



**Comprehensive
Annual Financial Report**

**Fiscal Year Ended
September 30, 2021**

CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

CAFR Prepared by the Finance Department

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

CERTIFIED PUBLIC ACCOUNTANTS

LUBBOCK, TEXAS

CITY OF BIG SPRING, TEXAS

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TABLE OF CONTENTS (CONTINUED)

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

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS (CONTINUED)

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

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS (CONTINUED)

	<u>Statement Identification</u>	<u>Page No.</u>
Budgetary Comparison Schedules for Debt Service Funds:		
2020 G.O. Refunding Bonds	Exhibit C-14	92
2016 G.O. Refunding Bonds	Exhibit C-15	93
Budgetary Comparison Schedule for Permanent Fund:		
Cemetery Permanent Care Fund	Exhibit C-16	94
Internal Service Funds:		
Combining Statement of Net Position	Exhibit C-17	95
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	Exhibit C-18	96
Combining Statement of Cash Flows	Exhibit C-19	97
STATISTICAL SECTION (Unaudited)		
Statistical Section Contents		98
Net Position by Component	Table E-1	99
Expenses, Program Revenues, and Net (Expense) Revenue	Table E-2	100
General Revenues and Total Change in Net Position	Table E-3	101
Fund Balances of Governmental Funds	Table E-4	102
Changes in Fund Balances of Governmental Funds	Table E-5	103
Tax Revenues by Sources, Governmental Funds	Table E-6	104
Direct and Overlapping Sales Tax Rates	Table E-7	105
Assessed Value and Estimated Actual Value of Taxable Property	Table E-8	106
Principal Property Taxpayers	Table E-9	107
Property Tax Levies and Collections	Table E-10	108
Sales Tax Revenue Payers by Industry	Table E-11	109
Ratios of Outstanding Debt by Type	Table E-12	110
Ratios of Tax Supported Bonded Debt Outstanding	Table E-13	111
Direct and Overlapping Governmental Activities Debt	Table E-14	112
Legal Debt Margin Information	Table E-15	113
Demographic and Economic Statistics	Table E-16	114
Principal Employers	Table E-17	115
Full-Time-Equivalent City Government Employees by Function/Program	Table E-18	116
Operating Indicators by Function/Program	Table E-19	117
Capital Assets Statistics by Function/Program	Table E-20	118

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

TABLE OF CONTENTS (CONCLUDED)

	<u>Statement Identification</u>	<u>Page No.</u>
OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		119

INTRODUCTORY SECTION



March 18, 2022

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 said requirement for the fiscal year ended September 30, 2021.

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.

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, 2021. 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 (the City), 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 Manager, City 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, 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, four prison facilities (which due to an executive order by the President, we anticipate will close next year), 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 1,900 healthcare professionals and staff.

The unemployment rate was 3.2% for September 2019. Due to the COVID-19 virus and the national shut-down of "non-essential" businesses, the unemployment rate soared to an all-time high, since 1990, to 11.5% in May of 2020. Rates have seen a steady decline as businesses were allowed to re-open and at the end of 2021, the unemployment rate was down to 5.9%; still up from the pre-pandemic low, and also higher than the national average of 4.5% of September 2021.

Property tax revenue (using the modified accrual basis of accounting) rose in 2020-21, from \$7,542,320 to \$7,950,028, a 5.4% increase. The property tax rate decreased from 74.35 cents, per \$100 of assessed value, to 71.73 cents. The adjusted taxable value from the Assessor's 2020 Effective and Rollback Tax Worksheet increased from \$1,040,853,830 for 2019 to \$1,084,847,493 for 2020; a slight increase of 4.23%.

Sales tax revenue increased from \$7,338,611 for year ending 9/30/2020 to \$7,936,498 for 9/30/2021, an 8.15% increase. The city's hotel occupancy tax revenue decreased from \$1,322,614 for year ending 9/30/2020 to \$1,086,370 for 9/30/2021, an (18.14%) decrease. The decrease can be directly attributed to the COVID-19 pandemic. 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; due to travel restrictions, there was a significant decline in visitors. The Hotel Occupancy Tax is not available to meet many of the City's governmental needs.

Oil prices in 2019-20 reached a low of \$11.26/bbl in April 2020 but have since rebounded. At the end of the 2020-21 fiscal year, the price had climbed to around \$74.83/bbl. Mineral royalties contributed \$745,175 in revenue to the General Fund, and \$1,011,089 to the Airpark Fund. This compares to \$694,810 and \$835,902 for these two funds in 2019-20. As of the date of this letter, the world's attention is focused on the Russian invasion of Ukraine. The economic effect of this invasion remains uncertain. The United States has not ramped up oil production in the Permian Basin/Howard County, OPEC has not increased output as of yet, and the supply/demand has sent oil prices up over \$100.00/bbl. The outcome of this conflict remains to be seen, but the positive effect for the City will be increased mineral revenues for the upcoming fiscal year.

The Cline Shale oil and gas formation continues to be explored and developed in 2020-2021. The City of Big Spring is the largest city within the boundaries of the shale formation. The COVID-19 pandemic put a hold on most construction or expansion projects in Big Spring, but 2021 saw the initialization of some housing developments in the City. The Texas Department of Transportation completed the North Reliever Route, which will open up some future development opportunities for the Big Spring Industrial Park.

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

Long-term Financial Planning

Unassigned fund balance in the General Fund was 59.09% of total General Fund expenditures. The fund balance has increased significantly over the past eleven years because of diligence in budgeting and the willingness of the elected officials to plan for the future (e.g. the building up of fund balances now for the new landfill, water and waste water plant upgrades, and other infrastructure planned improvements).

Total long-term debt, not due within one year, including bonds, capital leases, compensated absences, pensions, other post-employment benefits (health insurance offered to retirees at current employee cost), landfill closure, and post closure totaled \$45,490,101 on September 30, 2021.

Relevant Financial Policies

The City anticipates opening a cell in a new landfill (with 100-year useful life) in approximately [one year](#), with an anticipated cost of approximately \$6.7 million. Additionally, the City is required to set aside money for closure and post-closure of the current landfill. As of September 30, 2021, the City had \$4,411,774 set aside in investments for anticipated closure and post-closure expenditures with only a current calculated liability cost of \$3,220,560. 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 completed the Big Sandy Draw Landfill, and it went into operation on August 4, 2021. The new state of the art facility has won the prestigious 2022 Gold Medal Engineering Excellence Award from the American Council of Engineering Companies of Texas for Environmental Projects completed in 2021. All Gold Medal winners are submitted for the National award which will be awarded in the fall of 2022.

In the City's Utility fund, over the course of five years, there had been significant improvements in the water consumption and loss ratio. Utility revenue in 2019-2020 was \$14,834,816, but due to COVID-19 mandates, utility bills were allowed to go unpaid. Additionally, travel was restricted and the lack of visitors in the hotels/motels caused a reduction in water consumption. The revenue for the fiscal year 2020-21 was \$13,100,754, a decrease of (11.69%) from the prior year

In the Airpark fund, having service by air, railroad, and interstate and highway, the Airpark is a prime place for business in the area. However, low oil prices have caused a number of businesses located at the Airpark to close. Non-oil related companies have moved onto the Airpark which should bring some diversity in the area. Improvements to the infrastructure, located near the new Hwy 87 bypass, have opened the area to new economic development.

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 yearly contributions are usually over \$60,000.

The City finalized a deal with the company connected to The Hotel Settles to partner in the cost and development of an Outdoor Plaza Park that will be located between the Hotel Settles and City Hall/Municipal Auditorium. This project will remove the 300 block of Johnson Street . As in the style and magnitude of The Hotel Settles, we expect this plaza park to make a wonderful addition for the citizens and visitors to 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 in kind exchanges and then pay the remainder over three years.

Respectfully submitted,

Todd Darden
City Manager

Sandra Smith, CPA
Finance Director



Government Finance Officers Association

Certificate of
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for Excellence
in Financial
Reporting

Presented to

**City of Big Spring
Texas**

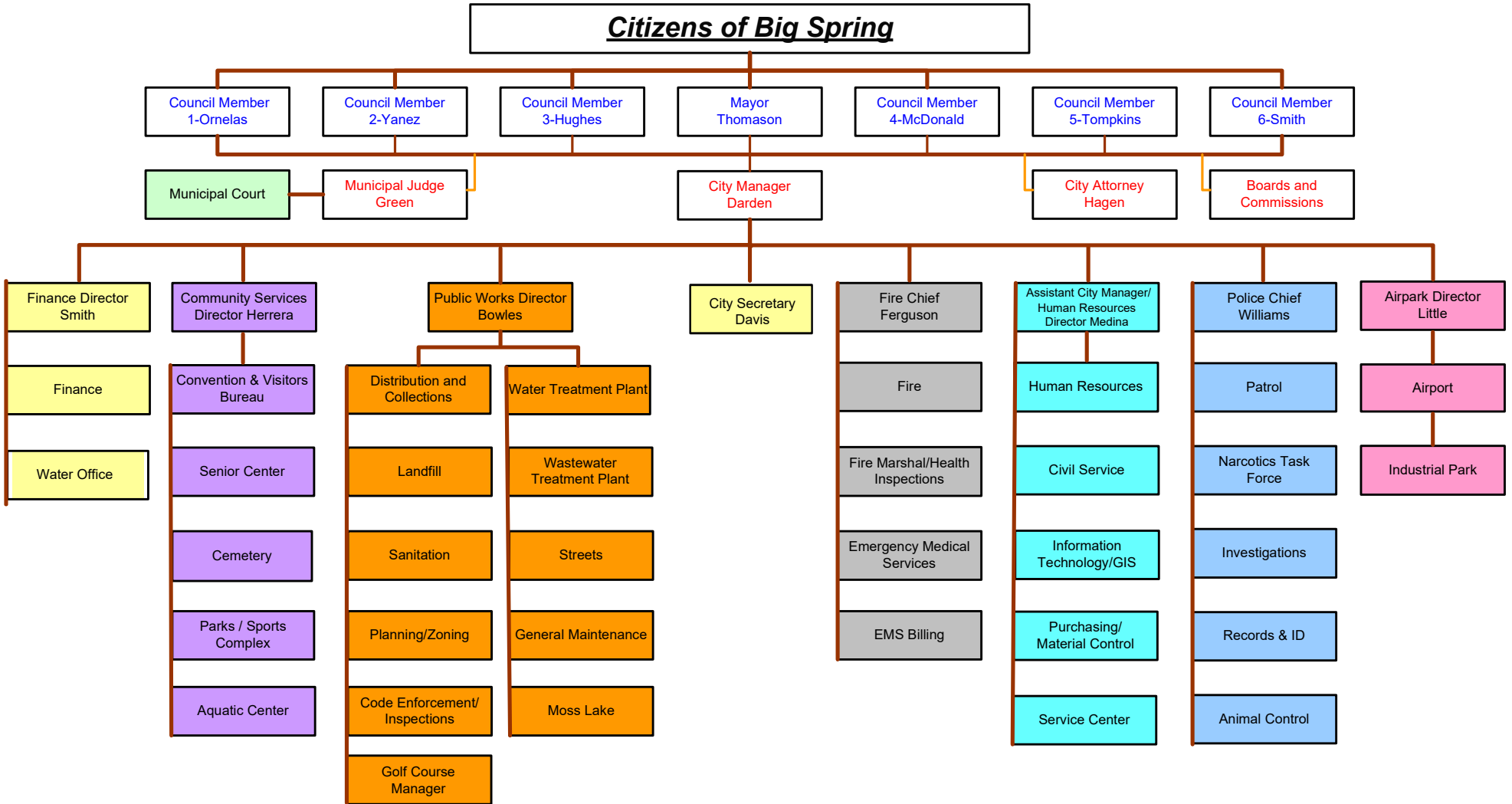
For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

September 30, 2019

Christopher P. Morill

Executive Director/CEO

The City of Big Spring, Texas (The City) did not submit the award application for the September 30, 2020 CAFR to GFOA. The City is planning on submitting the September 30, 2021 ACFR to GFOA along with the award application.



