u>	<u>\$ (417,833)</u>	<u>\$ 0</u>	<u>\$ 298,304</u>	<u>\$ 86,359,587</u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 72,651
Public Safety	442,023
Highways and Streets	1,347,102
Recreation and Parks	986,932
Cemetery	16,832
Economic Development	504,987
	<u>\$ 3,370,527</u>
Depreciation Charged to Internal Service Funds	1,335
Total Depreciation Charged to Governmental Activities	<u>\$ 3,371,862</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	\$ 6,312,590	\$	\$	\$	\$ 6,312,590
Historical Works of Art	426,000				426,000
Construction in Progress	<u>6,929,775</u>	<u>9,064,139</u>	<u>(5,302,054)</u>		<u>10,691,860</u>
Total Capital Assets Not Being Depreciated	<u>\$ 13,668,365</u>	<u>\$ 9,064,139</u>	<u>\$ (5,302,054)</u>	<u>\$ 0</u>	<u>\$ 17,430,450</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 80,727,659	\$ 2,044,715	\$ 191,304	\$	\$ 82,963,678
Infrastructure and Improvements	54,466,820	183,905	4,987,830		59,638,555
Machinery and Equipment	<u>11,550,115</u>	<u>650,049</u>	<u>79,502</u>	<u>359,646</u>	<u>11,920,020</u>
Total Capital Assets Being Depreciated	<u>\$ 146,744,594</u>	<u>\$ 2,878,669</u>	<u>\$ 5,258,636</u>	<u>\$ 359,646</u>	<u>\$ 154,522,253</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 61,957,900	\$ 1,765,311	\$	\$	\$ 63,723,211
Infrastructure and Improvements	31,019,464	1,663,654			32,683,118
Machinery and Equipment	<u>6,584,948</u>	<u>1,079,493</u>	<u>(795)</u>	<u>347,219</u>	<u>7,316,427</u>
Total Accumulated Depreciation	<u>\$ 99,562,312</u>	<u>\$ 4,508,458</u>	<u>\$ (795)</u>	<u>\$ 347,219</u>	<u>\$ 103,722,756</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 47,182,282</u>	<u>\$ (1,629,789)</u>	<u>\$ 5,259,431</u>	<u>\$ 12,427</u>	<u>\$ 50,799,497</u>
Business-Type Activities Capital Assets, Net	<u>\$ 60,850,647</u>	<u>\$ 7,434,350</u>	<u>\$ (42,623)</u>	<u>\$ 12,427</u>	<u>\$ 68,229,947</u>
Depreciation Expense		<u>\$ 4,508,458</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2020, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 4,493,701	Short-Term Loans
Net Internal Balances		<u>\$ 4,493,701</u>	

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

2. Transfers To and From Other Funds

Transfers at September 30, 2020, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	EMS Fund	\$ (900,000)	Annual Subsidy
Proprietary/Internal Service Funds	General Fund	<u>1,209,430</u>	Administrative Fees
		<u>\$ 309,430</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, 2020, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Certificate of Obligation Bonds	\$ 2,715,000	\$	\$ 2,715,000	\$ 0	\$
General Obligation Refunding Bonds	6,840,000	2,275,000	770,000	8,345,000	995,000
Capital Leases	1,687,659	313,856	635,421	1,366,094	540,049
Economic Conservation	358,106		175,378	182,728	182,728
Compensated Absences	1,543,970		54,372	1,489,598	372,400
Unamortized Bond Premiums	327,129	290,663	59,190	558,602	
Total OPEB Liability - Health Insurance	3,043,611	341,692		3,385,303	
Total OPEB Liability - TMRS	538,935	10,832		549,767	
Net Pension Liability - TMRS	8,592,041		2,391,938	6,200,103	
Net Pension Liability - BSFRRF	7,707,593	624,875		8,332,468	
Total Governmental Activities	<u>\$ 33,354,044</u>	<u>\$ 3,856,918</u>	<u>\$ 6,801,299</u>	<u>\$ 30,409,663</u>	<u>\$ 2,090,177</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 8,650,000	\$	\$ 765,000	\$ 7,885,000	\$ 550,000
General Obligation Refunding Bonds		180,000		180,000	20,000
Capital Leases	2,470,733	150,783	832,536	1,788,980	707,223
Economic Conservation	604,062		295,835	308,227	308,228
Compensated Absences	705,086	138,337		843,423	210,864
Closure/Postclosure Landfill	3,278,109	76,862		3,354,971	
Unamortized Bond Premiums	204,291	21,871	16,502	209,660	
Total OPEB Liability - TMRS	229,434	19,878		249,312	
Total OPEB Liability - Health Insurance	1,420,455	294,715		1,715,170	
Net Pension Liability - TMRS	3,657,774		846,118	2,811,656	
Net Pension Liability - BSFRRF	3,703,899	117,533		3,821,432	
Total Business-Type Activities	<u>\$ 24,923,843</u>	<u>\$ 999,979</u>	<u>\$ 2,755,991</u>	<u>\$ 23,167,831</u>	<u>\$ 1,796,315</u>

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, 2020, are as follows:

Year Ending September 30,	Governmental Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 995,000	\$ 237,000	\$ 1,232,000
2022	1,015,000	212,700	1,227,700
2023	1,050,000	187,600	1,237,600
2024	1,070,000	157,600	1,227,600
2025	1,100,000	122,700	1,222,700
2026-2030	3,115,000	178,350	3,293,350
Totals	<u>\$ 8,345,000</u>	<u>\$ 1,095,950</u>	<u>\$ 9,440,950</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>
G.O. Refunding Bonds	3/3/2020	\$ 2,275,000	4.0%	2/15/2030	\$ 2,275,000	Refunding of C.O. Bonds
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	6,070,000	Refunding of G.O and C.O. Bonds
		<u>\$ 24,540,000</u>			<u>\$ 8,345,000</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 570,000	\$ 276,719	\$ 846,719
2022	585,000	259,194	844,194
2023	595,000	241,319	836,319
2024	615,000	223,019	838,019
2025	640,000	204,019	844,019
2026-2030	3,500,000	694,292	4,194,292
2031-2032	1,560,000	79,000	1,639,000
Totals	<u>\$ 8,065,000</u>	<u>\$ 1,977,562</u>	<u>\$ 10,042,562</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	\$ 7,885,000	Water Improvements
G.O. Refunding Bonds	3/3/2020	180,000	4.0%	2/15/2030	180,000	Elevated Reservoir Repair
		<u>\$ 11,905,000</u>			<u>\$ 8,065,000</u>	

Economic Conservation debt requirements at September 30, 2020, are as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 182,728	\$ 7,656	\$ 190,384
Totals	<u>\$ 182,728</u>	<u>\$ 7,656</u>	<u>\$ 190,384</u>

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 308,228	\$ 12,915	\$ 321,143
Totals	<u>\$ 308,228</u>	<u>\$ 12,915</u>	<u>\$ 321,143</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, 2020:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 8,366,749	\$ 6,529,985
Less: Accumulated Depreciation	<u>(4,924,366)</u>	<u>(3,423,619)</u>
Totals	<u>\$ 3,442,383</u>	<u>\$ 3,106,366</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2020, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 540,049	\$ 29,115	\$ 569,164
2022	435,036	15,259	450,295
2023	294,403	6,273	300,676
2024	86,034	929	86,963
2025	<u>10,572</u>	<u>37</u>	<u>10,609</u>
Total Minimum Rentals	<u>\$ 1,366,094</u>	<u>\$ 51,613</u>	<u>\$ 1,417,707</u>

The effective interest rate on capital leases is 2.13% to 3.05%.

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2021	\$ 707,223	\$ 38,128	\$ 745,351
2022	569,703	21,741	591,444
2023	385,536	8,214	393,750
2024	112,666	1,216	113,882
2025	<u>13,852</u>	<u>49</u>	<u>13,901</u>
Total Minimum Rentals	<u>\$ 1,788,980</u>	<u>\$ 69,348</u>	<u>\$ 1,858,328</u>

The effective interest rate on capital leases is 2.13% to 3.05%.

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 888 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Benefits Provided

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

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

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

	<u>December 31, 2019</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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	156
Inactive Employees Entitled to but not Yet Receiving Benefits	101
Active Employees	<u>175</u>
Total Plan Employees	<u><u>432</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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.19% and 17.44% in calendar years 2019 and 2020, respectively. The City's contributions to TMRS for the year ended September 30, 2019, were \$1,656,458, and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2019, 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	26 years

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. 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>
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	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 12/31/2018	\$ 55,645,756	\$ 43,395,941	\$ (12,249,815)
Service Cost	1,463,236		(1,463,236)
Interest (on the Total Pension Liability)	3,697,686		(3,697,686)
Changes of Assumption	104,120		(104,120)
Difference Between Expected and Actual Experience	367,915		(367,915)
Contributions - Employer		1,585,939	1,585,939
Contributions - Employee		645,817	645,817
Net Investment Income		6,672,658	6,672,658
Benefit Payments	(2,772,308)	(2,772,308)	
Administrative Expense		(37,730)	(37,730)
Proportionate Share Adjustment	(5,463)		5,463
Other		(1,134)	(1,134)
Balance 12/31/2019	<u>\$ 58,500,942</u>	<u>\$ 49,489,183</u>	<u>\$ (9,011,759)</u>

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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>
\$ (17,192,985) \$	(9,011,759) \$	(2,330,684)

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.tmr.com.

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

For the year ended September 30, 2020, the City recognized pension expense of \$1,665,617 and calculated as shown below:

Total Service Cost	\$ 1,463,236
Interest on the Total Pension Liability	3,697,686
Employee Contributions (Reduction of Expense)	(645,817)
Projected Earnings on Plan Investments (Reduction of Expense)	(2,915,373)
Administrative Expense	37,730
Other Changes in Fiduciary Net Position	1,133
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(60,154)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	87,176
Total Pension Expense	<u>\$ 1,665,617</u>

At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources - Pension Plan</u>	<u>Plan Year</u>	<u>Amount</u>	<u>Remaining Period (Years)</u>
Employer Contribution Deferrals	2019	\$ 1,244,086	1.000
Differences Between Projected and Actual Investment Earnings	2016	(527)	1.000
Differences Between Projected and Actual Investment Earnings	2017	(1,136,909)	2.000
Differences Between Projected and Actual Investment Earnings	2018	2,640,167	3.000
Differences Between Projected and Actual Investment Earnings	2019	(3,005,826)	4.000
Change in Assumptions	2019	70,204	2.070
Differences Between Expected and Actual Economic Experience	2017	(35,274)	0.250
Differences Between Expected and Actual Economic Experience	2018	(116,639)	1.280
Differences Between Expected and Actual Economic Experience	2019	248,073	2.070
Total Deferred Outflows and Inflows of Resources		<u>\$ (92,645)</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

\$1,244,086 of employer contribution deferral will be fully amortized in fiscal year 2020-2021. Total amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Plan Year</u>	<u>Amortization of Deferred Outflows</u>
2020	\$ 831,063
2021	(311,615)
2022	139,362
2023	(751,455)
	<u>\$ (92,645)</u>

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.