CITY OF BIG SPRING, TEXAS

**LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2021**

Elected Officials

<u>Name</u>	<u>Office</u>
Shannon Thomason	Mayor
Nick Ornelas	District 1 Council Member
Diane Yanez	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

<u>Name</u>	<u>Position</u>
Todd Darden	City Manager
Sandy Smith	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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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, 2021, 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, 2021, 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 23, 2022, 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 23, 2022

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, 2021. 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, 2021, by \$140,715 (net position). Of this amount, the unrestricted net position increased by \$472 from (\$4,146) to (3,674). At the same time, the Net Position Invested in Capital Assets increased by \$8,861 to a total \$142,625.
- The City's total net position increased by \$9,492. Net Pension Liability had an overall decrease of \$2,689. At the end of calendar year 2020 - the fiscal year-end of both TMRS (Non-Fire Employees) and BSFRRF (Firemen's) retirement funds - the City's combined Net Pension Liability is \$18,476.
- The City's governmental funds combined ending fund balance is \$13,715, of which \$11,850 (an increase of \$2,494), is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$11,850, or 54.2% of total general fund revenues and 59.1% of total expenditures.
- The City has reduced Bond and Capital Lease Debt by \$2,339 from \$19,565 at 9/30/2012 to \$17,226 at 9/30/2021, an 11.96% 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 considered 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) provides 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 \$140,715 on September 30, 2021.

The largest portion of the City's net position (\$142,626) 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	
	2021	2020	2021	2020	2021	2020
Assets:						
Cash and Cash Equivalents	\$ 9,868	\$ 9,366	\$ 22,782	\$ 20,414	\$ 32,650	\$ 29,780
Receivables	2,104	714	2,420	3,112	4,524	3,826
Internal Balances	6,110	4,494	(6,110)	(4,494)	0	0
Due from Other Governments		688			0	688
Capital Assets	84,748	86,360	75,784	68,230	160,532	154,590
Other Assets	6	7	541	524	547	531
Total Assets	\$ 102,836	\$ 101,629	\$ 95,417	\$ 87,786	\$ 198,253	\$ 189,415
Deferred Outflows of Resources	\$ 2,416	\$ 3,019	\$ 1,080	\$ 1,277	\$ 3,496	\$ 4,296
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 2,491	\$ 2,896	\$ 6,161	\$ 3,338	\$ 8,652	\$ 6,234
Current Portion of Long-term Liabilities	1,898	2,090	1,524	1,796	3,422	3,886
Long-term Liabilities	25,691	28,319	19,799	21,372	45,490	49,691
Total Liabilities	\$ 30,080	\$ 33,305	\$ 27,484	\$ 26,506	\$ 57,564	\$ 59,811
Deferred Inflows of Resources	2,364	1,828	1,106	850	3,470	2,678
Net Position:						
Invested in Capital Assets	\$ 76,049	\$ 75,907	\$ 66,576	\$ 57,858	\$ 142,625	\$ 133,765
Restricted	1,764	1,603			1,764	1,603
Unrestricted	(5,005)	(7,995)	1,331	3,849	(3,674)	(4,146)
Total Net Position	\$ 72,808	\$ 69,515	\$ 67,907	\$ 61,707	\$ 140,715	\$ 131,222

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 (\$3,674).

There was an overall increase of \$8,860 in net investment in capital assets, with capital assets in governmental activities increasing by \$142 and capital assets in business-type activities increasing by \$8,718. 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)

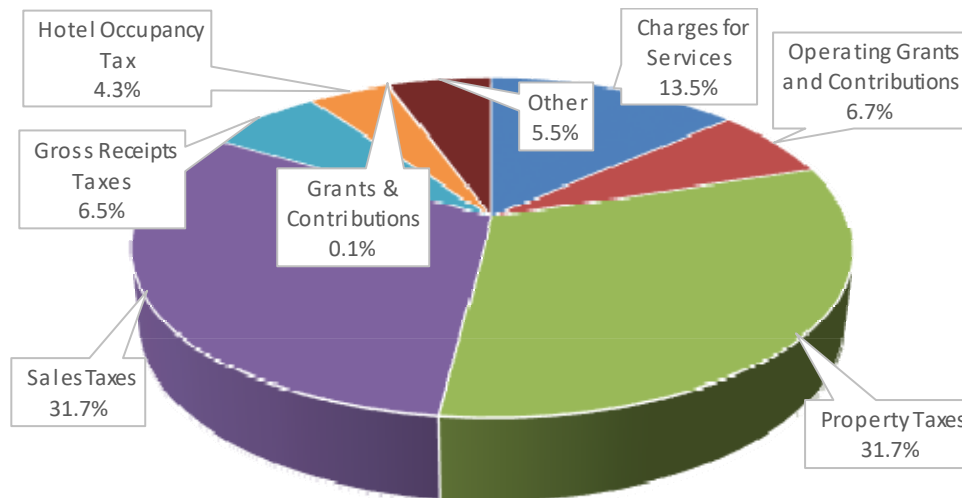
	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for Services	\$ 3,387	\$ 3,057	\$ 22,883	\$ 24,039	\$ 26,270	\$ 27,096
Operating Grants and Contributions	1,675	1,382	1,210		2,885	1,382
Capital Grants and Contributions			222	1,595	222	1,595
General Revenues						
Property Taxes	7,950	7,542			7,950	7,542
Sales Taxes	7,936	7,339			7,936	7,339
Gross Receipts Taxes	1,618	1,397			1,618	1,397
Hotel Occupancy Tax	1,086	1,319			1,086	1,319
Grants and Contributions Not						
Restricted to Specific Programs	23	83	4,261	31	4,284	114
Unrestricted Investment Earnings	27	121	33	167	60	288
Miscellaneous	1,347	353	1,344	1,196	2,691	1,549
Total Revenues	\$ 25,049	\$ 22,593	\$ 29,953	\$ 27,028	\$ 55,002	\$ 49,621
Expenses:						
Water and Sewer	\$	\$	\$ 12,055	\$ 12,532	\$ 12,055	\$ 12,532
Airport/Industrial Park			2,651	2,615	2,651	2,615
Emergency Medical Services			3,638	3,602	3,638	3,602
Landfill			1,636	2,030	1,636	2,030
Sanitation			3,008	2,950	3,008	2,950
General Government	2,986	2,319			2,986	2,319
Public Safety	12,138	12,376			12,138	12,376
Highways and Streets	2,890	2,914			2,890	2,914
Recreation and Parks	2,273	4,280			2,273	4,280
Economic Development	1,431	1,546			1,431	1,546
Other	804	892			804	892
Total Expenses	\$ 22,522	\$ 24,327	\$ 22,988	\$ 23,729	\$ 45,510	\$ 48,056
Increase in Net Position Before Transfers	\$ 2,527	\$ (1,734)	\$ 6,965	\$ 3,299	\$ 9,492	\$ 1,565
Transfers	766	309	(766)	(309)	0	0
Increase (Decrease) in Net Position	\$ 3,293	\$ (1,425)	\$ 6,199	\$ 2,990	\$ 9,492	\$ 1,565
Net Position-Beginning	69,515	70,940	61,708	58,718	131,223	129,658
Net Position-Ending	\$ 72,808	\$ 69,515	\$ 67,907	\$ 61,708	\$ 140,715	\$ 131,223

Governmental Activities - Governmental activities resulted in an increase of \$3,293 in the City's net position. After the COVID pandemic, the net position of the City's governmental revenues increased by 10.87%. The careful budget controls and reducing expenditures from the previous year by \$1,805, added significantly to the increased Net Position.

Key elements of this decrease are as follows:

- The largest source, 31.7% of general revenues, Property Taxes, increased by 5.4%, from \$7,542 in 2019-20 to \$7,950 in 2020-21. This category includes collections and penalties/interest for both the current year and delinquent taxes.
- Sales tax collections, the second largest source of general revenues, rose by 8.1% to \$7,936.
- The Hotel Occupancy Tax has not recovered from the pandemic, with a decline in revenue from \$1,319 in 2019-20 to \$1,086 in 2020-21, a decrease of (17.7%).

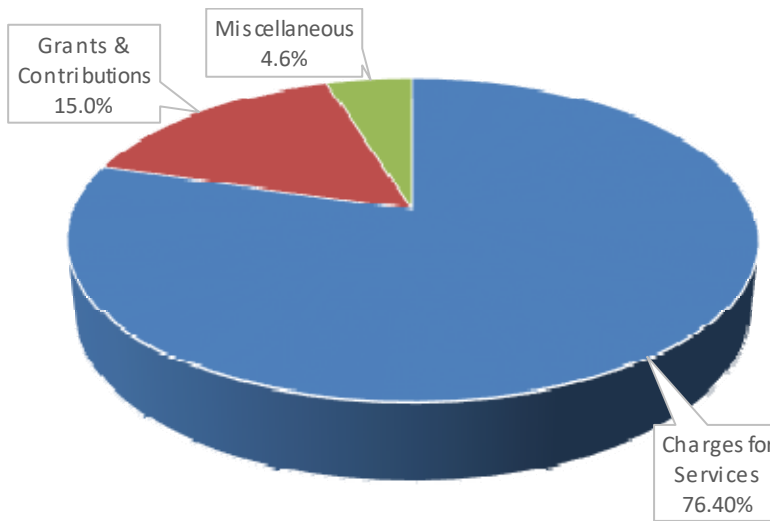
**Revenues by Source
Governmental Activities
Fiscal Year 2020-21**



Business-Type Activities - Business-type activities increased the City of Big Spring's total net position by \$6,199 in the current fiscal year. Key elements of this increase are as follows:

- Total business-type revenues increased \$2,925 from the total in 2020-21, mostly due to the capital contribution from the EDC related to the reliever route project. In addition, there was a 21% increase in mineral royalty income at the Airpark from the prior year.
- Charges for services – the major class of revenues in the business-type activities – decreased by \$1,156 to \$22,883.
- Total expenses for the City's business-type activities decreased from \$23,725 for the year ended September 30, 2020, to \$22,988 for the year ended September 30, 2021.

**Revenues by Source
Business-type Activities
Fiscal Year 2020-21**



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 four categories of fund balance.

As the City completed the 2020-21 year, its governmental funds reported combined ending fund balances of \$13,715, representing an increase of \$2,597 from the prior year's balance of \$11,118. This is attributed to the increased revenues in most categories, except the Hotel Occupancy Tax.

The General Fund is the major operating fund of the City. Unassigned fund balance represents 59.1% of total General Fund expenditures.

Total fund balance in the City's General Fund increased by \$2,492 during fiscal year 2020-21. The other governmental funds realized a net increase to fund balance of \$104 or 6.0%.

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:

	2021	2020	Change
Water and Sewer Fund	\$ 4,537	\$ 5,331	\$ (794)
Airport/Industrial Park	5,447	7,076	(1,629)
Emergency Medical Services	(4,200)	(4,517)	317
Landfill	(4,930)	(4,558)	(372)
Sanitation	477	517	(40)
	<u>\$ 1,331</u>	<u>\$ 3,849</u>	<u>\$ (2,518)</u>

Unrestricted net position decreased by \$(794) in the Water and Sewer Fund and decreased by \$(1,629) in the Airport/Industrial Park. The Emergency Medical Services Fund increased from a negative (\$4,517) to a negative (\$4,200) in 2020-21 by \$317. The Landfill Fund’s unrestricted net position decreased by (\$372) as the City continues to invest in the new landfill using accumulated cash assets. The Sanitation Fund decreased unrestricted net position by (\$40) after capital contribution to the Sanitation Fund of \$1,000.