Benefits Provided

The City now provides a defined contribution to the fund of 15% 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2019</u>
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	15.00%
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, 2019 valuation and measurement date, the following amounts represented employees covered by the benefit terms:

	<u>Total Pension Liability</u>
Retirees and Beneficiaries	\$ 13,279,608
Active Employees	<u>10,244,313</u>
Total Plan Employees - Pension Liability	<u>\$ 23,523,921</u>

Contributions

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

Employees were required to contribute 13.00% of their annual gross earnings during the fiscal year. The contribution rate for the City was 15.00% in calendar years 2019 and 2020. The City's contributions to BSFRRF for the year ended September 30, 2020 were \$671,934 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuary valuation as of that date.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions

The TPL in the December 31, 2019 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	Pub2010PS with MP 2018 projection

Changes in assumptions during the plan year 2019, were related to changing updating the mortality tables.

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2018	\$ 22,314,452	\$ 10,902,958	\$ (11,411,494)
Service Cost	696,787		(696,787)
Interest (on the Total Pension Liability)	1,710,324		(1,710,324)
Changes in Assumptions and Differences in Experience			-
Contributions - Employee		565,707	565,707
Contributions - Employer		650,969	650,969
Net Investment Income		492,136	492,136
Benefit Payments	(1,197,642)	(1,197,642)	
Administrative Expense		(44,109)	(44,109)
Balance 12/31/2019	<u>\$ 23,523,921</u>	<u>\$ 11,370,019</u>	<u>\$ (12,153,902)</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>
\$ (15,304,940)	\$ (12,153,902)	\$ (9,550,188)

Pension Expense and Deferred Outflows of Resources

Pension Expense for the year ended September 30, 2020 is as follows:

Total Service Cost	\$ 696,787
Interest on the Total Pension Liability	1,710,324
Employee Contributions (Reduction of Expense)	(565,707)
Projected Earnings on Plan Investments (Reduction of Expense)	(847,277)
Administrative Expense	44,110
Amortization of Deferred Inflows and Outflows	<u>370,404</u>
Total Pension Expense	<u>\$ 1,408,641</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows of Resources related to the pension plan at September 30, 2020 were made up of as follows and will be amortized according to the table below:

Deferred Outflows of Resources - Pension Plan	Amount	Amortization Period
Employer Contribution Deferrals	\$ 502,303	1.000
Differences Between Projected and Actual Investment Earnings	26,155	1.000
Differences Between Projected and Actual Investment Earnings	(343,465)	2.000
Differences Between Projected and Actual Investment Earnings	946,295	3.000
Differences Between Projected and Actual Investment Earnings	291,277	4.000
Changes in Assumptions	192,066	2.880
Changes in Assumptions	301,128	4.030
Experience Differences	(235,522)	2.880
Experience Differences	(347,807)	4.030
Total Deferred Outflows of Resources	\$ 1,332,430	

Employer contributions of \$482,160 related to contributions subsequent to the plan measurement date will be fully amortized in 2020-2021. Total amounts will be amortized as follows:

Plan Year	Amortization of Deferred Outflows
2020	\$ 674,807
2021	161,380
2022	435,356
2023	61,236
2024 and thereafter	(349)
	\$ 1,332,430

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	Change in Claims and Estimates	Claim Payments	Liability Balance at 9-30	Total ISF Funds
Year Ending 09-30-19					
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
Year Ending 09-30-20					
Health Insurance Claims	\$ 175,250	\$ 1,855,086	\$ 1,873,669	\$ 156,667	\$
Workers' Compensation Claims	339,559	(153,503)		186,056	342,723

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 \$156,667 at September 30, 2020.

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 \$186,056 at September 30, 2020.

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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>

Total OPEB Liability:

The City’s total OPEB liability of \$5,100,473 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2018	\$ 4,464,066
Changes for the year:	
Service Cost	270,360
Interest on Total OPEB Liability	170,727
Experience Differences	(245,245)
Effect of Assumptions Changes or Inputs	5,114
Benefit Payments	<u>435,451</u>
Balance as of December 31, 2019	\$ <u><u>5,100,473</u></u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Actuarial Methods and Assumptions:

Actuarial Cost Method	Individual Entry Age
Discount Rate	2.75% as of December 31, 2019 - Assumption Change
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation - General 4.50% to 9.50% including inflation - Firefighters
Demographic Assumptions	General: Based on the experience study covering the four-year period ending December 31, 2018 as conducted for the Texas Municipal Retirement System (TMRS). Firefighters: Based on the assumptions disclosed in the Big Spring Firemen's Relief and Retirement Fund actuarial valuation report as of January 1, 2019.
Mortality rates – General	General: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements
Mortality rates – Firefighters	Firefighters: For healthy retirees, the gender-distinct PubS-2010 Healthy 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 2.75%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) 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 (1.75%)</u>	<u>Discount Rate (2.75%)</u>	<u>1% Increase in Discount Rate (3.75%)</u>
Total OPEB Liability	\$ <u>5,645,162</u>	\$ <u>5,100,473</u>	\$ <u>4,618,575</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>4,410,143</u>	\$ <u>5,100,473</u>	\$ <u>5,943,282</u>

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$450,295. At September 30, 2020, 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	\$	\$ 35,915
Experience Differences		514,698
Changes in Assumptions	<u>573,276</u>	
	<u>\$ 573,276</u>	<u>\$ 550,613</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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:

	Amortization of Deferred Resources
2020	\$ 9,208
2021	9,208
2022	9,208
2023	9,208
2024	6,469
Thereafter	15,277
	<u>\$ 58,578</u>

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	119
Inactive Employees Entitled to but not Yet Receiving Benefits	25
Active Employees	175
Total Plan Employees	<u>319</u>

Total OPEB Liability:

The City's total OPEB liability of \$799,079 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2018	\$ 768,369
Changes for the year:	
Service Cost	21,220
Interest on Total OPEB Liability	28,716
Effect of Assumptions Changes or Inputs	117,216
Benefit Payments	(9,226)
Other	(342)
Experience Differences	(126,874)
Balance as of December 31, 2019	<u>\$ 799,079</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions:

The total OPEB liability in the December 31, 2019 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	2.75% - 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	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year setforward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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 2.75% based on the 20 Year Bond GO Index published by bondbuyer.com is used as of the measurement date of December 31, 2019.

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Experience Studies:

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the annuity purchase rates (APRs) until 2027 are based on a mortality study performed in 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 2018 to 2019.

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

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.75%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.75%) or 1 percentage point higher (3.75%) 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.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB Liability	\$ <u>(950,337)</u>	\$ <u>(799,079)</u>	\$ <u>(681,242)</u>

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

For the year ended September 30, 2020, the City recognized OPEB expense of \$71,591. At September 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 81,645	\$
Difference in Expected and Actual Experience		41,089
Contributions Made Subsequent to Measurement Date	<u>21,402</u>	
	<u>\$ 103,047</u>	<u>\$ 41,089</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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>
2020	\$ 43,057
2021	15,771
2022	3,677
2023	<u>(547)</u>
	<u>\$ 61,958</u>

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 trustees, 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 is defined by the Internal Revenue Service. 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

2. Litigation

The City does not currently have any litigation that is expected to have a material impact on the 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 \$3,354,971 reported as landfill closure and post-closure care liability at September 30, 2020, represents the cumulative amount reported to date based on the use of 95.94% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$142,021 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 2020. 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, 2020 the City has designated an investment in the amount of \$4,409,585 for this purpose.

N. Bond Refunding – 2020 General Obligation Refunding Bonds

The City refunded the Series 2007 and 2010 Certificates of Obligation with General Obligation Refunding Bonds, Series 2020 in the amount of \$2,445,000. The City used \$2,730,568 of the proceeds to retire the old bonds. The refunding was undertaken to reduce debt service payments over the next 10 years by \$324,001 and resulted in an economic gain of \$239,920.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
	Total Pension Liability	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	\$ 1,463,236
Interest	3,098,627	3,234,983	3,282,390	3,431,109	3,568,366	3,697,686
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)
Changes in Assumptions		144,503				104,120
Differences between Expected and Actual Experience	212,542	485,843	257,450	(457,245)	(299,019)	367,915
Other	15,116		(3,284)	(106,349)	40,647	(5,463)
Net Change	\$ 1,940,132	\$ 2,494,581	\$ 2,492,354	\$ 1,813,061	\$ 1,961,567	\$ 2,855,186
Beginning Balance	44,944,061	46,884,193	49,378,774	51,871,128	53,684,189	55,645,756
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>	<u>\$ 58,500,942</u>
	Fiduciary Net Position	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	\$ 645,817
Employer Contributions	1,513,350	1,463,901	1,414,975	1,485,185	1,560,343	1,585,939
Net Investment Income	2,114,041	56,638	2,562,669	5,517,900	(1,352,712)	6,672,658
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)
Administration Expenses	(22,073)	(33,192)	(28,947)	(28,605)	(26,155)	(37,730)
Other	10,616	32,233	(1,561)	(54,123)	(1,366)	(1,134)
Net Change	\$ 1,780,946	\$ (574,476)	\$ 2,121,229	\$ 5,091,055	\$ (1,968,237)	\$ 6,093,242
Beginning Balance	36,945,424	38,726,370	38,151,894	40,273,123	45,364,178	43,395,941
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>	<u>\$ 49,489,183</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>	<u>\$ 9,011,759</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%	77.64%	84.50%	77.99%	84.60%
Covered Payroll	\$ 8,616,222	\$ 8,972,306	\$ 8,790,799	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%	131.93%	94.82%	136.45%	97.68%

Note: Only six years of GASB 68 data available as of 12/31/2019. The remaining four 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, 2020**

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>	<u>9/30/2020</u>
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989	\$ 1,466,109	\$ 2,136,581	\$ 1,602,352	\$ 1,656,458
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>	<u>1,656,458</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<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	\$ 9,532,428
Contributions as a Percentage of Covered Payroll	16.86%	22.27%	16.70%	24.35%	17.53%	17.38%