GENERAL FUND BUDGETARY HIGHLIGHTS

As the impact of the 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 (\$1,895) and appropriations decreased (\$1,945) between the original and final amended budget. Due to these reductions and fiscal management, the General Fund had a net increase of fund balance of \$2,492 at 9/30/2021. The following are some of the highlights that contributed to the increase in fund balance.

- Final revenue totals had a combined positive variance with the final revised budget of \$4,123. This is primarily due to the increased property and sales taxes and mineral revenues exceeding the budgeted projections by 23.2%.
- Unfilled positions enabled departments to control their expenditures which contributed to the increase in the net fund balance.
- The Fire Department came in under budget due to grant revenues which offset the hiring of new staff.

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, 2021, amounts to \$160,531 (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 \$5,941 or 3.84%.

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

- Infrastructure and improvements increased by a net of \$7,838 as projects in business-type activities were completed and put into operation.
- Buildings and systems increased by a net of \$1,468 mainly because of the completion of the new landfill.
- In addition, construction in progress of Business-Type Activities decreased by \$4,064 because of the completion of the landfill and governmental activities increased \$579 as the City continues its commitment to improving infrastructure and facilities.
- Machinery and equipment increased by (\$94) mainly by new purchases of equipment exceeding equipment retirement and depreciation in most departments.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2021
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 72,972	\$ 72,946	\$ 6,313	\$ 6,313	\$ 79,285	\$ 79,259
Historical Works of Arts			426	426	426	426
Buildings and Systems	1,901	2,149	20,956	19,240	22,857	21,389
Infrastructure and Improvements	4,861	6,330	36,262	26,955	41,123	33,285
Machinery and Equipment	2,985	3,486	5,199	4,604	8,184	8,090
Construction in Progress	2,028	1,449	6,628	10,692	8,656	12,141
	<u>\$ 84,747</u>	<u>\$ 86,360</u>	<u>\$ 75,784</u>	<u>\$ 68,230</u>	<u>\$ 160,531</u>	<u>\$ 154,590</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 the 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 in callable certificates of obligation. The issues that were refunded were the Series 2010 Combination Tax & Surplus Revenue Certificates of Obligation (\$2,515 refunded) and the Series 2007 Certificates of Obligation (\$200 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 \$14,845. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$7,350 of the total and the remaining \$7,495 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 \$45,490.

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 complement 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, 2021
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Serviced by Tax Revenues						
General Obligation Bonds	\$ 7,350	\$ 8,345	\$	\$	\$ 7,350	\$ 8,345
Serviced by Enterprise Funds			160	180	160	180
Certificates of Obligation Bonds			7,335	7,885	7,335	7,885
	\$ 7,350	\$ 8,345	\$ 7,495	\$ 8,065	\$ 14,845	\$ 16,410

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 30.4% and 32.3%, at \$6,645 and \$7,936. Due to an increase in the local economy, post COVID pandemic sales tax rose for the year ending September 30, 2021 by 8.1%.

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 2021 totaled \$1,756, an increase from \$1,661 at the end of fiscal 2020. This gain in mineral revenues is a direct result of the hike in crude oil – from \$40.25/barrel at the end of September 2020 to \$74.83/barrel at the same point in 2021. There has also been new drilling and exploration in Big Spring, which boosts local economy with more oil field workers in Big Spring’s hotels, restaurants, and retail stores. The City has also increased revenue by entering into right-of-way agreements with oil and gas producers.

Unemployment decreased from the high of 11.5% in May of 2021 down to 5.9% as of September 2021, which is still high compared to the state’s unemployment rate of 4.5% and the national rate of 4.5% for September 2021. Median household income grew 11.6% from \$49,266 to \$54,988.

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and Cash Equivalents	\$ 9,868,561	\$ 18,370,166	\$ 28,238,727	\$ 5,675,878
Cash and Cash Equivalents - Restricted		4,411,774	4,411,774	
Receivables (Net of Allowances for Uncollectibles)	2,105,105	2,420,115	4,525,220	3,543
Internal Balances	6,110,477	(6,110,477)		
Due from Other Governments				467,367
Inventories		529,801	529,801	
Prepaid Items	5,642	11,853	17,495	8,661
Notes Receivable				220,310
Other Assets				67,980
Capital Assets, Not Being Depreciated	74,999,677	13,366,654	88,366,331	25,000
Capital Assets, Net of Accumulated Depreciation	9,747,512	62,417,341	72,164,853	96,625
Total Assets	\$ 102,836,974	\$ 95,417,227	\$ 198,254,201	\$ 6,565,364
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - TMRS	\$ 824,894	\$ 424,125	\$ 1,249,019	\$ 24,454
Deferred Outflows - Pension Plan - BSFRRF	657,407	331,599	989,006	
Deferred Outflows - OPEB - TMRS	107,993	49,545	157,538	2,988
Deferred Outflows - OPEB - Health Insurance	572,785	274,732	847,517	
Deferred Outflows - Loss on Refunding	252,757		252,757	
Total Deferred Outflows of Resources	\$ 2,415,836	\$ 1,080,001	\$ 3,495,837	\$ 27,442
LIABILITIES:				
Accounts Payable	\$ 1,542,144	\$ 1,926,028	\$ 3,468,172	\$ 65,138
Retainage Payable	159,198	170,774	329,972	
Claims and Judgments Payable	354,272		354,272	
Accrued Interest Payable	28,125	35,571	63,696	5,177
Accrued Wages	326,401	139,836	466,237	
Unearned Revenue	62,872		62,872	
Customer Deposits	18,085	363,329	381,414	
Unclaimed Property		32,903	32,903	
Unearned Funds - Grants		3,492,171	3,492,171	
Noncurrent Liabilities				
Due Within One Year	1,898,023	1,524,263	3,422,286	550,000
Due In More Than One Year	25,690,804	19,799,297	45,490,101	4,584,981
Total Liabilities	\$ 30,079,924	\$ 27,484,172	\$ 57,564,096	\$ 5,205,296
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows - Pension Plan - TMRS	\$ 965,295	\$ 434,750	\$ 1,400,045	\$ 26,419
Deferred Inflows - Pension Plan - BSFRRF	759,598	366,380	1,125,978	
Deferred Inflows - OPEB - TMRS	49,554	22,319	71,873	1,356
Deferred Inflows - OPEB - Health Insurance	590,014	282,996	873,010	
Total Deferred Inflows of Resources	\$ 2,364,461	\$ 1,106,445	\$ 3,470,906	\$ 27,775
NET POSITION				
Net Investment in Capital Assets	\$ 76,049,373	\$ 66,576,177	\$ 142,625,550	\$ 121,625
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	223,848		223,848	
Economic Development				1,238,110
Advertising and Promotions	985,411		985,411	
Debt Service	190,597		190,597	
Court Technology	461		461	
Court Security	11,749		11,749	
Unrestricted	(5,004,533)	1,330,434	(3,674,099)	
Total Net Position	\$ 72,808,425	\$ 67,906,611	\$ 140,715,036	\$ 1,359,735

The accompanying notes are an integral part of this statement.

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 2,984,673	\$ 1,401,269	\$ 129,529	\$	\$ (1,453,875)	\$	\$ (1,453,875)	\$
Public Safety	12,138,354	500,250	1,430,976		(10,207,128)		(10,207,128)	
Highways and Streets	2,890,074	306,325			(2,583,749)		(2,583,749)	
Community Service	376,394	47,077	114,487		(214,830)		(214,830)	
Recreation and Parks	2,273,428	1,042,544			(1,230,884)		(1,230,884)	
Cemetery	190,937	88,123			(102,814)		(102,814)	
Economic Development	1,431,389	1,130			(1,430,259)		(1,430,259)	
Interest on Long-Term Debt	237,275				(237,275)		(237,275)	
Total Governmental Activities	\$ 22,522,524	\$ 3,386,718	\$ 1,674,992	\$ 0	\$ (17,460,814)	\$ 0	\$ (17,460,814)	\$ 0
Business-Type Activities:								
Water and Sewer	\$ 12,054,773	\$ 13,411,754	\$ 750,000	\$ 222,200	\$	\$ 2,329,181	\$ 2,329,181	\$
Airport/Industrial Park	2,651,321	1,499,377				(1,151,944)	(1,151,944)	
Emergency Medical Services	3,638,340	2,267,482	460,391			(910,467)	(910,467)	
Landfill	1,636,015	2,048,328				412,313	412,313	
Sanitation	3,008,044	3,656,484				648,440	648,440	
Total Business-Type Activities	\$ 22,988,493	\$ 22,883,425	\$ 1,210,391	\$ 222,200	\$ 0	\$ 1,327,523	\$ 1,327,523	\$ 0
Total Primary Government	\$ 45,511,017	\$ 26,270,143	\$ 2,885,383	\$ 222,200	\$ (17,460,814)	\$ 1,327,523	\$ (16,133,291)	\$ 0
COMPONENT UNIT:								
Economic Development Corporation	\$ 4,136,704	\$ 0	\$ 0	\$ 0				\$ (4,136,704)
General Revenues:								
Property Taxes					\$ 7,950,028	\$	\$ 7,950,028	\$
Sales Taxes					7,936,498		7,936,498	2,661,997
Gross Receipts Taxes					1,618,021		1,618,021	
Motel Occupancy Taxes					1,086,370		1,086,370	
Grants and Contributions Not Restricted to Specific Programs					22,650	4,261,211	4,283,861	
Unrestricted Investment Earnings					26,544	32,686	59,230	17,924
Miscellaneous					1,347,342	1,343,978	2,691,320	21,212
Transfers					766,342	(766,342)		
Total General Revenue and Transfers					\$ 20,753,795	\$ 4,871,533	\$ 25,625,328	\$ 2,701,133
Change in Net Position					\$ 3,292,981	\$ 6,199,056	\$ 9,492,037	\$ (1,435,571)
Net Position - Beginning					69,515,444	61,707,555	131,222,999	2,795,306
Net Position - Ending					\$ 72,808,425	\$ 67,906,611	\$ 140,715,036	\$ 1,359,735

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2021

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
	<u> </u>	<u> </u>	<u> </u>
ASSETS:			
Cash and Cash Equivalents	\$ 5,807,642	\$ 1,965,172	\$ 7,772,814
Receivables (Net of Allowances for Uncollectibles)	1,963,624	141,481	2,105,105
Due from Other Funds	6,211,322		6,211,322
Prepaid Items	<u>4,746</u>	<u>896</u>	<u>5,642</u>
 Total Assets	 <u>\$ 13,987,334</u>	 <u>\$ 2,107,549</u>	 <u>\$ 16,094,883</u>
 LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable	\$ 1,414,778	\$ 33,237	\$ 1,448,015
Retainage Payable	127,122	32,076	159,198
Accrued Wages	308,110	18,291	326,401
Unearned Revenue		62,872	62,872
Due to Other Funds		28,259	28,259
Customer Deposits	660	17,425	18,085
Total Liabilities	<u>\$ 1,850,670</u>	<u>\$ 192,160</u>	<u>\$ 2,042,830</u>
 DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	\$ 282,216	\$ 54,419	\$ 336,635
Total Deferred Inflows of Resources	<u>\$ 282,216</u>	<u>\$ 54,419</u>	<u>\$ 336,635</u>
 FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 4,746	\$ 896	\$ 5,642
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		985,411	985,411
Restricted for Court Security		11,749	11,749
Restricted for Court Technology		461	461
Restricted for Public, Educational and Governmental Television Access		223,848	223,848
Restricted for Public Safety Improvements		16,469	16,469
Restricted for Debt Service		190,597	190,597
Restricted for Senior Citizen's Center		112,039	112,039
Committed Fund Balances:			
Committed for Employee Education		63,783	63,783
Committed for Cemetery Operations		(95,802)	(95,802)
Unassigned Fund Balance	<u>11,849,702</u>		<u>11,849,702</u>
Total Fund Balances	<u>\$ 11,854,448</u>	<u>\$ 1,860,970</u>	<u>\$ 13,715,418</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 13,987,334</u>	 <u>\$ 2,107,549</u>	 <u>\$ 16,094,883</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, 2021

Total Fund Balances - Governmental Funds Balance Sheet	\$	13,715,418
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.		84,736,076
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		336,635
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.		(201,382)
The assets and liabilities of internal service funds are included in governmental activities in the SNP.		1,583,988
Payables for bond principal which are not due in the current period are not reported in the funds.		(7,350,000)
Payables for capital leases which are not due in the current period are not reported in the funds.		(857,227)
Payables for bond interest which are not due in the current period are not reported in the funds.		(28,125)
Bond Premiums are not recorded in the funds.		(488,703)
Deferred Outflows of Resources - Loss on Refundings are not recorded in the funds.		252,757
Net pension liabilities are not reported in the funds.		(12,584,774)
Total OPEB Liabilities are not reported in the funds.		(4,382,867)
Payables for compensated absences which are not reported in the funds.		<u>(1,923,371)</u>
Net Position of Governmental Activities - Statement of Net Position	\$	<u><u>72,808,425</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, 2021

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:			
Taxes:			
General Property Taxes	\$ 6,645,132	\$ 1,269,573	\$ 7,914,705
General Sales Taxes	7,936,498		7,936,498
Gross Receipts Business Taxes	1,572,543	45,478	1,618,021
Motel Occupancy Taxes		1,086,370	1,086,370
License and Permits	540,930		540,930
Intergovernmental	1,560,506	114,487	1,674,993
Charges for Services	400	50,270	50,670
Fines	207,003	14,156	221,159
Recreation	1,042,544		1,042,544
Investment Earnings	20,170	4,300	24,470
Rents and Royalties	1,412,778	118,638	1,531,416
Miscellaneous	921,640	4,080	925,720
Contributions and Donations	2,650	20,000	22,650
Total Revenues	<u>\$ 21,862,794</u>	<u>\$ 2,727,352</u>	<u>\$ 24,590,146</u>
Expenditures:			
Current:			
General Government	\$ 3,033,219	\$ 37,461	\$ 3,070,680
Public Safety	11,863,395		11,863,395
Highways and Streets	2,469,949		2,469,949
Community Service		386,168	386,168
Recreation and Parks	1,979,905		1,979,905
Economic Development		945,658	945,658
Cemetery		157,858	157,858
Debt Service:			
Principal	665,641	1,015,067	1,680,708
Interest	40,465	239,071	279,536
Total Expenditures	<u>\$ 20,052,574</u>	<u>\$ 2,781,283</u>	<u>\$ 22,833,857</u>
Excess of Revenues Over Expenditures	<u>\$ 1,810,220</u>	<u>\$ (53,931)</u>	<u>\$ 1,756,289</u>
Other Financing Sources:			
Transfers In (Out)	\$ 682,108	\$ 158,561	\$ 840,669
Total Other Financing Sources (Uses)	<u>\$ 682,108</u>	<u>\$ 158,561</u>	<u>\$ 840,669</u>
Net Change in Fund Balances	\$ 2,492,328	\$ 104,630	\$ 2,596,958
Fund Balances - Beginning	<u>9,362,120</u>	<u>1,756,340</u>	<u>11,118,460</u>
Fund Balances - Ending	<u>\$ 11,854,448</u>	<u>\$ 1,860,970</u>	<u>\$ 13,715,418</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, 2021

Net Change in Fund Balances - Total Governmental Funds	\$	2,596,958
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:		
Capital assets are not reported as expenses in the SOA.		1,104,735
The depreciation of capital assets used in governmental activities is not reported in the funds.		(2,715,798)
Certain revenues are deferred in the funds. This is the change in these amounts this year.		35,323
Change in Deferred Outflows and Inflows related to Pensions is not reported in the funds.		(1,098,763)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		995,000
Repayment of capital lease and notes payable principal is an expenditure in the funds but is not an expense in the SOA.		685,708
Bond Premiums and Losses on Refundings' related amortization is not recorded in the funds.		28,401
Change in accrued interest from beginning of period to end of period.		14,003
The net revenue of internal service funds is reported with governmental activities.		581,186
Change related to pension and total OPEB liabilities is not recorded in the funds.		1,500,001
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		<u>(433,773)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$	<u><u>3,292,981</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2021**

	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	\$ 10,326,351	\$ 6,270,693	\$	\$ 862,889	\$ 910,233	\$ 18,370,166	\$ 2,095,747
Cash and Cash Equivalents - Restricted				4,411,774		4,411,774	
Receivables (Net of Allowances for Uncollectibles)	1,575,799	122,657	270,316	51,403	399,940	2,420,115	
Due from Other Funds							2,151
Inventories	478,907		50,894			529,801	
Prepaid Items	643	345	879	2,008	7,978	11,853	
Total Current Assets	<u>\$ 12,381,700</u>	<u>\$ 6,393,695</u>	<u>\$ 322,089</u>	<u>\$ 5,328,074</u>	<u>\$ 1,318,151</u>	<u>\$ 25,743,709</u>	<u>\$ 2,097,898</u>
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	13,702,140	5,195,053		1,896,634		20,793,827	
Infrastructure and Improvements	13,793,065	14,212,389		8,419,415		36,424,869	
Machinery and Equipment	540,154	697,028	685,138	1,626,756	1,649,569	5,198,645	1,113
Construction in Progress	1,828,896	4,799,168				6,628,064	
Total Noncurrent Assets	<u>\$ 29,869,290</u>	<u>\$ 31,000,928</u>	<u>\$ 685,138</u>	<u>\$ 12,579,070</u>	<u>\$ 1,649,569</u>	<u>\$ 75,783,995</u>	<u>\$ 11,113</u>
Total Assets	<u>\$ 42,250,990</u>	<u>\$ 37,394,623</u>	<u>\$ 1,007,227</u>	<u>\$ 17,907,144</u>	<u>\$ 2,967,720</u>	<u>\$ 101,527,704</u>	<u>\$ 2,109,011</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows - Pension Plan - TMRS	\$ 249,045	\$ 53,226	\$	\$ 53,700	\$ 68,154	\$ 424,125	\$
Deferred Outflows - Pension Plan - BSFRRF			331,599			331,599	
Deferred Outflows - OPEB - TMRS	28,547	5,896		6,418	8,684	49,545	
Deferred Outflows - OPEB - Health Insurance	139,908	21,798	64,544	23,014	25,468	274,732	
Total Deferred Outflows of Resources	<u>\$ 417,500</u>	<u>\$ 80,920</u>	<u>\$ 396,143</u>	<u>\$ 83,132</u>	<u>\$ 102,306</u>	<u>\$ 1,080,001</u>	<u>\$ 0</u>
LIABILITIES:							
Current Liabilities							
Accounts Payable	\$ 1,182,608	\$ 226,529	\$ 27,266	\$ 388,043	\$ 101,582	\$ 1,926,028	\$ 94,129
Claims and Judgments Payable							354,272
Retainage Payable		170,774				170,774	
Accrued Wages	60,993	7,946	40,616	14,659	15,622	139,836	
Due to Other Funds			64,998	6,045,479		6,110,477	74,737
Customer Deposits	320,417	42,412			500	363,329	
Unclaimed Property	32,903					32,903	
Accrued Interest Payable	35,571					35,571	
Unearned Funds - Grants	3,492,171					3,492,171	
Accrued Compensated Absences - Current	52,193	8,613	140,289	18,093	10,827	230,015	
Long Term Debt - Current	837,163		55,442	199,469	202,174	1,294,248	1,462
Total Current Liabilities	<u>\$ 6,014,019</u>	<u>\$ 456,274</u>	<u>\$ 328,611</u>	<u>\$ 6,665,743</u>	<u>\$ 330,705</u>	<u>\$ 13,795,352</u>	<u>\$ 524,600</u>
NONCURRENT LIABILITIES							
Accrued Compensated Absences	\$ 156,577	\$ 25,838	\$ 420,866	\$ 54,279	\$ 32,480	\$ 690,040	\$
Net Pension Liability - TMRS	1,443,765	294,358		329,569	455,874	2,523,566	
Net Pension Liability - BSFRRF			3,367,460			3,367,460	
Total OPEB Liability - TMRS	159,478	32,515		36,404	50,356	278,753	
Total OPEB Liability - Health Insurance	919,380	143,239	424,140	151,233	167,356	1,805,348	
Long-Term Debt	7,052,384	235,545	54,988	216,644	354,009	7,913,570	423
Closure/Post-closure Landfill Obligation				3,220,560		3,220,560	
Total Noncurrent Liabilities	<u>\$ 9,731,584</u>	<u>\$ 731,495</u>	<u>\$ 4,267,454</u>	<u>\$ 4,008,689</u>	<u>\$ 1,060,075</u>	<u>\$ 19,799,297</u>	<u>\$ 423</u>
Total Liabilities	<u>\$ 15,745,603</u>	<u>\$ 1,187,769</u>	<u>\$ 4,596,065</u>	<u>\$ 10,674,432</u>	<u>\$ 1,390,780</u>	<u>\$ 33,594,649</u>	<u>\$ 525,023</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows - Pension Plan - TMRS	248,726	\$ 50,711	\$	\$ 56,777	\$ 78,536	\$ 434,750	\$
Deferred Inflows - Pension Plan - BSFRRF			366,380			366,380	
Deferred Inflows - OPEB - TMRS	12,860	2,656		2,891	3,912	22,319	
Deferred Inflows - OPEB - Health Insurance	144,117	22,453	66,486	23,706	26,234	282,996	
Total Deferred Inflows of Resources	<u>\$ 405,703</u>	<u>\$ 75,820</u>	<u>\$ 432,866</u>	<u>\$ 83,374</u>	<u>\$ 108,682</u>	<u>\$ 1,106,445</u>	<u>\$ 0</u>
NET POSITION:							
Net Investment in Capital Assets	\$ 21,979,743	\$ 30,765,383	\$ 574,708	\$ 12,162,957	\$ 1,093,386	\$ 66,576,177	\$ 9,228
Unrestricted	4,537,441	5,446,571	(4,200,269)	(4,930,487)	477,178	1,330,434	1,574,760
Total Net Position	<u>\$ 26,517,184</u>	<u>\$ 36,211,954</u>	<u>\$ (3,625,561)</u>	<u>\$ 7,232,470</u>	<u>\$ 1,570,564</u>	<u>\$ 67,906,611</u>	<u>\$ 1,583,988</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	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	\$ 10,305,421	\$	\$	\$	\$	\$ 10,305,421	\$
Sewer Charges	2,786,140					2,786,140	
Landfill Fees				1,864,559		1,864,559	
Sanitation Revenue					3,567,190	3,567,190	
Emergency Medical Services			2,267,482			2,267,482	
Commercial Rentals and Fees		1,499,377				1,499,377	
Billings to Departments and Employees							3,548,851
Other Services	320,193			183,769	89,294	593,256	
Total Operating Revenues	\$ 13,411,754	\$ 1,499,377	\$ 2,267,482	\$ 2,048,328	\$ 3,656,484	\$ 22,883,425	\$ 3,548,851
OPERATING EXPENSES:							
Personnel Services	\$ 2,776,687	\$ 515,178	\$ 2,055,182	\$ 313,538	\$ 775,613	\$ 6,436,198	\$
Supplies and Materials	4,586,016	43,265	162,997	36,517	155,334	4,984,129	5,515
Contractual Services	1,307,763	284,536	116,409	336,072	1,077,470	3,122,250	3,134,424
Maintenance	1,330,181	393,246	28,673	177,922	604,950	2,534,972	15,650
Depreciation	1,691,326	1,406,784	196,982	759,471	300,375	4,354,938	1,335
Other Expense	93,191		1,075,176		85,299	1,253,666	159,966
Total Operating Expenses	\$ 11,785,164	\$ 2,643,009	\$ 3,635,419	\$ 1,623,520	\$ 2,999,041	\$ 22,686,153	\$ 3,316,890
Operating Income (Loss)	\$ 1,626,590	\$ (1,143,632)	\$ (1,367,937)	\$ 424,808	\$ 657,443	\$ 197,272	\$ 231,961
NON-OPERATING REVENUES (EXPENSES)							
Intergovernmental Revenue	\$ 222,200	\$ 29,704	\$	\$ 12,000	\$	\$ 263,904	\$
Interest Revenue	15,445	12,070		3,630	1,541	32,686	2,074
Gain/(Loss) on Disposal of Assets			787			787	
Other Income (Expense)	16,791	1,083,072	244,394	(1,987)	921	1,343,191	421,621
Interest Expense and Paying Agent Fees	(269,609)	(8,312)	(2,921)	(12,495)	(9,003)	(302,340)	(143)
Total Non-Operating Revenues (Expenses)	\$ (15,173)	\$ 1,116,534	\$ 242,260	\$ 1,148	\$ (6,541)	\$ 1,338,228	\$ 423,552
Income (Loss) Before Capital Contributions and Transfers	\$ 1,611,417	\$ (27,098)	\$ (1,125,677)	\$ 425,956	\$ 650,902	\$ 1,535,500	\$ 655,513
Capital and Operating Contributions Transfers In (Out)	750,000 (771,998)	4,219,507 (313,074)	460,391 916,956	(269,486)	(328,740)	5,429,898 (766,342)	(74,327)
Change in Net Position	\$ 1,589,419	\$ 3,879,335	\$ 251,670	\$ 156,470	\$ 322,162	\$ 6,199,056	\$ 581,186
Total Net Position - Beginning	24,927,765	32,332,619	(3,877,231)	7,076,000	1,248,402	61,707,555	1,002,802
Total Net Position - Ending	\$ 26,517,184	\$ 36,211,954	\$ (3,625,561)	\$ 7,232,470	\$ 1,570,564	\$ 67,906,611	\$ 1,583,988