Note: Only six years of GASB 68 data available as of 09/30/2020. The remaining four 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, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2014</u>	<u>12/31/2015</u>	<u>12/31/2016</u>	<u>12/31/2017</u>	<u>12/31/2018</u>	<u>12/31/2019</u>
	<u>Total Pension Liability</u>	<u>Total Pension Liability</u>	<u>Total Pension Liability</u>	<u>Total Pension Liability</u>	<u>Total Pension Liability</u>	<u>Total Pension Liability</u>
Service Cost	\$ 453,334	\$ 453,334	\$ 506,260	\$ 545,439	\$ 569,984	\$ 696,787
Interest	1,447,905	1,564,936	1,598,125	1,562,997	1,633,082	1,710,324
Differences between Expected and Actual Experience			(736,630)		(520,414)	
Changes in Assumptions				392,133	450,572	
Benefit Payments	<u>(1,277,131)</u>	<u>(1,339,860)</u>	<u>(1,930,220)</u>	<u>(1,231,846)</u>	<u>(1,199,873)</u>	<u>(1,197,642)</u>
Net Change	\$ 624,108	\$ 678,410	\$ (562,465)	\$ 1,268,723	\$ 933,351	\$ 1,209,469
Beginning Balance	19,372,325	19,996,433	20,674,843	20,112,378	21,381,101	22,314,452
Ending Balance	<u>\$ 19,996,433</u>	<u>\$ 20,674,843</u>	<u>\$ 20,112,378</u>	<u>\$ 21,381,101</u>	<u>\$ 22,314,452</u>	<u>\$ 23,523,921</u>
	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>	<u>Fiduciary Net Position</u>
Employee Contributions	\$ 496,045	\$ 525,572	\$ 519,916	\$ 488,555	\$ 549,091	\$ 650,969
Employer Contributions	496,046	525,572	519,916	488,555	633,568	565,707
Net Investment Income	594,840	(107,469)	691,060	1,655,622	(670,805)	492,136
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)
Administration Expenses	<u>(80,057)</u>	<u>(61,331)</u>	<u>(100,928)</u>	<u>(107,814)</u>	<u>(101,346)</u>	<u>(44,109)</u>
Net Change	\$ 229,743	\$ (457,516)	\$ (300,256)	\$ 1,293,072	\$ (789,365)	\$ 467,061
Beginning Balance	10,927,280	11,157,023	10,699,507	10,399,251	11,692,323	10,902,958
Ending Balance	<u>\$ 11,157,023</u>	<u>\$ 10,699,507</u>	<u>\$ 10,399,251</u>	<u>\$ 11,692,323</u>	<u>\$ 10,902,958</u>	<u>\$ 11,370,019</u>
Net Pension Liability	<u>\$ 8,839,410</u>	<u>\$ 9,975,336</u>	<u>\$ 9,713,127</u>	<u>\$ 9,688,778</u>	<u>\$ 11,411,494</u>	<u>\$ 12,153,902</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%	51.71%	54.69%	48.86%	48.33%
Covered Payroll	\$ 3,634,001	\$ 4,042,862	\$ 3,766,262	\$ 3,758,115	\$ 4,259,859	\$ 4,259,859
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%	257.90%	257.81%	267.88%	285.31%

Note: Only six years of GASB 68 data available as of 12/31/2019. The remaining four 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, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020
Actuarially Determined Contribution	\$ 511,584	\$ 546,693	\$ 491,271	\$ 578,137	\$ 662,471	\$ 671,934
Actual Contributions	511,584	546,693	491,271	578,137	662,471	671,934
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,935,256	\$ 4,205,336	\$ 3,779,008	\$ 3,410,923	\$ 4,416,470	\$ 4,479,559
Contributions as a Percentage of Covered Payroll	13.00%	13.00%	13.00%	16.95%	15.00%	15.00%

Note: Only six years of GASB 68 data available as of 09/30/2020. The remaining six years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-5

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TMRS - SUPPLEMENTAL DEATH BENEFIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 20,080	\$ 24,240	\$ 21,220
Interest	22,350	22,472	28,716
Benefit Payments	(6,985)	(8,080)	(9,226)
Differences Between Expected and Actual Experience		101,508	(126,874)
Changes in Assumption	47,404	(42,596)	117,216
Other		3,262	(342)
Net Change	\$ 82,849	\$ 100,806	\$ 30,710
Beginning Balance	584,714	667,563	768,369
Ending Balance	\$ <u>667,563</u>	\$ <u>768,369</u>	\$ <u>799,079</u>
Total OPEB Liability	\$ <u>667,563</u>	\$ <u>768,369</u>	\$ <u>799,079</u>
Covered Payroll	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942
Total OPEB Liability as a Percentage of Covered Payroll	7.61%	8.56%	8.66%

Note: Only three years of GASB 75 data available as of 12/31/2019. The remaining seven 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, 2020**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 234,314	\$ 275,511	\$ 270,360
Interest	151,828	146,777	170,727
Differences between Expected and Actual Experience	(49,191)	(360,876)	(245,245)
Benefit Payments	194,116	17,670	5,114
Changes in Assumptions	(222,312)	97,236	435,451
 Net Change	 \$ 308,755	 \$ 176,318	 \$ 636,407
Beginning Balance	3,978,993	4,287,748	4,464,066
Ending Balance	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473
Total OPEB Liability	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473
 Covered Payroll	 \$ 10,106,139	 \$ 13,237,648	 \$ 13,680,635
 Total OPEB Liability as a Percentage of Covered Payroll	 42.43%	 33.72%	 37.28%

Note: Only three years of GASB 75 data available as of 12/31/2019. The remaining seven 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, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Table with 5 columns: Description, Original, Final, Actual, and Variance with Final Budget Positive (Negative). Rows include Revenue (Taxes: General Property Taxes, General Sales Taxes, etc.), Expenditures (Current: General Government, Public Safety, etc.), and Other Financing Sources (Uses: Transfers In (Out), Proceeds from Capital Lease Financing, etc.).

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	26 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% 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 2019 valuation pursuant to an experience study of the period 2014 - 2018

Mortality Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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	Pub2010PS with MP 2018 projection

Other Information:

Changes in Benefits:

There were no benefit changes during the year.

Changes in Assumptions:

Effective for the 2019 plan year the mortality assumption was changed by updating the mortality assumption to the recently published mortality table for public safety employees developed by the Society of Actuaries – Pub2010 Public Safety with full improvement projection using scale MP2018.

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CITY OF BIG SPRING, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2020

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, 2020

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding 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	\$ 1,336,946	\$ 297,327	\$ 111,165	\$ 372,519	\$ 2,117,957
Receivables (Net of Allowance for Uncollectibles)	89,401	13,590	43,915		146,906
Prepaid Items	1,099				1,099
Total Assets	<u>\$ 1,427,446</u>	<u>\$ 310,917</u>	<u>\$ 155,080</u>	<u>\$ 372,519</u>	<u>\$ 2,265,962</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 46,841	\$	\$	\$	\$ 46,841
Retainage Payable	32,076				32,076
Accrued Wages	14,361				14,361
Due to Other Funds	6,026	260,000		21,000	287,026
Unearned Revenue	62,872				62,872
Customer Deposits	13,675				13,675
Total Liabilities	<u>\$ 175,851</u>	<u>\$ 260,000</u>	<u>\$ 0</u>	<u>\$ 21,000</u>	<u>\$ 456,851</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$	\$ 12,471	\$ 40,300	\$	\$ 52,771
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 12,471</u>	<u>\$ 40,300</u>	<u>\$ 0</u>	<u>\$ 52,771</u>
Fund Balances:					
Nonspendable Fund Balances:					
Prepays	\$ 1,099	\$	\$	\$	\$ 1,099
Cemetery Permanent Care				351,519	351,519
Restricted Fund Balances:					
Restricted for Advertising and Promotions	892,591				892,591
Restricted for Court Security	1,891				1,891
Restricted for Court Technology	(4,560)				(4,560)
Restricted for Public, Educational and Governmental Television Access	220,846				220,846
Restricted for Public Safety Improvements	16,438				16,438
Restricted for Debt Service		38,446	114,780		153,226
Restricted for Senior Citizen's Center	100,527				100,527
Committed Fund Balances:					
Committed for Employee Education	35,264				35,264
Committed for Cemetery Operations	(12,501)				(12,501)
Total Fund Balances	<u>\$ 1,251,595</u>	<u>\$ 38,446</u>	<u>\$ 114,780</u>	<u>\$ 351,519</u>	<u>\$ 1,756,340</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,427,446</u>	<u>\$ 310,917</u>	<u>\$ 155,080</u>	<u>\$ 372,519</u>	<u>\$ 2,265,962</u>

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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, 2020**

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding 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	\$	\$	\$	\$	\$
Gross Receipts Business Tax	48,293	321,475	1,041,854		1,363,329
Motel Occupancy Taxes	1,318,699				48,293
Intergovernmental	95,091				1,318,699
Charges for Services	36,179				95,091
Fines	9,745				36,179
Investment Earnings	11,017	587	1,319	3,359	9,745
Rents and Royalties	91,497				16,282
Miscellaneous	21,797				91,497
Contributions and Donations	82,324				21,797
Total Revenue	<u>\$ 1,714,642</u>	<u>\$ 322,062</u>	<u>\$ 1,043,173</u>	<u>\$ 3,359</u>	<u>\$ 3,083,236</u>
Expenditures:					
Current					
General Government	\$	\$	\$	\$	\$
Public Safety	57,692				57,692
Community Service	30,402				30,402
Economic Development	395,056				395,056
Cemetery	1,374,262				1,374,262
Debt Service	198,654				198,654
Principal	22,400	200,000	770,000		992,400
Interest	1,467	54,419	166,150		222,036
Bond Issuance Costs		85,474			85,474
Total Expenditures	<u>\$ 2,079,933</u>	<u>\$ 339,893</u>	<u>\$ 936,150</u>	<u>\$ 0</u>	<u>\$ 3,355,976</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (365,291)</u>	<u>\$ (17,831)</u>	<u>\$ 107,023</u>	<u>\$ 3,359</u>	<u>\$ (272,740)</u>
Other Financing Sources (Uses):					
Transfers In (Out)	\$	\$	\$	\$	\$
Capital Lease	282,679			(3,359)	279,320
Refunding Bonds Issued	50,980	2,565,663			50,980
Payment to Refunded Bond Escrow Agent		(2,530,417)			2,565,663
Total Other Financing Sources (Uses)	<u>\$ 333,659</u>	<u>\$ 35,246</u>	<u>\$ 0</u>	<u>\$ (3,359)</u>	<u>\$ 365,546</u>
Net Change in Fund Balances	\$	\$	\$	\$	\$
	(31,632)	17,415	107,023	0	92,806
Fund Balances - Beginning	<u>1,283,227</u>	<u>21,031</u>	<u>7,757</u>	<u>351,519</u>	<u>1,663,534</u>
Fund Balances - Ending	<u>\$ 1,251,595</u>	<u>\$ 38,446</u>	<u>\$ 114,780</u>	<u>\$ 351,519</u>	<u>\$ 1,756,340</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2020**