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, 2021

	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	\$ 14,164,621	\$ 2,559,069	\$ 2,346,804	\$ 2,045,268	\$ 3,810,660	\$ 24,926,422	\$
Cash Receipts from Interfund Services Provided							3,548,851
Cash Payments to Employees for Services	(2,728,324)	(561,387)	(2,000,229)	(608,242)	(746,568)	(6,644,750)	
Cash Payments to Other Suppliers for Goods and Services	(6,920,371)	(698,124)	(1,360,897)	(1,696,229)	(1,923,246)	(12,598,867)	(3,276,145)
Net Cash from Operating Activities	\$ 4,515,926	\$ 1,299,558	\$ (1,014,322)	\$ (259,203)	\$ 1,140,846	\$ 5,682,805	\$ 272,706
Cash Flows from Non-Capital Financing Activities:							
Cash Received from Intergovernmental Grants	\$ 3,714,371	\$ 29,704	\$	\$ 12,000	\$	\$ 3,756,075	\$
Various Reimbursements							421,621
Cash Transfers from (to) Other Funds	(929,036)	(320,455)	676,628	1,765,068	(341,771)	850,434	270,606
Net Cash from Non-Capital Financing Activities	\$ 2,785,335	\$ (290,751)	\$ 676,628	\$ 1,777,068	\$ (341,771)	\$ 4,606,509	\$ 692,227
Cash Flows from Capital and Related Financing Activities:							
Principal and Interest Paid	\$ (1,272,501)	\$ (171,618)	\$ (88,429)	\$ (709,066)	\$ 232,680	\$ (2,008,934)	\$ (4,146)
Cash Received from Capital and Operating Contributions	750,000		460,391			1,210,391	
Proceeds from the Sale of Assets		6,832	787			7,619	
Acquisition or Construction of Capital Assets	(3,079,483)	(2,540,185)	(46,709)	(591,512)	(904,422)	(7,162,311)	
Net Cash from Capital and Related Financing Activities	\$ (3,601,984)	\$ (2,704,971)	\$ 326,040	\$ (1,300,578)	\$ (671,742)	\$ (7,953,235)	\$ (4,146)
Cash Flows from Investing Activities:							
Interest and Dividends on Investments	\$ 15,445	\$ 12,070	\$	\$ 3,630	\$ 1,541	\$ 32,686	\$ 2,074
Net Cash from Investing Activities	\$ 15,445	\$ 12,070	\$ 0	\$ 3,630	\$ 1,541	\$ 32,686	\$ 2,074
Increase (Decrease) in Cash and Cash Equivalents	\$ 3,714,722	\$ (1,684,094)	\$ (11,654)	\$ 220,917	\$ 128,874	\$ 2,368,765	\$ 962,861
Cash and Cash Equivalents - Beginning of Year	6,611,629	7,954,787	11,654	5,053,746	781,359	20,413,175	1,132,886
Cash and Cash Equivalents - End of Year	\$ 10,326,351	\$ 6,270,693	\$ 0	\$ 5,274,663	\$ 910,233	\$ 22,781,940	\$ 2,095,747
Reconciliation of Operating Income to Net Cash from Operating Activities:							
Operating Income (Loss)	\$ 1,626,590	\$ (1,143,632)	\$ (1,367,937)	\$ 424,808	\$ 657,443	\$ 197,272	\$ 231,961
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:							
Depreciation	\$ 1,691,326	\$ 1,406,784	\$ 196,982	\$ 759,471	\$ 300,375	\$ 4,354,938	\$ 1,335
Other	16,791	1,083,072	244,394	(1,987)	921	1,343,191	
Change in Assets and Liabilities:							
Decrease (Increase) in Receivables	728,125	(22,443)	(165,072)	(1,073)	152,755	692,292	
Decrease (Increase) in Inventories	(17,541)		10,109			(7,432)	
Decrease (Increase) in Prepaid Expenses	(643)	(345)	(879)	102	(7,978)	(9,743)	
Decrease (Increase) in Deferred Outflows	(54,355)	(10,905)	255,765	4,604	2,268	197,377	
Increase (Decrease) in Accounts Payable	414,964	23,268	13,128	(1,145,820)	7,785	(686,675)	27,861
Increase (Decrease) in Claims and Judgements Payable							11,549
Increase (Decrease) in Accrued Wages	12,891	(2,228)	632	6,160	746	18,201	
Increase (Decrease) in Customer Deposits	8,066	(937)			500	7,629	
Increase (Decrease) in Unclaimed Property	(115)					(115)	
Increase (Decrease) in Accrued Compensated Absences	64,273	(28,152)	35,389	24,560	(19,438)	76,632	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				(134,411)		(134,411)	
Increase (Decrease) in Net Pension Liability - TMRS	(150,918)	(25,039)		(143,756)	31,623	(288,090)	
Increase (Decrease) in Net Pension Liability - BSFRRF			(453,972)			(453,972)	
Increase (Decrease) in Total OPEB Liability - TMRS	18,077	4,193		(5,566)	12,737	29,441	
Increase (Decrease) in Total OPEB Liability - Health Insurance	112,996	9,292	12,159	(29,097)	(15,172)	90,178	
Increase (Decrease) in Deferred Inflows	45,399	6,630	204,980	(17,198)	16,281	256,092	
Total Adjustments	\$ 2,889,336	\$ 2,443,190	\$ 353,615	\$ (684,011)	\$ 483,403	\$ 5,485,533	\$ 40,745
Net Cash from Operating Activities	\$ 4,515,926	\$ 1,299,558	\$ (1,014,322)	\$ (259,203)	\$ 1,140,846	\$ 5,682,805	\$ 272,706
Supplemental Cash Flow Information:							
Non-Cash Related Financing Activities:							
Capital Lease Proceeds and Capital Assets of \$20,000 - Airport Fund							
Capital Lease Proceeds and Capital Assets of \$51,000 - EMS Fund							
Capital Lease Proceeds and Capital Assets of \$463,000 - Landfill Fund							
Capital Contributions and Capital Assets of \$4,219,507 - Airport 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 services 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:

<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Landfill Closure and Post-Closure	Landfill	\$ 4,411,774

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	\$ 953,927						\$ 953,927
Municipal Court	2,285,662						2,285,662
Other	1,373,729	810,799			40,967		2,225,495
Accounts	379,435	813,418	225,711	994,407	10,436	432,302	2,855,709
Gross Receivables	\$ 4,992,753	\$ 1,624,217	\$ 225,711	\$ 994,407	\$ 51,403	\$ 432,302	\$ 8,320,793
Less: Allowance for Uncollectibles	(2,887,648)	(48,418)	(103,054)	(724,091)		(32,362)	(3,795,573)
Net Total Receivables	\$ 2,105,105	\$ 1,575,799	\$ 122,657	\$ 270,316	\$ 51,403	\$ 399,940	\$ 4,525,220

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 Position 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	\$ (3,625,561)	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 City 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, 2021, the carrying amount of the City's deposits, restricted cash, escrow, and cash on hand was \$32,650,501. At year end, the City had \$13,620 in cash on hand. The City's cash in bank deposits at year end were \$32,636,881 with a bank balance of \$33,286,892. The City's cash in bank deposits at September 30, 2021 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 City 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, 2021 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	\$ 8,381,536
Certificates of Deposit (CD)	Various		5,472,890
Bonds	8/13/2025		1,000,000
Money Market Fund	N/A		6,749,693

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, 2021, 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, 2021, TexPool's portfolio maintained a weighted average maturity of approximately 34 days.
- e. Foreign Currency Risk – This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. While the City's policy does not address this risk, the City has no foreign currency risk as of year-end.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Investment Accounting Policy