	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	\$ 35,264	\$ 1,554	\$ 2,260	\$ 44,734	\$ 120,945	\$ 220,846	\$ 894,905	\$ 16,183	\$ 255	\$ 1,336,946
Receivables (Net of Allowance for Uncollectibles)		337		13,334			75,730			89,401
Prepaid Items				1,099						1,099
Total Assets	<u>\$ 35,264</u>	<u>\$ 1,891</u>	<u>\$ 2,260</u>	<u>\$ 59,167</u>	<u>\$ 120,945</u>	<u>\$ 220,846</u>	<u>\$ 970,635</u>	<u>\$ 16,183</u>	<u>\$ 255</u>	<u>\$ 1,427,446</u>
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$	\$	\$ 6,820	\$ 3,498	\$ 11,711	\$	\$ 24,812	\$	\$	\$ 46,841
Retainage Payable							32,076			32,076
Accrued Wages				1,963	5,423		6,975			14,361
Due to Other Funds				2,236	3,284		506			6,026
Unearned Revenue				62,872						62,872
Customer Deposits							13,675			13,675
Total Liabilities	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 6,820</u>	<u>\$ 70,569</u>	<u>\$ 20,418</u>	<u>\$ 0</u>	<u>\$ 78,044</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 175,851</u>
Fund Balances:										
Nonspendable Fund Balances:										
Prepays	\$	\$	\$	\$ 1,099	\$	\$	\$	\$	\$	\$ 1,099
Restricted Fund Balances:										
Restricted for Advertising and Promotions							892,591			892,591
Restricted for Court Security		1,891								1,891
Restricted for Court Technology			(4,560)							(4,560)
Restricted for Public, Educational and Governmental Television Access						220,846				220,846
Restricted for Public Safety Improvements								16,183	255	16,438
Restricted for Senior Citizen's Center					100,527					100,527
Committed Fund Balances:										
Committed for Employee Education	35,264									35,264
Committed for Cemetery Operations				(12,501)						(12,501)
Total Fund Balances	<u>\$ 35,264</u>	<u>\$ 1,891</u>	<u>\$ (4,560)</u>	<u>\$ (11,402)</u>	<u>\$ 100,527</u>	<u>\$ 220,846</u>	<u>\$ 892,591</u>	<u>\$ 16,183</u>	<u>\$ 255</u>	<u>\$ 1,251,595</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 35,264</u>	<u>\$ 1,891</u>	<u>\$ 2,260</u>	<u>\$ 59,167</u>	<u>\$ 120,945</u>	<u>\$ 220,846</u>	<u>\$ 970,635</u>	<u>\$ 16,183</u>	<u>\$ 255</u>	<u>\$ 1,427,446</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	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	\$	\$	\$	\$	\$	\$ 48,293	\$	\$	\$	\$ 48,293
Motel Occupancy Taxes							1,318,699			1,318,699
Intergovernmental					92,530			2,561		95,091
Charges for Services	18,024				18,155					36,179
Fines		5,457	4,263	25						9,745
Investment Earnings	265	12	156	1,415	753	1,908	6,375	131	2	11,017
Rents and Royalties				62,797			28,700			91,497
Miscellaneous							21,797			21,797
Contributions and Donations					200		82,124			82,324
Total Revenue	\$ 18,289	\$ 5,469	\$ 4,419	\$ 64,237	\$ 111,638	\$ 50,201	\$ 1,457,695	\$ 2,692	\$ 2	\$ 1,714,642
Expenditures:										
Current										
General Government	\$ 6,433	\$ 5,389	\$	\$	\$	\$ 45,870	\$	\$	\$	\$ 57,692
Public Safety			30,402							30,402
Community Service					395,056					395,056
Economic Development							1,374,262			1,374,262
Cemetery				198,654						198,654
Debt Service										
Principal				16,976			5,424			22,400
Interest				1,003			464			1,467
Total Expenditures	\$ 6,433	\$ 5,389	\$ 30,402	\$ 216,633	\$ 395,056	\$ 45,870	\$ 1,380,150	\$ 0	\$ 0	\$ 2,079,933
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 11,856	\$ 80	\$ (25,983)	\$ (152,396)	\$ (283,418)	\$ 4,331	\$ 77,545	\$ 2,692	\$ 2	\$ (365,291)
Other Financing Sources (Uses):										
Transfers In (Out)	\$	\$	\$	\$ 43,359	\$ 326,000	\$	\$ (86,680)	\$	\$	\$ 282,679
Capital Lease				50,980						50,980
Total Other Financing Sources (Uses)	\$ 0	\$ 0	\$ 0	\$ 94,339	\$ 326,000	\$ 0	\$ (86,680)	\$ 0	\$ 0	\$ 333,659
Net Change in Fund Balances	\$ 11,856	\$ 80	\$ (25,983)	\$ (58,057)	\$ 42,582	\$ 4,331	\$ (9,135)	\$ 2,692	\$ 2	\$ (31,632)
Fund Balances - Beginning	23,408	1,811	21,423	46,655	57,945	216,515	901,726	13,491	253	1,283,227
Fund Balances - Ending	\$ 35,264	\$ 1,891	\$ (4,560)	\$ (11,402)	\$ 100,527	\$ 220,846	\$ 892,591	\$ 16,183	\$ 255	\$ 1,251,595

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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 2,040,300	\$ 1,299,122	\$ 1,318,699	\$ 19,577
Investment Earnings	5,500	4,800	6,375	1,575
Rents and Royalties	56,130	38,090	28,700	(9,390)
Miscellaneous	6,010	21,801	21,797	(4)
Contributions and Donations	1,500	82,124	82,124	0
Total Revenues	<u>\$ 2,109,440</u>	<u>\$ 1,445,937</u>	<u>\$ 1,457,695</u>	<u>\$ 11,758</u>
 Expenditures:				
Economic Development	\$ 1,945,380	\$ 1,447,710	\$ 1,374,262	\$ 73,448
Debt Service:				
Principal	4,796	4,796	5,424	(628)
Interest	1,092	1,092	464	628
Total Expenditures	<u>\$ 1,951,268</u>	<u>\$ 1,453,598</u>	<u>\$ 1,380,150</u>	<u>\$ 73,448</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 158,172</u>	<u>\$ (7,661)</u>	<u>\$ 77,545</u>	<u>\$ 85,206</u>
 Other Financing Uses:				
Transfers Out	\$ (86,680)	\$ (86,680)	\$ (86,680)	\$ 0
Total Other Financing Uses	<u>\$ (86,680)</u>	<u>\$ (86,680)</u>	<u>\$ (86,680)</u>	<u>\$ 0</u>
 Net Change in Fund Balances	\$ 71,492	\$ (94,341)	\$ (9,135)	\$ 85,206
 Fund Balances - Beginning	<u>901,726</u>	<u>901,726</u>	<u>901,726</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 973,218</u></u>	<u><u>\$ 807,385</u></u>	<u><u>\$ 892,591</u></u>	<u><u>\$ 85,206</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, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Charges for Services	\$ 16,000	\$ 17,000	\$ 18,024	\$ 1,024
Investment Earnings	750	200	265	65
Total Revenues	<u>\$ 16,750</u>	<u>\$ 17,200</u>	<u>\$ 18,289</u>	<u>\$ 1,089</u>
Expenditures:				
Current				
General Government	\$ 12,664	\$ 3,664	\$ 6,433	\$ (2,769)
Total Expenditures	<u>\$ 12,664</u>	<u>\$ 3,664</u>	<u>\$ 6,433</u>	<u>\$ (2,769)</u>
Excess of Revenues Over Expenditures	<u>\$ 4,086</u>	<u>\$ 13,536</u>	<u>\$ 11,856</u>	<u>\$ (1,680)</u>
Net Change in Fund Balances	\$ 4,086	\$ 13,536	\$ 11,856	\$ (1,680)
Fund Balances - Beginning	<u>23,408</u>	<u>23,408</u>	<u>23,408</u>	
Fund Balances - Ending	<u>\$ 27,494</u>	<u>\$ 36,944</u>	<u>\$ 35,264</u>	<u>\$ (1,680)</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 5,000	\$ 4,200	\$ 5,457	\$ 1,257
Investment Earnings	100	12	12	0
Total Revenues	<u>\$ 5,100</u>	<u>\$ 4,212</u>	<u>\$ 5,469</u>	<u>\$ 1,257</u>
Expenditures:				
Current				
Public Safety	<u>\$ 8,241</u>	<u>\$ 4,900</u>	<u>\$ 5,389</u>	<u>\$ (489)</u>
Total Expenditures	<u>\$ 8,241</u>	<u>\$ 4,900</u>	<u>\$ 5,389</u>	<u>\$ (489)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (3,141)</u>	<u>\$ (688)</u>	<u>\$ 80</u>	<u>\$ 768</u>
Net Change in Fund Balances	\$ (3,141)	\$ (688)	\$ 80	\$ 768
Fund Balances - Beginning	<u>1,811</u>	<u>1,811</u>	<u>1,811</u>	
Fund Balances - Ending	<u><u>\$ (1,330)</u></u>	<u><u>\$ 1,123</u></u>	<u><u>\$ 1,891</u></u>	<u><u>\$ 768</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, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 6,800	\$ 5,000	\$ 4,263	\$ (737)
Investment Earnings	250	150	156	6
Total Revenues	<u>\$ 7,050</u>	<u>\$ 5,150</u>	<u>\$ 4,419</u>	<u>\$ (731)</u>
Expenditures:				
Current				
Public Safety	\$ 1,500	\$ 29,651	\$ 30,402	\$ (751)
Total Expenditures	<u>\$ 1,500</u>	<u>\$ 29,651</u>	<u>\$ 30,402</u>	<u>\$ (751)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,550</u>	<u>\$ (24,501)</u>	<u>\$ (25,983)</u>	<u>\$ (1,482)</u>
Net Change in Fund Balances	\$ 5,550	\$ (24,501)	\$ (25,983)	\$ (1,482)
Fund Balances - Beginning	<u>21,423</u>	<u>21,423</u>	<u>21,423</u>	
Fund Balances - Ending	<u><u>\$ 26,973</u></u>	<u><u>\$ (3,078)</u></u>	<u><u>\$ (4,560)</u></u>	<u><u>\$ (1,482)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

CEMETERY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Investment Earnings	\$ 1,700	\$ 1,000	\$ 1,415	\$ 415
Rents and Royalties	90,600	46,550	62,797	16,247
Fines	0	25	25	0
Total Revenues	<u>\$ 92,300</u>	<u>\$ 47,575</u>	<u>\$ 64,237</u>	<u>\$ 16,662</u>
Expenditures:				
Cemetery	\$ 213,040	\$ 191,087	\$ 198,654	\$ (7,567)
Debt Service:				
Principal Payments	19,912	19,802	16,976	2,826
Interest			1,003	(1,003)
Total Expenditures	<u>\$ 232,952</u>	<u>\$ 210,889</u>	<u>\$ 216,633</u>	<u>\$ (5,744)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (140,652)</u>	<u>\$ (163,314)</u>	<u>\$ (152,396)</u>	<u>\$ 10,918</u>
Other Financing Sources:				
Transfers In	\$ 77,000	\$ 94,000	\$ 43,359	\$ (50,641)
Capital Lease	62,500	62,500	50,980	(11,520)
Total Other Financing Sources	<u>\$ 139,500</u>	<u>\$ 156,500</u>	<u>\$ 94,339</u>	<u>\$ (62,161)</u>
Net Change in Fund Balances	\$ (1,152)	\$ (6,814)	\$ (58,057)	\$ (51,243)
Fund Balances - Beginning	<u>46,655</u>	<u>46,655</u>	<u>46,655</u>	<u></u>
Fund Balances - Ending	<u>\$ 45,503</u>	<u>\$ 39,841</u>	<u>\$ (11,402)</u>	<u>\$ (51,243)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

SENIOR CENTER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 89,500	\$ 80,000	\$ 92,530	\$ 12,530
Charges for Services	16,570	13,870	18,155	4,285
Investment Earnings	350	500	753	253
Contributions and Donations	50	50	200	150
Total Revenues	<u>\$ 106,470</u>	<u>\$ 94,420</u>	<u>\$ 111,638</u>	<u>\$ 17,218</u>
Expenditures:				
Community Service	\$ 431,772	\$ 410,772	\$ 395,056	\$ 15,716
Total Expenditures	<u>\$ 431,772</u>	<u>\$ 410,772</u>	<u>\$ 395,056</u>	<u>\$ 15,716</u>
Deficiency of Revenues Under Expenditures	<u>\$ (325,302)</u>	<u>\$ (316,352)</u>	<u>\$ (283,418)</u>	<u>\$ 32,934</u>
Other Financing Sources:				
Transfers In	\$ 326,000	\$ 326,000	\$ 326,000	\$ 0
Total Other Financing Sources	<u>\$ 326,000</u>	<u>\$ 326,000</u>	<u>\$ 326,000</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 698	\$ 9,648	\$ 42,582	\$ 32,934
Fund Balances - Beginning	<u>57,945</u>	<u>57,945</u>	<u>57,945</u>	
Fund Balances - Ending	<u>\$ 58,643</u>	<u>\$ 67,593</u>	<u>\$ 100,527</u>	<u>\$ 32,934</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, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Gross Receipts Business Tax	\$ 50,000	\$ 48,000	\$ 48,293	\$ 293
Investment Earnings	2,800	1,500	1,908	408
Total Revenues	<u>\$ 52,800</u>	<u>\$ 49,500</u>	<u>\$ 50,201</u>	<u>\$ 701</u>
Expenditures:				
General Governmental	\$ 33,122	\$ 54,343	\$ 45,870	\$ 8,473
Total Expenditures	<u>\$ 33,122</u>	<u>\$ 54,343</u>	<u>\$ 45,870</u>	<u>\$ 8,473</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 19,678</u>	<u>\$ (4,843)</u>	<u>\$ 4,331</u>	<u>\$ 9,174</u>
Net Change in Fund Balances	\$ 19,678	\$ (4,843)	\$ 4,331	\$ 9,174
Fund Balances - Beginning	<u>216,515</u>	<u>216,515</u>	<u>216,515</u>	
Fund Balances - Ending	<u><u>\$ 236,193</u></u>	<u><u>\$ 211,672</u></u>	<u><u>\$ 220,846</u></u>	<u><u>\$ 9,174</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-12

STATE FORFEITURE FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 5,000	\$ 1,600	\$ 2,561	\$ 961
Investment Earnings	500	100	131	31
Total Revenues	<u>\$ 5,500</u>	<u>\$ 1,700</u>	<u>\$ 2,692</u>	<u>\$ 992</u>
Expenditures:				
General Governmental	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,500</u>	<u>\$ 1,700</u>	<u>\$ 2,692</u>	<u>\$ 992</u>
Net Change in Fund Balances	\$ 5,500	\$ 1,700	\$ 2,692	\$ 992
Fund Balances - Beginning	<u>13,491</u>	<u>13,491</u>	<u>13,491</u>	
Fund Balances - Ending	<u>\$ 18,991</u>	<u>\$ 15,191</u>	<u>\$ 16,183</u>	<u>\$ 992</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, 2020

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 0
Investment Earnings	200	2	2	0
Total Revenues	<u>\$ 200</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 0</u>
Expenditures:				
General Governmental	\$ 0	\$ 0	\$ 0	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deficiency of Revenues Under Expenditures	<u>\$ 200</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 200	\$ 2	\$ 2	\$ 0
Fund Balances - Beginning	<u>253</u>	<u>253</u>	<u>253</u>	
Fund Balances - Ending	<u><u>\$ 453</u></u>	<u><u>\$ 255</u></u>	<u><u>\$ 255</u></u>	<u><u>\$ 0</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-14

2020 G.O. REFUNDING BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 320,863	\$ 320,863	\$ 321,475	\$ 612
Investment Earnings	100	100	587	487
Total Revenues	<u>\$ 320,963</u>	<u>\$ 320,963</u>	<u>\$ 322,062</u>	<u>\$ 1,099</u>
Expenditures:				
Debt Service:				
Principal	\$ 200,000	\$ 200,000	\$ 200,000	\$ 0
Interest and Fiscal Charges	105,088	105,088	54,419	50,669
Bond Issuance Costs			85,474	(85,474)
Fiscal Agent's Fees	475	475	0	475
Total Expenditures	<u>\$ 305,563</u>	<u>\$ 305,563</u>	<u>\$ 339,893</u>	<u>\$ (34,330)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 15,400</u>	<u>\$ 15,400</u>	<u>\$ (17,831)</u>	<u>\$ (33,231)</u>
Other Financing Sources:				
Refunding Bonds Issued	\$	\$	\$ 2,565,663	\$ 2,565,663
Payment to Refunded Bond Escrow Agent			<u>(2,530,417)</u>	<u>(2,530,417)</u>
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 35,246</u>	<u>\$ 35,246</u>
Net Change in Fund Balances	\$ 15,400	\$ 15,400	\$ 17,415	\$ 2,015
Fund Balances - Beginning	<u>21,031</u>	<u>21,031</u>	<u>21,031</u>	
Fund Balances - Ending	<u>\$ 36,431</u>	<u>\$ 36,431</u>	<u>\$ 38,446</u>	<u>\$ 2,015</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-15

2016 G.O. REFUNDING BONDS
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 1,020,801	\$ 1,020,801	\$ 1,041,854	\$ 21,053
Investment Earnings	1,200	1,200	1,319	119
Total Revenues	<u>\$ 1,022,001</u>	<u>\$ 1,022,001</u>	<u>\$ 1,043,173</u>	<u>\$ 21,172</u>
Debt Service:				
Principal	\$ 770,000	\$ 770,000	\$ 770,000	\$ 0
Interest and Fiscal Charges	166,250	165,850	166,150	(300)
Total Expenditures	<u>\$ 936,250</u>	<u>\$ 935,850</u>	<u>\$ 936,150</u>	<u>\$ (300)</u>
Excess of Revenues Over Expenditures	<u>\$ 85,751</u>	<u>\$ 86,151</u>	<u>\$ 107,023</u>	<u>\$ 20,872</u>
Net Change in Fund Balances	\$ 85,751	\$ 86,151	\$ 107,023	\$ 20,872
Fund Balances - Beginning	<u>7,757</u>	<u>7,757</u>	<u>7,757</u>	
Fund Balances - Ending	<u>\$ 93,508</u>	<u>\$ 93,908</u>	<u>\$ 114,780</u>	<u>\$ 20,872</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

CEMETERY PERMANENT CARE FUND
PERMANENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<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>3,359</u>	\$ <u>(3,641)</u>
Total Revenues	\$ <u>4,300</u>	\$ <u>7,000</u>	\$ <u>3,359</u>	\$ <u>(3,641)</u>
Other Financing Uses:				
Transfers Out	\$ <u>(4,300)</u>	\$ <u>(7,000)</u>	\$ <u>(3,359)</u>	\$ <u>3,641</u>
Total Other Financing Uses	\$ <u>(4,300)</u>	\$ <u>(7,000)</u>	\$ <u>(3,359)</u>	\$ <u>3,641</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-17

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2020

	<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	\$ 3,129	\$ 549,073	\$ 520,808	\$ 59,876	\$ 1,132,886
Due from Other Funds			270,386	2,157	272,543
Total Current Assets	<u>\$ 3,129</u>	<u>\$ 549,073</u>	<u>\$ 791,194</u>	<u>\$ 62,033</u>	<u>\$ 1,405,429</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	2,448				2,448
Total Noncurrent Assets	<u>\$ 12,448</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 12,448</u>
Total Assets	<u>\$ 15,577</u>	<u>\$ 549,073</u>	<u>\$ 791,194</u>	<u>\$ 62,033</u>	<u>\$ 1,417,877</u>
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 845	\$ 3,450	\$	\$ 61,973	\$ 66,268
Claims and Judgments Payable		156,667	186,056		342,723
Due to Other Funds		136		60	196
Long Term Debt - Current	4,003				4,003
Total Current Liabilities	<u>\$ 4,848</u>	<u>\$ 160,253</u>	<u>\$ 186,056</u>	<u>\$ 62,033</u>	<u>\$ 413,190</u>
Noncurrent Liabilities					
Long Term Debt	\$ 1,885	\$	\$	\$	\$ 1,885
Total Noncurrent Liabilities	<u>\$ 1,885</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,885</u>
Total Liabilities	<u>\$ 6,733</u>	<u>\$ 160,253</u>	<u>\$ 186,056</u>	<u>\$ 62,033</u>	<u>\$ 415,075</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 6,560	\$	\$	\$	\$ 6,560
Unrestricted Net Position	2,284	388,820	605,138		996,242
Total Net Position	<u>\$ 8,844</u>	<u>\$ 388,820</u>	<u>\$ 605,138</u>	<u>\$ 0</u>	<u>\$ 1,002,802</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-18

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<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	\$ 47,400	\$ 2,825,196	\$ 540,772	\$ 3,413,368
Total Operating Revenues	<u>\$ 47,400</u>	<u>\$ 2,825,196</u>	<u>\$ 540,772</u>	<u>\$ 3,413,368</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 6,231	\$	\$	\$ 6,231
Contractual Services	12,726	2,936,127		2,948,853
Maintenance	14,303			14,303
Depreciation	1,335			1,335
Other Expense	51	108,459	30,849	139,359
Total Operating Expenses	<u>\$ 34,646</u>	<u>\$ 3,044,586</u>	<u>\$ 30,849</u>	<u>\$ 3,110,081</u>
Operating Income (Loss)	<u>\$ 12,754</u>	<u>\$ (219,390)</u>	<u>\$ 509,923</u>	<u>\$ 303,287</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$	\$ 3,480	\$ 3,165	\$ 6,645
Other Income		134,999	11,489	146,488
Interest Expense and Paying Agent Fees	(211)			(211)
Total Non-Operating Revenues (Expenses)	<u>\$ (211)</u>	<u>\$ 138,479</u>	<u>\$ 14,654</u>	<u>\$ 152,922</u>
Income (Loss) Before Transfers	\$ 12,543	\$ (80,911)	\$ 524,577	\$ 456,209
Transfers In (Out)		<u>140,353</u>	<u>(209,680)</u>	<u>(69,327)</u>
Change in Net Position	\$ 12,543	\$ 59,442	\$ 314,897	\$ 386,882
Total Net Position - Beginning	<u>(3,699)</u>	<u>329,378</u>	<u>290,241</u>	<u>615,920</u>
Total Net Position - Ending	<u>\$ 8,844</u>	<u>\$ 388,820</u>	<u>\$ 605,138</u>	<u>\$ 1,002,802</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-19

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<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	\$ 47,400	\$ 2,825,196	\$ 540,772	\$	\$ 3,413,368
Cash Payments to Suppliers for Goods and Services	(35,257)	(3,059,719)	(200,573)	1,682	(3,293,867)
Net Cash from Operating Activities	<u>\$ 12,143</u>	<u>\$ (234,523)</u>	<u>\$ 340,199</u>	<u>\$ 1,682</u>	<u>\$ 119,501</u>
Cash Flows from Non-Capital Financing Activities					
Cash Transfers from (to) Other Funds	\$ (5,200)	\$ 140,489	\$ (480,066)	\$ (2,253)	\$ (347,030)
Various Reimbursements		134,999	11,489		146,488
Net Cash from Non-Capital Financing Activities	<u>\$ (5,200)</u>	<u>\$ 275,488</u>	<u>\$ (468,577)</u>	<u>\$ (2,253)</u>	<u>\$ (200,542)</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (4,097)	\$	\$	\$	\$ (4,097)
Net Cash from Capital and Related Financing Activities	<u>\$ (4,097)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,097)</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$ 0	\$ 3,480	\$ 3,165	\$	\$ 6,645
Net Cash from Investing Activities	<u>\$ 0</u>	<u>\$ 3,480</u>	<u>\$ 3,165</u>	<u>\$ 0</u>	<u>\$ 6,645</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,846	\$ 44,445	\$ (125,213)	\$ (571)	\$ (78,493)
Cash and Cash Equivalents at Beginning of Year	283	504,628	646,021	60,447	1,211,379
Cash and Cash Equivalents at End of Year	<u>\$ 3,129</u>	<u>\$ 549,073</u>	<u>\$ 520,808</u>	<u>\$ 59,876</u>	<u>\$ 1,132,886</u>
Reconciliation of Operating Income to Net Cash from Operating Activities					
Operating Income (Loss)	<u>\$ 12,754</u>	<u>\$ (219,390)</u>	<u>\$ 509,923</u>	<u>\$ 0</u>	<u>\$ 303,287</u>
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities					
Depreciation	\$ 1,335	\$	\$	\$	\$ 1,335
Change in Assets and Liabilities					
Increase (Decrease) in Accounts Payable	(1,946)	3,450	(16,221)	1,682	(13,035)
Increase (Decrease) in Claims and Judgements Payable		(18,583)	(153,503)		(172,086)
Total Adjustments	<u>\$ (611)</u>	<u>\$ (15,133)</u>	<u>\$ (169,724)</u>	<u>\$ 1,682</u>	<u>\$ (183,786)</u>
Net Cash from Operating Activities	<u>\$ 12,143</u>	<u>\$ (234,523)</u>	<u>\$ 340,199</u>	<u>\$ 1,682</u>	<u>\$ 119,501</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.	99-103
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.	104-109
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.	110-113
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.	114-115
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.	116-118