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

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

Fair Value of Investments

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

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

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

At September 30, 2021 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, 2021, was as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,946,188	\$ 25,478	\$	\$	\$ 72,971,666
Construction in Progress	1,447,609	580,402			2,028,011
Total Capital Assets Not Being Depreciated	<u>\$ 74,393,797</u>	<u>\$ 605,880</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 74,999,677</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 31,555,408	\$	\$	\$	\$ 31,555,408
Infrastructure and Improvements	31,303,640	281,212			31,584,852
Machinery and Equipment	12,851,288	217,643		867,888	12,201,043
Total Capital Assets Being Depreciated	<u>\$ 75,710,336</u>	<u>\$ 498,855</u>	<u>\$ 0</u>	<u>\$ 867,888</u>	<u>\$ 75,341,303</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 29,406,361	\$ 247,260	\$	\$	\$ 29,653,621
Improvements Other Than Buildings	24,973,356	1,750,944			26,724,300
Machinery and Equipment	9,364,829	718,929		867,888	9,215,870
Total Accumulated Depreciation	<u>\$ 63,744,546</u>	<u>\$ 2,717,133</u>	<u>\$ 0</u>	<u>\$ 867,888</u>	<u>\$ 65,593,791</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 11,965,790</u>	<u>\$ (2,218,278)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 9,747,512</u>
Governmental Activities Capital Assets, Net	<u>\$ 86,359,587</u>	<u>\$ (1,612,398)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,747,189</u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 57,378
Public Safety	444,430
Highways and Streets	1,336,318
Recreation and Parks	362,935
Cemetery	19,049
Economic Development	495,688
	<u>\$ 2,715,798</u>
Depreciation Charged to Internal Service Funds	1,335
Total Depreciation Charged to Governmental Activities	<u>\$ 2,717,133</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>10,691,860</u>	<u>5,811,477</u>	<u>(9,875,273)</u>		<u>6,628,064</u>
Total Capital Assets Not Being Depreciated	<u>\$ 17,430,450</u>	<u>\$ 5,811,477</u>	<u>\$ (9,875,273)</u>	<u>\$ 0</u>	<u>\$ 13,366,654</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 82,963,678	\$ 1,298,166	\$ 1,918,486	\$ 6,832	\$ 86,173,498
Infrastructure and Improvements	59,638,555	3,375,723	7,695,792		70,710,070
Machinery and Equipment	<u>11,920,020</u>	<u>1,430,451</u>	<u>260,995</u>	<u>49,836</u>	<u>13,561,630</u>
Total Capital Assets Being Depreciated	<u>\$ 154,522,253</u>	<u>\$ 6,104,340</u>	<u>\$ 9,875,273</u>	<u>\$ 56,668</u>	<u>\$ 170,445,198</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 63,723,211	\$ 1,493,801	\$	\$	\$ 65,217,012
Infrastructure and Improvements	32,683,118	1,764,742			34,447,860
Machinery and Equipment	<u>7,316,427</u>	<u>1,096,394</u>		<u>49,836</u>	<u>8,362,985</u>
Total Accumulated Depreciation	<u>\$ 103,722,756</u>	<u>\$ 4,354,937</u>	<u>\$ 0</u>	<u>\$ 49,836</u>	<u>\$ 108,027,857</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 50,799,497</u>	<u>\$ 1,749,403</u>	<u>\$ 9,875,273</u>	<u>\$ 6,832</u>	<u>\$ 62,417,341</u>
Business-Type Activities Capital Assets, Net	<u>\$ 68,229,947</u>	<u>\$ 7,560,880</u>	<u>\$ 0</u>	<u>\$ 6,832</u>	<u>\$ 75,783,995</u>
Depreciation Expense		<u>\$ 4,354,937</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2021, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 6,110,477	Short-Term Loans
Net Internal Balances		<u>\$ 6,110,477</u>	

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

2. Transfers To and From Other Funds

Transfers at September 30, 2021, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	EMS Fund	\$ (1,060,000)	Annual Subsidy
Proprietary/Internal Service Funds	General Fund	<u>1,826,342</u>	Administrative Fees
		<u>\$ 766,342</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, accrued compensated absences, and OPEB and Net Pension liability amounts. Changes in long-term obligations for the year ended September 30, 2021, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Refunding Bonds	\$ 8,345,000	\$	\$ 995,000	\$ 7,350,000	\$ 1,015,000
Capital Leases	1,366,094		506,982	859,112	402,180
Economic Conservation	182,728		182,728	0	
Compensated Absences	1,489,598	433,773		1,923,371	480,843
Unamortized Bond Premiums	558,602		69,899	488,703	
Total OPEB Liability - Health Insurance	3,385,303	378,636		3,763,939	
Total OPEB Liability - TMRS	549,767	69,161		618,928	
Net Pension Liability - TMRS	6,200,103		596,916	5,603,187	
Net Pension Liability - BSFRRF	8,332,468		1,350,881	6,981,587	
Total Governmental Activities	\$ 30,409,663	\$ 881,570	\$ 3,702,406	\$ 27,588,827	\$ 1,898,023

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 7,885,000	\$	\$ 550,000	\$ 7,335,000	\$ 565,000
General Obligation Refunding Bonds	180,000		20,000	160,000	20,000
Capital Leases	1,788,980	534,000	800,791	1,522,189	709,248
Economic Conservation	308,227		308,227	0	
Compensated Absences	843,423	76,632		920,055	230,015
Closure/Postclosure Landfill	3,354,971		134,411	3,220,560	
Unamortized Bond Premiums	209,660		19,031	190,629	
Total OPEB Liability - TMRS	249,312	29,441		278,753	
Total OPEB Liability - Health Insurance	1,715,170	90,178		1,805,348	
Net Pension Liability - TMRS	2,811,656		288,090	2,523,566	
Net Pension Liability - BSFRRF	3,821,432		453,972	3,367,460	
Total Business-Type Activities	\$ 23,167,831	\$ 730,251	\$ 2,574,522	\$ 21,323,560	\$ 1,524,263

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, 2021, are as follows:

	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Year Ending September 30,			
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	1,180,000	87,725	1,267,725
2027-2030	1,935,000	90,625	2,025,625
Totals	<u>\$ 7,350,000</u>	<u>\$ 858,950</u>	<u>\$ 8,208,950</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	\$ 2,070,000	Refunding of C.O. Bonds
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	5,280,000	Refunding of G.O and C.O. Bonds
		<u>\$ 24,540,000</u>			<u>\$ 7,350,000</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
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	655,000	182,519	837,519
2027-2031	3,605,000	570,773	4,175,773
2032	800,000	20,000	820,000
Totals	<u>\$ 7,495,000</u>	<u>\$ 1,700,843</u>	<u>\$ 9,195,843</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	\$ 7,335,000	Water Improvements
G.O. Refunding Bonds	3/3/2020	180,000	4.0%	2/15/2030	160,000	Elevated Reservoir Repair
		<u>\$ 11,905,000</u>			<u>\$ 7,495,000</u>	

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, 2021:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 8,366,749	\$ 7,049,392
Less: Accumulated Depreciation	(5,692,602)	(4,287,122)
Totals	<u>\$ 2,674,147</u>	<u>\$ 2,762,270</u>

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2021, as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2022	\$ 402,180	\$ 15,860	\$ 418,040
2023	281,732	6,751	288,483
2024	110,508	1,790	112,298
2025	48,148	531	48,679
2026	16,544	55	16,599
Total Minimum Rentals	<u>\$ 859,112</u>	<u>\$ 24,987</u>	<u>\$ 884,099</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The effective interest rate on capital leases is 2.130% to 3.005%.

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2022	\$ 709,248	\$ 28,100	\$ 737,348
2023	502,518	11,961	514,479
2024	195,800	3,171	198,971
2025	85,309	941	86,250
2026	29,314	97	29,411
Total Minimum Rentals	\$ 1,522,189	\$ 44,270	\$ 1,566,459

The effective interest rate on capital leases is 1.320% to 3.005%.

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 2021, 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

H. Pension Plans

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

Benefits Provided

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

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, 2020</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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	168
Inactive Employees Entitled to but not Yet Receiving Benefits	92
Active Employees	<u>171</u>
Total Plan Employees	<u><u>431</u></u>

Contributions

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

Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.44% and 17.98% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021 were \$1,721,951 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, 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	2.05% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	25 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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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).

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.

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 12/31/2019	\$ 58,550,942	\$ 49,489,183	\$ (9,061,759)
Service Cost	1,583,348		(1,583,348)
Interest (on the Total Pension Liability)	3,875,065		(3,875,065)
Changes of Assumption			-
Difference Between Expected and Actual Experience	(165,446)		165,446
Contributions - Employer		1,753,245	1,753,245
Contributions - Employee		703,711	703,711
Net Investment Income		3,730,972	3,730,972
Benefit Payments	(3,161,969)	(3,161,969)	
Administrative Expense		(24,166)	(24,166)
Proportionate Share Adjustment		65,154	65,154
Other		(943)	(943)
Balance 12/31/2020	<u>\$ 60,681,940</u>	<u>\$ 52,555,187</u>	<u>\$ (8,126,753)</u>

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

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

<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
\$ (16,531,133)	\$ (8,126,753)	\$ (1,257,801)

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

For the year ended September 30, 2021, the City recognized pension expense of \$912,727 and calculated as shown below:

Total Service Cost	\$ 1,583,348
Interest on the Total Pension Liability	3,875,065
Employee Contributions (Reduction of Expense)	(703,711)
Projected Earnings on Plan Investments (Reduction of Expense)	(3,321,073)
Administrative Expense	24,166
Other Changes in Fiduciary Net Position	943
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	(24,389)
Recognition of Current Year Outflow (Inflow) of Resources-Assets	<u>(521,622)</u>
Total Pension Expense	<u><u>\$ 912,727</u></u>

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows and Inflows of Resources - Pension Plan</u>	<u>Plan Year</u>	<u>Amount</u>	<u>Remaining Period (Years)</u>
Employer Contribution Deferrals	2020	\$ 1,212,792	1.000
Differences Between Projected and Actual Investment Earnings	2017	(567,499)	1.000
Differences Between Projected and Actual Investment Earnings	2018	1,757,151	2.000
Differences Between Projected and Actual Investment Earnings	2019	(2,250,578)	3.000
Differences Between Projected and Actual Investment Earnings	2020	(327,919)	4.000
Change in Assumptions	2019	36,228	1.070
Differences Between Expected and Actual Economic Experience	2018	(25,472)	0.280
Differences Between Expected and Actual Economic Experience	2019	128,015	1.070
Differences Between Expected and Actual Economic Experience	2020	<u>(113,744)</u>	2.200
Total Deferred Outflows and Inflows of Resources		<u><u>\$ (151,026)</u></u>	

\$1,212,792 of employer contribution deferral will be fully amortized in fiscal year 2021-2022. 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>Pension (Benefit) Expense</u>
2021	\$ 768,018
2022	5,445
2023	(842,510)
2024	<u>(81,979)</u>
	<u><u>\$ (151,026)</u></u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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

	<u>December 31, 2020</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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

At the December 31, 2020 valuation and measurement date, the following amounts represented employees covered by the benefit terms:

	<u>Total Pension Liability</u>
Retirees and Beneficiaries	\$ 11,624,446
Active Employees	<u>13,745,988</u>
Total Plan Employees - Pension Liability	<u>\$ 25,370,434</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 2020 and 2021. The City's contributions to BSFRRF for the year ended September 30, 2021 were \$724,202 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2020, 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, 2020 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 2020 projection

Changes in assumptions during the plan year 2020 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%	5.00%
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 12/31/2019	\$ 23,523,921	\$ 13,247,915	\$ (10,276,006)
Service Cost	728,142		(728,142)
Interest (on the Total Pension Liability)	1,800,220		(1,800,220)
Changes in Assumptions and Differences in Experience	648,069		(648,069)
Contributions - Employee		615,342	615,342
Contributions - Employer		710,010	710,010
Net Investment Income		1,866,296	1,866,296
Benefit Payments	(1,329,918)	(1,329,918)	
Administrative Expense		(88,258)	(88,258)
Balance 12/31/2020	<u>\$ 25,370,434</u>	<u>\$ 15,021,387</u>	<u>\$ (10,349,047)</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>
\$ (13,545,881)	\$ (10,349,047)	\$ (7,734,823)

Pension Expense and Deferred Outflows and Inflows of Resources

Pension Expense for the year ended September 30, 2021 is as follows:

Total Service Cost	\$ 728,142
Interest on the Total Pension Liability	1,800,220
Employee Contributions (Reduction of Expense)	(615,342)
Projected Earnings on Plan Investments (Reduction of Expense)	(1,027,498)
Administrative Expense	88,258
Amortization of Deferred Inflows and Outflows	<u>(265,824)</u>
Total Pension Expense	<u>\$ 707,956</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows and Inflows of Resources related to the pension plan at September 30, 2021 were made up of as follows and will be amortized according to the table below:

<u>Deferred Outflows and Inflows of Resources - Pension Plan</u>	<u>Amount</u>	<u>Amortization Period</u>
Employer Contribution Deferrals	\$ 467,843	1.000
Differences Between Projected and Actual Investment Earnings	(171,733)	1.000
Differences Between Projected and Actual Investment Earnings	630,863	2.000
Differences Between Projected and Actual Investment Earnings	(914,069)	3.000
Differences Between Projected and Actual Investment Earnings	(671,039)	4.000
Changes in Assumptions	125,377	1.880
Changes in Assumptions	164,855	3.030
Experience Differences	(110,245)	1.880
Experience Differences	341,176	3.030
Total Deferred Outflows of Resources	<u>\$ (136,972)</u>	

Employer contributions of \$467,843 related to contributions subsequent to the plan measurement date will be fully amortized in 2021-2022. Total amounts will be amortized as follows:

<u>Plan Year</u>	<u>Pension (Benefit) Expense</u>
2022	\$ 190,896
2023	(2,971)
2024	(377,089)
2025	(61,167)
2026 and thereafter	113,359
	<u>\$ (136,972)</u>

Pension Plan Fiduciary Net Position

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

I. Self-Insurance

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

	Liability Balance at <u>10-01-20</u>	Change in Claims and Estimates	Claim Payments	Liability Balance at <u>9-30-21</u>	Total <u>ISF Funds</u>
Health Insurance Claims	\$ 156,667	\$ 1,881,595	\$ 1,858,956	\$ 179,306	\$
Workers' Compensation Claims	186,056	168,653	179,743	174,966	354,272

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 \$179,306 at September 30, 2021.

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 \$174,966 at September 30, 2021.

J. Other Post-Employment Benefits (OPEB)

Big Spring Retiree Health Insurance Plan

Plan Description

The City sponsors and administers an informal single-employer health/dental plan, which is available for employees who retire with a minimum of 20 years of service or five consecutive years of service at age 60 or above, at the time of qualified retirement to continue receiving medical coverage until they are age 65 and qualify for Medicare. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the person and the person's dependents unless the person is eligible for group

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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	18
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>219</u>
Total Plan Employees	<u><u>237</u></u>

Total OPEB Liability

The City's total OPEB liability of \$5,569,287 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2019	\$ 5,100,473
Changes for the year:	
Service Cost	352,626
Interest on Total OPEB Liability	145,871
Experience Differences	(500,097)
Effect of Assumptions Changes or Inputs	415,188
Benefit Payments	<u>55,226</u>
Balance as of December 31, 2020	<u><u>\$ 5,569,287</u></u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Actuarial Methods and Assumptions

Actuarial Cost Method	Individual Entry Age
Discount Rate	2.00% as of December 31, 2020 - 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, 2021.
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 7.00% declining to an ultimate rate of 4.25% after 13 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.

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
Total OPEB Liability	\$ <u>6,154,551</u>	\$ <u>5,569,287</u>	\$ <u>5,043,700</u>
	1% Decrease in HCT Rate	Current HCT Rate Assumption	1% Increase in HCT Rate
Total OPEB Liability	\$ <u>4,888,278</u>	\$ <u>5,569,287</u>	\$ <u>6,392,958</u>

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$497,662. At September 30, 2021, 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
Experience Differences	\$	\$ 873,010
Changes in Assumptions	<u>847,517</u>	<u></u>
	<u>\$ 847,517</u>	<u>\$ 873,010</u>

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

	OPEB (Benefit) Expense
2022	\$ (836)
2023	(836)
2024	(836)
2025	(3,575)
2026	(17,237)
Thereafter	<u>(2,173)</u>
	<u>\$ (25,493)</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

TMRS – Supplemental Death Benefit Fund

Plan Description

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

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

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	121
Inactive Employees Entitled to but not Yet Receiving Benefits	23
Active Employees	173
Total Plan Employees	<u>317</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Total OPEB Liability

The City's total OPEB liability of \$897,681 was measured as of December 31, 2020 and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2019	\$ 799,079
Changes for the year:	
Service Cost	29,154
Interest on Total OPEB Liability	22,187
Effect of Assumptions Changes or Inputs	109,031
Benefit Payments	(11,059)
Other	(1,345)
Experience Differences	(49,366)
Balance as of December 31, 2020	<u>\$ 897,681</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2020 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 11.5% including inflation
Discount Rate	2.00% - Assumption Change for 2020
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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. As of December 31, 2020, the rate of 2.00% is based on the Fidelity Index's "20 Year Municipal GO AA Index" rate.

Annuity Purchase Rates

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

Experience Studies

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 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 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 2019 to 2020.

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 2.00%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.00%) or 1 percentage point higher (3.00%) 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 (1.00%)	Discount Rate (2.00%)	1% Increase in Discount Rate (3.00%)
Total OPEB Liability	\$ <u>(1,079,071)</u>	\$ <u>(897,681)</u>	\$ <u>(756,410)</u>

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

For the year ended September 30, 2021, the City recognized OPEB expense of \$88,374. At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 136,628	\$
Difference in Expected and Actual Experience		71,873
Contributions Made Subsequent to Measurement Date	<u>20,910</u>	
	<u>\$ 157,538</u>	<u>\$ 71,873</u>

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

	<u>OPEB (Benefit) Expense</u>
2021	\$ 50,435
2022	17,450
2023	13,234
2024	<u>4,546</u>
	<u>\$ 85,665</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

K. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by 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.

2. Litigation

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

M. Closure and Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,220,560 reported as landfill closure and post-closure care liability at September 30, 2021, represents the cumulative amount reported to date based on the use of 91.69% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$291,789 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 2021. 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, 2021 the City has designated an investment in the amount of \$4,411,774 for this purpose.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2021
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>12/31/2020</u>
	Total Pension Liability	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	\$ 1,583,383
Interest	3,098,627	3,234,983	3,282,390	3,431,109	3,568,366	3,697,686	3,875,148
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)
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	(165,449)
Other	15,116		(3,284)	(106,349)	40,647	(5,463)	(15,136)
Net Change	\$ 1,940,132	\$ 2,494,581	\$ 2,492,354	\$ 1,813,061	\$ 1,961,567	\$ 2,855,186	\$ 2,115,909
Beginning Balance	44,944,061	46,884,193	49,378,774	51,871,128	53,684,189	55,645,756	58,500,942
Ending Balance	\$ 46,884,193	\$ 49,378,774	\$ 51,871,128	\$ 53,684,189	\$ 55,645,756	\$ 58,500,942	\$ 60,616,851
	<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>	<u>Fiduciary Net Position</u>
Employee Contributions	\$ 621,774	\$ 621,181	\$ 614,825	\$ 614,208	\$ 628,446	\$ 645,817	\$ 703,726
Employer Contributions	1,513,350	1,463,901	1,414,975	1,485,185	1,560,343	1,585,939	1,753,283
Net Investment Income	2,114,041	56,638	2,562,669	5,517,900	(1,352,712)	6,672,658	3,731,053
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)
Administration Expenses	(22,073)	(33,192)	(28,947)	(28,605)	(26,155)	(37,730)	(24,166)
Other	10,616	32,233	(1,561)	(54,123)	(1,366)	(1,134)	(944)
Net Change	\$ 1,780,946	\$ (574,476)	\$ 2,121,229	\$ 5,091,055	\$ (1,968,237)	\$ 6,093,242	\$ 3,000,915
Beginning Balance	36,945,424	38,726,370	38,151,894	40,273,123	45,364,178	43,395,941	49,489,183
Ending Balance	\$ 38,726,370	\$ 38,151,894	\$ 40,273,123	\$ 45,364,178	\$ 43,395,941	\$ 49,489,183	\$ 52,490,098
Net Pension Liability	\$ 8,157,823	\$ 11,226,880	\$ 11,598,005	\$ 8,320,011	\$ 12,249,815	\$ 9,011,759	\$ 8,126,753
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%	77.64%	84.50%	77.99%	84.60%	86.59%
Covered Payroll	\$ 8,616,222	\$ 8,972,306	\$ 8,790,799	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%	131.93%	94.82%	136.45%	97.68%	80.84%

Note: Only seven years of GASB 68 data available as of 12/31/2020. The remaining three 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, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989	\$ 1,466,109	\$ 2,136,581	\$ 1,602,352	\$ 1,656,458	\$ 1,721,951
Actual Contributions	1,508,017	2,066,989	1,466,109	2,136,581	1,602,352	1,656,458	1,721,951
Contribution Deficiency (Excess)	<u>\$ 0</u>	<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	\$ 9,664,715
Contributions as a Percentage of Covered Payroll	16.86%	22.27%	16.70%	24.35%	17.53%	17.38%	17.82%

Note: Only seven years of GASB 68 data available as of 09/30/2021. The remaining three 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, 2021**

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>12/31/2020</u>
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 453,334	\$ 453,334	\$ 506,260	\$ 545,439	\$ 569,984	\$ 696,787	\$ 728,142
Interest	1,447,905	1,564,936	1,598,125	1,562,997	1,633,082	1,710,324	1,800,220
Differences between Expected and Actual Experience			(736,630)		(520,414)		721,784
Changes in Assumptions				392,133	450,572		(73,715)
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>	<u>(1,329,918)</u>
Net Change	\$ 624,108	\$ 678,410	\$ (562,465)	\$ 1,268,723	\$ 933,351	\$ 1,209,469	\$ 1,846,513
Beginning Balance	19,372,325	19,996,433	20,674,843	20,112,378	21,381,101	22,314,452	23,523,921
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>\$ 25,370,434</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>	<u>Fiduciary Net Position</u>
Employee Contributions	\$ 496,045	\$ 525,572	\$ 519,916	\$ 488,555	\$ 549,091	\$ 650,969	\$ 615,342
Employer Contributions	496,046	525,572	519,916	488,555	633,568	565,707	710,010
Net Investment Income	594,840	(107,469)	691,060	1,655,622	(670,805)	492,136	3,744,192
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)	(1,329,918)
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>	<u>(88,258)</u>
Net Change	\$ 229,743	\$ (457,516)	\$ (300,256)	\$ 1,293,072	\$ (789,365)	\$ 467,061	\$ 3,651,368
Beginning Balance	10,927,280	11,157,023	10,699,507	10,399,251	11,692,323	10,902,958	11,370,019
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>	<u>\$ 15,021,387</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>	<u>\$ 10,349,047</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%	51.71%	54.69%	48.86%	48.33%	59.21%
Covered Payroll	\$ 3,634,001	\$ 4,042,862	\$ 3,766,262	\$ 3,758,115	\$ 4,259,859	\$ 4,259,859	\$ 4,501,839
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%	257.90%	257.81%	267.88%	285.31%	229.88%

Note: Only seven years of GASB 68 data available as of 12/31/2020. The remaining three 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, 2021**

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>	<u>9/30/2021</u>
Actuarially Determined Contribution	\$ 511,584	\$ 546,693	\$ 491,271	\$ 578,137	\$ 662,471	\$ 671,934	\$ 724,202
Actual Contributions	<u>511,584</u>	<u>546,693</u>	<u>491,271</u>	<u>578,137</u>	<u>662,471</u>	<u>671,934</u>	<u>724,202</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<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	\$ 4,828,013
Contributions as a Percentage of Covered Payroll	13.00%	13.00%	13.00%	16.95%	15.00%	15.00%	15.00%