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 2,319,131
Public Safety	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	12,375,807
Highways and Streets	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	2,914,464
Sanitation	1,971,841	1,917,764	2,245,954							
Community Service	541,643	488,382	544,265	445,156	388,350	485,436	428,628	422,772	407,909	402,571
Recreation and Parks	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	4,280,052
Cemetery	138,837	136,214	197,462	178,970	112,931	157,622	160,716	149,166	133,503	153,204
Economic Development	1,997,635	2,597,377	2,653,925	579,099	1,885,570	884,174	943,376	1,259,566	2,167,088	1,546,079
Interest on Long-Term Debt	864,355	820,539	775,200	731,792	721,634	545,700	406,966	384,767	353,988	250,179
Bond Issuance Costs										85,474
Total Governmental Activities Expenses	\$ 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	\$ 24,326,961
Business-Type Activities										
Water and Sewer	\$ 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	\$ 12,531,442
Airport/Industrial Park	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	2,615,324
Emergency Medical Services	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	3,601,760
Landfill				786,699	956,719	911,517	1,294,588	2,365,078	2,122,902	2,029,714
Sanitation				2,375,412	2,604,324	2,510,088	2,677,446	2,499,118	3,136,617	2,950,235
Malone & Hogan Clinic			196,300	304,504	333,196	149,171				
Total Business-Type Activities Expenses	\$ 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	\$ 23,728,475
Total Primary Government Expenses	\$ 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	\$ 48,055,436
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 238,024	\$ 233,895	\$ 287,084	\$ 381,874	\$ 321,863	\$ 425,291	\$ 1,160,988	\$ 3,122,346	\$ 2,392,392	\$ 1,447,812
Public Safety					383,893	463,439	735,710	713,524	555,191	468,015
Sanitation	2,860,676	2,914,021	2,905,146							
Community Service	37,848	40,464	26,867	25,095	20,015	21,532	58,245	63,241	73,347	41,965
Recreation and Parks	731,107	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593	1,031,451
Cemetery					97,334	104,927	109,569	89,726	106,337	62,822
Economic Development						15,046	600	2,810	3,425	4,890
Operating Grants and Contributions	241,571	200,736	280,323	263,453	161,905	178,985	1,051,110	1,296,290	1,239,501	1,381,942
Capital Grants and Contributions	99,993									
Total Governmental Activities Program Revenues	\$ 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	\$ 4,438,897
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 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	\$ 14,834,816
Airport/Industrial Park	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	1,467,119
Emergency Medical Services	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	1,847,112
Landfill				1,437,172	1,629,385	1,883,292	1,847,307	1,756,388	1,874,136	2,084,418
Sanitation				2,653,868	3,380,689	3,203,951	3,140,550	3,228,622	3,354,131	3,805,557
Molone & Hogan Clinic			198,983	289,171	267,838	138,695				
Operating Grants and Contributions	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	1,594,588
Total Business-Type Activities Program Revenues	\$ 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	\$ 25,633,610
Total Primary Government Program Revenues	\$ 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	\$ 30,072,507
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (19,888,064)
Business-Type Activities	(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)	1,905,135
Total Primary Government Net Expense	\$ (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)	\$ (17,982,929)

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (19,888,064)
Business-Type Activities	<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>	<u>1,905,135</u>
Total Primary Government Net Expense	<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>	<u>\$ (17,982,929)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$ 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	\$ 7,542,320
Sales Taxes	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	7,338,611
Gross Receipts Taxes	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	1,397,440
Motel Occupancy Taxes	505,456	499,279	732,252	1,145,353	1,339,310	1,512,024	967,870	2,157,204	2,263,860	1,318,699
Unrestricted Grants and Contributions	1,182,689	1,126,704	1,144,321	1,077,560	992,900	1,200,350	756,762	389,368	28,435	82,604
Investment Earnings	186,464	71,567	51,606	38,154	33,510	17,681	33,262	106,615	223,672	120,667
Miscellaneous	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	354,048
Transfers	<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>	<u>309,430</u>
Total Governmental Activities	<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>	<u>\$ 18,463,819</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$	\$	\$	\$	\$	\$	\$	\$ 12,481	\$ 98,662	\$ 31,265
Investment Earnings	20,005	1,646	1,252	2,374	12,897	7,819	37,572	191,813	360,990	167,488
Other	6,737	24,814	20,272	24,989	(5,816)	2,081,058	(500,275)	3,095,576	1,730,910	1,195,353
Transfers	<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>	<u>(309,430)</u>
Total Business-Type Activities	<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>	<u>\$ 1,084,676</u>
Total Primary Government	<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>	<u>\$ 19,548,495</u>
Change in Net Position										
Governmental Activities	\$ 287,829	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 393,103	\$ 480,496	\$ (1,465,064)	\$ 5,698,341	\$ 597,859	\$ (1,424,245)
Business-Type Activities	<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>	<u>2,989,811</u>
Total Primary Government	<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>	<u>\$ 1,565,566</u>

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CITY OF BIG SPRING, TEXAS

TABLE E-4

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 30,344	\$ 40,815	\$ 48,631	\$ 24,125	\$ 23,737	\$ 22,240	\$ 13,290	\$ 725	\$ 4,900	\$ 6,112
Restricted					19,248	10,773	9,573			
Committed	2,759,003	3,004,648	3,254,712					2,724,800	100,000	
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>	<u>9,356,008</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>	<u>\$ 9,362,120</u>
All Other Governmental Funds										
Nonspendable	\$ 353,324	\$ 353,370	\$ 351,511	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 1,099
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	1,719,977
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>	<u>35,264</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>	<u>\$ 1,756,340</u>

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 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	\$ 17,886,607
License and Permits	229,314	225,050	279,026	373,964	314,981	378,798	554,169	451,219	390,390	515,244
Fines	464,054	485,534	402,604	402,282	352,406	422,150	354,784	359,512	283,932	196,613
Charges for Services	3,179,692	3,204,314	3,210,841	62,451	39,343	28,537	43,113	35,165	29,764	38,179
Recreation	731,107	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593	1,031,451
Intergovernmental	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	1,381,942
Investment Earnings	49,298	35,385	28,833	14,382	15,781	29,907	26,364	101,524	217,699	114,022
Other Revenues	761,982	743,179	897,198	1,274,850	845,652	1,276,344	1,553,770	3,619,343	2,708,355	1,863,935
Total Revenues	\$ 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	\$ 23,027,993
Expenditures										
General Government	\$ 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	\$ 2,650,840
Public Safety	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	11,394,601
Highways and Streets	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	3,429,914
Sanitation	1,604,844	2,251,328	3,368,138							
Community Service	529,711	476,450	534,888	440,099	399,761	441,448	409,539	416,639	382,800	395,056
Recreation and Parks	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	3,704,537
Economic Development	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	1,374,407
Cemetery	116,176	115,531	195,940	189,728	97,332	179,392	131,738	139,283	119,413	198,654
Interest and Fees	908,500	816,451	777,180	734,474	698,954	543,544	415,394	392,195	363,218	268,821
Bond Issuance Costs						60,454				85,474
Principal	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	1,776,911
Total Expenditures	\$ 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	\$ 25,279,215
Excess of Revenues Under Expenditures	\$ (2,907,559)	\$ (1,154,413)	\$ (432,990)	\$ (466,750)	\$ (1,310,622)	\$ (2,759,211)	\$ (2,129,152)	\$ 2,067,284	\$ (444,967)	\$ (2,251,222)
Other Financing Sources (Uses)										
Capital Leases	\$	\$ 862,139	\$ 1,243,129	\$ 693,436	\$ 719,707	\$ 862,938	\$ 217,938	\$ 912,520	\$ 776,057	\$ 313,856
Payment to Escrow Agent						(8,639,736)				(2,530,417)
Issuance of Debt						8,453,629				2,565,663
Proceeds from Sale of Capital Assets									1,156	
Transfers In (Out)	629,949	(1,415,906)	406,819	340,399	204,814	386,029	1,290,083	1,119,079	620,948	378,757
Total Other Financing Sources	\$ 629,949	\$ (553,767)	\$ 1,649,948	\$ 1,033,835	\$ 924,521	\$ 1,062,860	\$ 1,508,021	\$ 2,031,599	\$ 1,398,161	\$ 727,859
Net Change in Fund Balances	\$ (2,277,610)	\$ (1,708,180)	\$ 1,216,958	\$ 567,085	\$ (386,101)	\$ (1,696,351)	\$ (621,131)	\$ 4,098,883	\$ 953,194	\$ (1,523,363)
Debt Service as a Percentage of Noncapital Expenditures	11.6%	10.4%	10.8%	11.2%	11.1%	11.1%	11.7%	11.2%	10.5%	9.2%
Capital Outlay	\$ 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	\$ 2,954,029

CITY OF BIG SPRING, TEXAS

TABLE E-6

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Gross Receipts Tax</u>	<u>Motel Occupany Tax</u>	<u>Total</u>
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
2020	7,768,401	6,750,099	1,347,840	1,242,215	17,108,555
Percent Change 2016-2020	19.1%	6.2%	-0.1%	22.7%	

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>
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%
2019-20	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.

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CITY OF BIG SPRING, TEXAS

TABLE E-8

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

Fiscal Year	Real Property		Personal Property		All Property		Total Direct Tax Rate	Value as a Percentage of Actual Taxable Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
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%
2020	978,437,605	978,437,605	75,456,228	75,456,228	1,053,893,833	1,053,893,833	0.7438	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	2020			2011		
	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)	\$ 20,011,260	1	1.90%	\$		
SM Energy Company	13,508,950	2	1.28%			
Kerr Management Inc	13,396,690	3	1.27%			
The Reserves at 700, LLC	12,000,000	4	1.14%			
Oncor Electric Delivery	11,772,760	2	1.12%			
Scenic Mountain Medical Center	11,081,786	6	1.05%			
Pyramid Tubular Products LP	9,411,820	7	0.89%			
Endurance Lift Solutions LLC	8,313,163	8	0.79%			
Plains Cotton Coop Assoc	7,905,830	9	0.75%			
Atmos Energy/West Texas Div	7,902,920	10	0.75%			
Western Container				18,413,130	1	3.38%
Scenic Mountain Medical Center				15,097,163	2	2.77%
The Coca-Cola Compnay				10,284,820	3	1.89%
Oncor Electric Delivery				7,804,100	4	1.43%
Wal-Mart Stores Texas LP				7,372,262	5	1.35%
Wal-Mart Real Estate				7,028,034	6	1.29%
Southwestern Bell Telephone LP				4,643,334	7	0.85%
Payal Hotel Enterprisews Inc				4,308,044	8	0.79%
John Crane Poduction Sol Inc				4,293,160	9	0.79%
HTP TA Properties Trust				4,071,903	10	0.75%
Total	\$ <u>115,305,179</u>		<u>10.94%</u>	\$ <u>83,315,950</u>		<u>15.29%</u>

Source: Texas State Comptroller

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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
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%
2020	7,559,580	7,491,220	99.10%	145,718	7,636,938	101.02%

Source: Howard County

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2020			2011		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Department Stores	\$ 1,203,593	1	23.36%	\$ 117,700	11	2.15%
Limited Service Restaurants	784,374	2	15.22%	276,052	2	5.05%
Gasoline Stations with Convenience Stores	495,595	3	9.62%	217,355	3	3.98%
Support Activities for Oil and Gas Operations	460,364	4	8.93%			
Electronic Shopping and Mail-Order Houses	366,352	5	7.11%			
Electric Power Distribution	313,871	6	6.09%	341,771	1	6.26%
Supermarkets and Other Grocery (except Convenience St	299,003	7	5.80%	199,209	4	3.65%
Natural Gas Distribution	289,813	8	5.62%			
Full Service Restaurants	252,621	9	4.90%	146,816	9	2.69%
Other Material Building Dealers	245,470	10	4.76%	116,692	12	2.14%
Wired Telecommunications Carriers	222,172	11	4.31%	154,261	7	2.82%
Wireless Telecommunications Carriers	219,941	12	4.27%	166,536	6	3.05%
Cafeterias, Grill Buffets and Buffets						
Gasoline Service Stations				134,704	10	2.47%
Eating Places				149,483	8	2.74%
Crude Petroleum and Natural Gas Extraction				183,521	5	3.36%
Total	\$ <u>5,153,169</u>		<u>100.00%</u>	\$ <u>2,204,100</u>		<u>43.46%</u>

Source: Texas State Comptroller

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			
2020	\$ 8,345,000	\$ -	\$ 558,602	\$ 1,366,094	\$ 182,728	\$ 180,000	\$ 7,885,000	\$ 209,660	\$ 1,788,980	\$ 308,227	\$ 20,824,291	1.28%	505
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

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>
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
2020	8,345,000	7,757	8,337,243	0.79%	296

(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 106 for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 114.

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*	15,470,000	*	0.96%	148,512
Coahoma Independent School District*	13,879,997	*	0.44%	61,072
Howard County*	8,305,000	*	21.52%	1,787,236
Howard College*	9,690,000	*	21.52%	2,085,288
Subtotal, Overlapping Debt				\$ <u>28,197,875</u>
City of Big Spring Direct Debt	\$ 10,452,424		100%	\$ <u>10,452,424</u>
Total Direct and Overlapping Debt				\$ <u><u>38,650,299</u></u>

Sources: Debt outstanding data provided by each governmental unit.

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

* Gross debt

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CITY OF BIG SPRING, TEXAS

TABLE E-15

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 15,808,407
Total Net Debt Applicable to Limit	<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>	<u>(8,345,000)</u>
Legal Debt Margin	<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>	<u>\$ 7,463,407</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	4.34%	2.77%	3.55%	3.65%	2.61%	2.10%	3.97%	7.80%	61.32%	52.79%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,053,893,833
Debt Limit (1.5% Assessed Value) Assessed Value	\$ 15,808,407
Debt Applicable to Limit:	
General Obligation Bonds and Certificates	\$ 8,345,000
Less: Amount Set Aside for Repayment	<u>(153,226)</u>
Net Debt Applicable to Limit	<u>\$ 8,191,774</u>
Legal Debt Margin	<u>\$ 7,616,633</u>

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CITY OF BIG SPRING, TEXAS

TABLE E-16

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Population (1)	27,282	27,282	27,282	28,125	28,472	28,862	28,532	27,905	28,162	28,187
Total Personal Income	\$ 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	\$ 1,589,317,000
Per Capita Personal Income (1)	\$ 31,339	\$ 31,781	\$ 36,287	\$ 37,796	\$ 36,313	\$ 34,624	\$ 36,705	\$ 36,367	\$ 37,644	\$ 40,255
Median Age (1)	37	36	37	37	37	37	37	37	36	37
Unemployment (2)	6.9%	5.7%	5.3%	5.4%	4.6%	4.6%	5.2%	3.9%	3.7%	7.0%

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	2020			2011		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Veterans Administration Hospital	652	1	6.85%	541	3	4.17%
Big Spring ISD	534	2	5.61%	616	1	4.75%
Big Spring State Hospital	527	3	5.53%	578	2	4.45%
GEO Group	432	4	4.54%	486	4	3.74%
Scenic Mountain Medical Center	350	5	3.68%	327	7	2.52%
Wal-Mart	274	6	2.88%	338	6	2.60%
City of Big Spring	247	7	2.59%	285	8	2.20%
Howard College & SWICD	240	8	2.52%	212	11	1.63%
Federal Bureau of Prisons	213	9	2.24%	247	9	1.90%
Delek	197	10	2.07%			
Weatherford A&M Composites	182	11	1.91%			
Robinson Drilling of Texas	160	12	1.68%	353	5	2.72%
Alon USA				188	12	1.45%
Price Construction				232	10	1.79%
Total	<u>4,008</u>		<u>42.09%</u>	<u>4,403</u>		<u>33.92%</u>

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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Management Services	9	9	9	9	9	9	9	9	10	10
Finance	5	5	5	5	5	5	5	5	5	5
Other	8.5	8.5	8	11	11	11	11	14	14	14
Information Technology	2	2	2	2	3	3	3	3	3	3
Convention and Visitors Bureau	2	2	2	1	3	3	3	3	3	3
Police										
Officers	54	49	48	52	52	51	51	51	51	51
Civilians	15	12	7	8	8	9	8	8	8	8
Fire										
Firefighters and Officers	45	45	44	44	44	44	44	45	45	45
Civilians	0.5	0.5	0.5	0.5	0.5	0.5	1	1	1	1
EMS										
EMS and Officers	16	16	16	16	16	16	16	17	18	18
Civilians	2	2	2	2	2	1	0	0	0	0
Refuse Collection (Landfill)	7	7	7	7	7	7	7	9	9	9
Other Public Works	17	18	18	17.5	17.5	19	19	19	19	18
Parks and Recreation	19	19	22	20.2	20.2	21	18	17	17	17
Service Center	8	8								
Streets	14	14	14	14	14	13	13	13	14	14
Sanitation	7	7	7	7	7	7	7	7	7	7
Airpark	7	6	6	7	7	6	6	6	6	7
Water	40	40	40	37	37	36	37	25	25	25
Wastewater	9	9	9	7	7	9	9	9	9	9
Total	287	279	267	267	270	271	267	261	264	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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Building Permits Issued	1,262	1,386	1,616	1,444	1,491	2,207	1,807	1,428	1,558	1,646
Police										
Physical Arrests	2,466	2,158	1,984	1,948	1,638	1,870	1,702	1,852	1,746	1,220
Number of Calls for Service	37,700	33,028	30,281	32,438	35,305	40,336	37,138	53,039	30,285	29,040
Alarm Responses	1001	1522	1616	1402	1562	1473	1213	1,114	1,080	909
Fire										
Emergency Responses	424	607	1952	1971	1998	1849	1592	1,642	2,253	2,200
EMS Service										
Number of Runs	4,057	4,272	4,815	4,732	3,768	3,837	4,844	4,414	4,834	4,573
Refuse Collection										
Collected (Tons per Day)	130	130	128	118	124	116	137	130	138	149
Water										
Active Accounts	8,687	8,693	8,754	8,847	8,733	8,537	8,470	8,722	8,704	8,570
Water Main Breaks	210	167	131	212	313	226	234	258	213	160
Average Daily Consumption (Thousands of Gallons)	4,991	3,467	4,967	5,034	5,171	4,776	5,056	4,846	3,898	3,843
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,176	2,176	3,282	2,945	2,490	3,216	3,453	3,444	3,954	3,381

Data Sources: Various City Departments

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CITY OF BIG SPRING, TEXAS

TABLE E-20

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

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	38	41	41	43	46	40	46	45	37	37
Unmarked	17	12	12	11	20	18	18	19	19	19
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	8	8	8	9	10	10	10
Other Public Works										
Streets										
Paved (Miles)	189	189	189	189	190	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	1,779	1,873	1,873	1,862	1,862	1,863	1,863	1,863	1,863	1,863
Parks and Recreation										
Acreage	1,211	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	178	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	12,500	12,500	12,500	12,500	12,500	12,500
Wastewater										
Sanitary Sewers (Miles)	125	125	125	125	127	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

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

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

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

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, 2020, 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 5, 2021. 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' 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 5, 2021

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

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

March 5, 2021

Mayor and City Council
City of Big Spring, Texas
Big Spring, Texas

We have audited the financial statements of City of Big Spring, Texas (the City) for the year ended September 30, 2020, and have issued our report thereon dated March 5, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 5, 2020. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City are described in the notes to the financial statements. No new accounting policies were adopted during the year and the application of existing policies did not change. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements was were:

Management's estimate of the allowance for doubtful accounts and lives used to calculate depreciation on distribution plant in service. Management's estimate for the allowance for doubtful accounts is based on an evaluation of past due accounts. Management's estimate of the net pension and total OPEB liabilities.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements are disclosed in notes and relate to pension liabilities and total OPEB liabilities.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. All misstatements detected as a result of the audit were corrected by management except for one proposed entry which was not considered material to the financial statements. All proposed and adjusted entries are attached to this letter.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 5, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to contact us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were engaged to report on combining statements and budgetary comparison schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on introductory and statistical which accompany the financial statements but are not RSI. Such information has 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.

Restriction on Use

This information is intended solely for the use of the Board of Trustees and management of The City and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **06565 - City of Big Spring**
Engagement: **2020 City of Big Spring**
Period Ending: **9/30/2020**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To roll forward fund balances from 2019 audit. Did not book OPEB entry in prior year.			
405-1809	DEFF OUTFLOWS - OPEB	10,948.98	
405-2060	POST EMPLOYMENT BENEFITS	28,370.92	
405-3501	NET POSITION	4,194.69	
410-1809	DEFF OUTFLOWS - OPEB	1,542.21	
410-3501	NET POSITION	7,479.01	
430-1809	DEFF OUTFLOWS - OPEB	5,965.94	
430-3501	NET POSITION	91,423.36	
440-1809	DEFF OUTFLOWS - OPEB	2,747.89	
440-3501	NET POSITION	27,455.25	
445-1809	DEFF OUTFLOWS - OPEB	2,519.58	
445-3501	NET POSITION	10,035.98	
405-2409	DEF INFLOWS OF RESOURCES-OPEB		43,514.59
410-2060	POST EMPLOYMENT BENEFITS		2,176.87
410-2409	DEF INFLOWS OF RESOURCES-OPEB		6,844.35
430-2060	POST EMPLOYMENT BENEFITS		71,705.62
430-2409	DEF INFLOWS OF RESOURCES-OPEB		25,683.68
440-2060	POST EMPLOYMENT BENEFITS		18,447.67
440-2409	DEF INFLOWS OF RESOURCES-OPEB		11,755.47
445-2060	POST EMPLOYMENT BENEFITS		1,885.70
445-2409	DEF INFLOWS OF RESOURCES-OPEB		10,669.86
Total		<u>192,683.81</u>	<u>192,683.81</u>
Adjusting Journal Entries JE # 2			
To record sales taxes receivable.			
002-1250	DUE FROM OTHER GOVERNMENT	651,967.58	
002-4020	CITY SALES TAXES		651,967.58
Total		<u>651,967.58</u>	<u>651,967.58</u>
Adjusting Journal Entries JE # 3			
To record recievables related to Cares Act Grant.			
002-1250	DUE FROM OTHER GOVERNMENT	35,909.21	
430-1250	DUE FROM OTHER GOVERNMENTS	71,768.27	
002-4934	GRANTS - OTHER		35,909.21
430-4935	EMS GRANTS		71,768.27
Total		<u>107,677.48</u>	<u>107,677.48</u>

Client: **06565 - City of Big Spring**
Engagement: **2020 City of Big Spring**
Period Ending: **9/30/2020**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 4			
Hotel and Motel taxes receivable.			
110-1101	ACCOUNTS RECEIVABLE	76,484.18	
110-4031	HOTEL/MOTEL OCCUPANCY TAXES		76,484.18
Total		<u>76,484.18</u>	<u>76,484.18</u>
Adjusting Journal Entries JE # 5			
To adjust financial statement amounts for the BSFRRF pension plan based on 2020 amounts reported.			
430-012-260-5050	RETIREMENT	115,803.26	
430-1804	DEFERRED OUTFLOWS - BSFRRF	238,441.51	
430-1807	DOR - ER CONTRIBUTIONS	12,208.72	
430-2806	DEFF INFLOWS - BSFRRF PENSION	74,598.38	
430-2906	NET PENSION LIABILITY - BSFRRF		441,051.87
Total		<u>441,051.87</u>	<u>441,051.87</u>
Adjusting Journal Entries JE # 6			
To record changes from the 2020 TMRS OPEB study to the City's records.			
405-002-735-5050	RETIREMENT	267.93	
405-021-705-5050	RETIREMENT	478.34	
405-021-710-5050	RETIREMENT	684.44	
405-021-740-5050	RETIREMENT	398.58	
405-021-745-5050	RETIREMENT	95.00	
405-1807	DEF OUTFL - TMRS OPEB	3,951.51	
405-2906	TOTAL OPEB LIABILITY - TMRS	1,593.29	
410-021-610-5050	RETIREMENT	2,802.06	
410-1807	DEF OUTFL - TMRS OPEB	771.32	
440-025-350-5050	RETIREMENT	13,066.16	
440-1807	DEF OUTFL - TMRS OPEB	808.02	
445-025-330-5050	RETIREMENT	6,201.21	
445-1807	DEF OUTFL - TMRS OPEB	1,198.69	
405-2808	DEF INFLOWS - TMRS OPEB		7,469.09
410-2808	DEF INFLOWS - TMRS OPEB		1,222.52
410-2906	TOTAL OPEB LIABILITY - TMRS		2,350.86
440-2808	DEF INFLOWS - TMRS OPEB		832.79
440-2906	TOTAL OPEB LIABILITY - TMRS		13,041.39
445-2808	DEF INFLOWS - TMRS OPEB		1,321.08
445-2906	TOTAL OPEB LIABILITY - TMRS		6,078.82
Total		<u>32,316.55</u>	<u>32,316.55</u>

Client: **06565 - City of Big Spring**
Engagement: **2020 City of Big Spring**
Period Ending: **9/30/2020**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 7			
To adjust the TMRS Pension Plan amounts on the City's books for the 2020 study.			
405-1805	DEFERRED OUTFLOWS - ER CONTRI	21,989.95	
405-1806	DEF OUTFL - TMRS	29,439.20	
405-2905	NET PENSION LIABILITY - TMRS	249,103.49	
410-021-610-5050	RETIREMENT	15,265.50	
410-1805	DEFERRED OUTFLOWS - ER CONTRI	4,275.46	
410-1806	DEF OUTFL - TMRS	5,896.33	
410-2905	NET PENSION LIABILITY - TMRS	15,465.67	
440-025-350-5050	RETIREMENT	166,576.12	
440-1806	DEF OUTFL - PEN EXPER & ASSU	8,737.98	
445-025-330-5050	RETIREMENT	46,640.29	
445-1805	DEFERRED OUTFLOWS - ER CONTRI	18,841.18	
445-1806	DEF OUTFL - PEN EXPER & ASSU	7,832.03	
405-002-735-5050	RETIREMENT		14,404.82
405-021-705-5050	RETIREMENT		25,509.51
405-021-710-5050	RETIREMENT		36,739.10
405-021-740-5050	RETIREMENT		20,909.18
405-021-745-5050	RETIREMENT		5,099.39
405-2807	DEFF INFLOWS - TMRS PENSION		197,870.64
410-2807	DEFF INFLOWS - TMRS PENSION		40,902.96
440-1805	DEFERRED OUTFLOWS - ER CONTRI		9,829.37
440-2807	DEFF INFLOWS - TMRS PENSION		65,167.95
440-2905	NET PENSION LIABILITY-TMRS		100,316.78
445-2807	DEFF INFLOWS - TMRS PENSION		55,739.01
445-2905	NET PENSION LIABILITY-TMRS		17,574.49
Total		590,063.20	590,063.20

Client: **06565 - City of Big Spring**
 Engagement: **2020 City of Big Spring**
 Period Ending: **9/30/2020**
 Trial Balance: **017 W - Trial Balance**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 8			
To record health care OPEB changes for 2020.			
405-002-735-5060	GROUP INSURANCE	40,316.45	
405-021-705-5060	GROUP INSURANCE	54,087.35	
405-021-710-5060	GROUP INSURANCE	31,285.98	
405-021-740-5060	GROUP INSURANCE	30,458.69	
405-021-745-5060	GROUP INSURANCE	8,721.10	
405-1809	DEFF OUTFLOWS - OPEB	53,017.00	
410-021-610-5060	GROUP INSURANCE	32,398.41	
410-1809	DEFF OUTFLOWS - OPEB	9,102.15	
430-012-260-5060	GROUP INSURANCE	31,927.31	
430-1809	DEFF OUTFLOWS - OPEB	24,002.04	
440-025-350-5060	GROUP INSURANCE	6,473.98	
440-1809	DEFF OUTFLOWS - OPEB	10,063.69	
445-025-330-5060	GROUP INSURANCE	24,731.02	
445-1809	DEFF OUTFLOWS - OPEB	11,258.31	
405-2060	POST EMPLOYMENT BENEFITS		180,219.65
405-2409	DEF INFLOWS OF RESOURCES-OPEB		37,666.92
410-2060	POST EMPLOYMENT BENEFITS		34,855.74
410-2409	DEF INFLOWS OF RESOURCES-OPEB		6,644.82
430-2060	POST EMPLOYMENT BENEFITS		40,734.43
430-2409	DEF INFLOWS OF RESOURCES-OPEB		15,194.92
440-2060	POST EMPLOYMENT BENEFITS		10,467.33
440-2409	DEF INFLOWS OF RESOURCES-OPEB		6,070.34
445-2060	POST EMPLOYMENT BENEFITS		28,437.76
445-2409	DEF INFLOWS OF RESOURCES-OPEB		7,551.57
Total		<u>367,843.48</u>	<u>367,843.48</u>

Adjusting Journal Entries JE # 9

To write off Cemetary account balances that are no longer under a valid agreement per Cemetery policies.

625-028-920-5643	BAD DEBT WRITE-OFF	16,831.05	
625-1152	ALLOWANCE FOR DOUBTFUL ACCTS		16,831.05
Total		<u>16,831.05</u>	<u>16,831.05</u>

Client: **06565 - City of Big Spring**
 Engagement: **2020 City of Big Spring**
 Period Ending: **9/30/2020**
 Trial Balance: **017 W - Trial Balance**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 10			
To book noncash entry for interest payment from closing prior year lease package account.			
002-070-000-5701-60	DEBT SVC-2018-19 EQUIPME	5,179.58	
405-070-000-5701-60	DEBT SVC-2018-19 EQUIPME	1,586.47	
410-070-000-5701-60	DEBT SVC-2018-19 EQUIPME	1,320.95	
430-070-000-5701-60	DEBT SVC-2018-19 EQUIPME	165.24	
440-070-000-5701-60	DEBT SVC-2018-19 EQUIPME	4,017.54	
002-4602	INTEREST INCOME		5,179.58
405-4602	INTEREST INCOME		1,586.47
410-4602	INTEREST INCOME		1,320.95
430-4602	INTEREST INCOME		165.24
440-4602	INTEREST INCOME		4,017.54
Total		12,269.78	12,269.78

Adjusting Journal Entries JE # 11

To record adjustment to property taxes receivable as of 09/30/2020.

255-1105	DELINQUENT TAXES RECEIVABLE	56,834.31	
255-2431	RESERVE FOR DELINQUENT	56,834.31	
256-1105	DELINQUENT TAXES RECEIVABLE	1,845.11	
256-2431	RESERVE FOR DELINQUENT	1,845.11	
258-2401	DEFERRED REV-PROPERTY TAX	7,131.66	
258-2431	RESERVE FOR DELINQUENT TAXES	58,679.41	
255-1105	DELINQUENT TAXES RECEIVABLE		56,834.31
255-2431	RESERVE FOR DELINQUENT		56,834.31
256-1105	DELINQUENT TAXES RECEIVABLE		1,845.11
256-2431	RESERVE FOR DELINQUENT		1,845.11
258-1105	DELINQUENT TAXES RECEIVABLE		65,811.07
Total		183,169.91	183,169.91

Client: **06565 - City of Big Spring**
Engagement: **2020 City of Big Spring**
Period Ending: **9/30/2020**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 12			
Additional accounts payable for 2020.			
002-022-320-6219	CRACK S., SEAL. , FOG S.	1,442,398.93	
002-2000	A/P PENDING	4,960.70	
405-021-710-5521	SPECIAL SERVICES	4,951.94	
405-1340	CONSTRUCTION IN PROGRESS	14,020.05	
410-1340	CONSTRUCTION IN PROGRESS	123,964.55	
440-1340	CONSTRUCTION IN PROGRESS	34,312.68	
440-2000	A/P PENDING	2,109.90	
002-070-000-5701-61	DEBT SVC-2019-20 EQUIPME		4,960.70
002-2000	A/P PENDING		1,442,398.93
405-2000	A/P PENDING		18,971.99
410-2000	A/P PENDING		123,964.55
440-070-000-5701-61	DEBT SVC-2019-20 EQUIPME		2,109.90
440-2000	A/P PENDING		34,312.68
Total		<u>1,626,718.75</u>	<u>1,626,718.75</u>