Note: Only seven years of GASB 68 data available as of 09/30/2021. The remaining three years of data will be built on a go forward basis.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TMRS - SUPPLEMENTAL DEATH BENEFIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 20,080	\$ 24,240	\$ 21,220	\$ 29,154
Interest	22,350	22,472	28,716	22,187
Benefit Payments	(6,985)	(8,080)	(9,226)	(11,059)
Differences Between Expected and Actual Experience		101,508	(126,874)	(49,366)
Changes in Assumption	47,404	(42,596)	117,216	109,031
Other		3,262	(342)	(1,345)
Net Change	\$ 82,849	\$ 100,806	\$ 30,710	\$ 98,602
Beginning Balance	584,714	667,563	768,369	799,079
Ending Balance	<u>\$ 667,563</u>	<u>\$ 768,369</u>	<u>\$ 799,079</u>	<u>\$ 897,681</u>
Total OPEB Liability	<u>\$ 667,563</u>	<u>\$ 768,369</u>	<u>\$ 799,079</u>	<u>\$ 897,681</u>
Covered Payroll	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002
Total OPEB Liability as a Percentage of Covered Payroll	7.61%	8.56%	8.66%	8.93%

Note: Only four years of GASB 75 data available as of 12/31/2020. The remaining six 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, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020
	Total OPEB	Total OPEB	Total OPEB	Total OPEB
	Liability	Liability	Liability	Liability
Service Cost	\$ 234,314	\$ 275,511	\$ 270,360	\$ 352,626
Interest	151,828	146,777	170,727	145,871
Differences between Expected and Actual Experience	(49,191)	(360,876)	(245,245)	(500,097)
Benefit Payments	194,116	17,670	5,114	55,226
Changes in Assumptions	(222,312)	97,236	435,451	415,188
 Net Change	 \$ 308,755	 \$ 176,318	 \$ 636,407	 \$ 468,814
 Beginning Balance	 3,978,993	 4,287,748	 4,464,066	 5,100,473
Ending Balance	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473	\$ 5,569,287
Total OPEB Liability	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473	\$ 5,569,287
 Covered Payroll	 \$ 10,106,139	 \$ 13,237,648	 \$ 13,680,635	 \$ 14,966,152
 Total OPEB Liability as a Percentage of Covered Payroll	 42.43%	 33.72%	 37.28%	 37.21%

Note: Only four years of GASB 75 data available as of 12/31/2020. The remaining six 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.

-75-
CITY OF BIG SPRING, TEXAS

EXHIBIT B-7

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

REQUIRED SUPPLEMENTARY INFORMATION

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 6,385,000	\$ 6,385,000	\$ 6,645,132	\$ 260,132
General Sales Taxes	6,000,000	6,000,000	7,936,498	1,936,498
Gross Receipts Business Taxes	1,457,800	1,457,800	1,572,543	114,743
License and Permits	417,730	417,730	540,930	123,200
Intergovernmental	1,425,300	1,425,300	1,560,506	135,206
Charges for Services			400	400
Fines	213,735	213,735	207,003	(6,732)
Recreation	872,100	872,100	1,042,544	170,444
Investment Earnings	50,000	50,000	20,170	(29,830)
Rents and Royalties	853,750	853,750	1,412,778	559,028
Miscellaneous	64,450	64,450	921,640	857,190
Contributions and Donations			2,650	2,650
Total Revenues	<u>\$ 17,739,865</u>	<u>\$ 17,739,865</u>	<u>\$ 21,862,794</u>	<u>\$ 4,122,929</u>
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 578,070	\$ 578,070	\$ 379,049	\$ 199,021
City Council (110)	146,926	146,926	227,960	(81,034)
Finance (120)	633,787	633,787	662,093	(28,306)
City Manager (130)	241,907	241,907	580,883	(338,976)
Information Technology (140)	269,301	269,301	319,472	(50,171)
Legal (150)	367,733	367,733	385,137	(17,404)
Human Resources (160)	457,575	457,575	457,989	(414)
Special Projects (170)	50,000	50,000		50,000
Planning Department (190)			20,636	(20,636)
Public Safety				
Police (200)	5,973,409	5,973,409	5,717,127	256,282
Narcotics Task Force (201)	511,255	511,255	369,139	142,116
Fire (210)	4,338,208	4,338,208	5,006,904	(668,696)
Municipal Court (220)	326,590	326,590	335,958	(9,368)
Fire Marshal (230)	146,057	146,057	158,841	(12,784)
Animal Control (240)	312,393	312,393	275,426	36,967
Highways and Streets				
Code Enforcement (300)	397,495	397,495	494,408	(96,913)
General Maintenance (310)	79,299	79,299	63,585	15,714
Streets (320)	2,254,205	2,254,205	1,911,956	342,249
Recreation and Parks				
Parks (370)	446,804	446,804	472,055	(25,251)
Sports Complex (375)	324,094	324,094	335,943	(11,849)
Swimming Pool (380)	259,458	259,458	289,749	(30,291)
Golf Course (390)	784,298	784,298	769,901	14,397
Lake (410)	29,744	29,744	29,549	195
City Hall (420)	82,500	82,500	82,708	(208)
Debt Service:				
Principal	664,364	639,835	665,641	(25,806)
Interest	40,848	65,377	40,465	24,912
Total Expenditures	<u>\$ 19,716,320</u>	<u>\$ 19,716,320</u>	<u>\$ 20,052,574</u>	<u>\$ (336,254)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,976,455)</u>	<u>\$ (1,976,455)</u>	<u>\$ 1,810,220</u>	<u>\$ 3,786,675</u>
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 612,098	\$ 612,098	\$ 682,108	\$ 70,010
Total Other Financing Sources	<u>\$ 612,098</u>	<u>\$ 612,098</u>	<u>\$ 682,108</u>	<u>\$ 70,010</u>
Net Change in Fund Balances	\$ (1,364,357)	\$ (1,364,357)	\$ 2,492,328	\$ 3,856,685
Fund Balances - Beginning	<u>9,362,120</u>	<u>9,362,120</u>	<u>9,362,120</u>	
Fund Balances - Ending	<u>\$ 7,997,763</u>	<u>\$ 7,997,763</u>	<u>\$ 11,854,448</u>	

The accompanying notes are an integral part of this statement.

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 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 2020 projection

Other Information:

Changes in Benefits:

There were no benefit changes during the year.

Changes in Assumptions:

The projection scale was updated to the MP2020 table for the 12/31/20 valuation.

-78-
CITY OF BIG SPRING, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2021

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).

EXCESS EXPENDITURES OVER APPROPRIATIONS

The excess expenditures over appropriations for the General Fund were covered by available unassigned fund balance.

**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, 2021

	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	\$ 1,423,056	\$ 109,402	\$ 81,195	\$ 351,519	\$ 1,965,172
Receivables (Net of Allowance for Uncollectibles)	87,062	15,671	38,748		141,481
Prepaid Items	896				896
Total Assets	<u>\$ 1,511,014</u>	<u>\$ 125,073</u>	<u>\$ 119,943</u>	<u>\$ 351,519</u>	<u>\$ 2,107,549</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 33,237	\$	\$	\$	\$ 33,237
Retainage Payable	32,076				32,076
Accrued Wages	18,291				18,291
Due to Other Funds	28,259				28,259
Unearned Revenue	62,872				62,872
Customer Deposits	17,425				17,425
Total Liabilities	<u>\$ 192,160</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 192,160</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$	\$ 15,671	\$ 38,748	\$	\$ 54,419
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 15,671</u>	<u>\$ 38,748</u>	<u>\$ 0</u>	<u>\$ 54,419</u>
Fund Balances:					
Nonspendable Fund Balances:					
Prepays	\$ 896	\$	\$	\$	\$ 896
Cemetery Permanent Care				351,519	351,519
Restricted Fund Balances:					
Restricted for Advertising and Promotions	985,411				985,411
Restricted for Court Security	11,749				11,749
Restricted for Court Technology	461				461
Restricted for Public, Educational and Governmental Television Access	223,848				223,848
Restricted for Public Safety Improvements	16,469				16,469
Restricted for Debt Service		109,402	81,195		190,597
Restricted for Senior Citizen's Center	112,039				112,039
Committed Fund Balances:					
Committed for Employee Education	63,783				63,783
Committed for Cemetery Operations	(95,802)				(95,802)
Total Fund Balances	<u>\$ 1,318,854</u>	<u>\$ 109,402</u>	<u>\$ 81,195</u>	<u>\$ 351,519</u>	<u>\$ 1,860,970</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,511,014</u>	<u>\$ 125,073</u>	<u>\$ 119,943</u>	<u>\$ 351,519</u>	<u>\$ 2,107,549</u>

-80-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund 2020 G.O. Refunding Bonds</u>	<u>Debt Service Fund 2016 G.O. Refunding Bonds</u>	<u>Permanent Fund Cemetery Permanent Care</u>	<u>Total Nonmajor Governmental Funds (See Exhibit A-5)</u>
Revenue:					
Taxes					
General Property Taxes	\$	\$ 362,500	\$ 907,073	\$	\$ 1,269,573
Gross Receipts Business Tax	45,478				45,478
Motel Occupancy Taxes	1,086,370				1,086,370
Intergovernmental	114,487				114,487
Charges for Services	50,270				50,270
Fines	14,156				14,156
Investment Earnings	3,417	356	342	185	4,300
Rents and Royalties	118,638				118,638
Miscellaneous	4,080				4,080
Contributions and Donations	20,000				20,000
Total Revenue	<u>\$ 1,456,896</u>	<u>\$ 362,856</u>	<u>\$ 907,415</u>	<u>\$ 185</u>	<u>\$ 2,727,352</u>
Expenditures:					
Current					
General Government	\$ 37,461	\$	\$	\$	\$ 37,461
Community Service	386,168				386,168
Economic Development	945,658				945,658
Cemetery	157,858				157,858
Debt Service					
Principal	20,067	205,000	790,000		1,015,067
Interest	1,171	86,900	151,000		239,071
Total Expenditures	<u>\$ 1,548,383</u>	<u>\$ 291,900</u>	<u>\$ 941,000</u>	<u>\$ 0</u>	<u>\$ 2,781,283</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (91,487)</u>	<u>\$ 70,956</u>	<u>\$ (33,585)</u>	<u>\$ 185</u>	<u>\$ (53,931)</u>
Other Financing Sources (Uses):					
Transfers In (Out)	\$ 158,746	\$	\$	\$ (185)	\$ 158,561
Total Other Financing Sources (Uses)	<u>\$ 158,746</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (185)</u>	<u>\$ 158,561</u>
Net Change in Fund Balances	\$ 67,259	\$ 70,956	\$ (33,585)	\$ 0	\$ 104,630
Fund Balances - Beginning	<u>1,251,595</u>	<u>38,446</u>	<u>114,780</u>	<u>351,519</u>	<u>1,756,340</u>
Fund Balances - Ending	<u>\$ 1,318,854</u>	<u>\$ 109,402</u>	<u>\$ 81,195</u>	<u>\$ 351,519</u>	<u>\$ 1,860,970</u>

-81-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2021**

ASSETS	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:										
Cash and Cash Equivalents	\$ 63,783	\$ 10,709	\$ 461	\$	\$ 127,036	\$ 223,848	\$ 980,750	\$ 16,214	\$ 255	\$ 1,423,056
Receivables (Net of Allowance for Uncollectibles)		1,040		2,699			83,323			87,062
Prepaid Items				896						896
Total Assets	\$ 63,783	\$ 11,749	\$ 461	\$ 3,595	\$ 127,036	\$ 223,848	\$ 1,064,073	\$ 16,214	\$ 255	\$ 1,511,014
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts Payable	\$	\$	\$	\$ 2,734	\$ 9,146	\$	\$ 21,357	\$	\$	\$ 33,237
Retainage Payable							32,076			32,076
Accrued Wages				4,636	5,851		7,804			18,291
Due to Other Funds				28,259						28,259
Unearned Revenue				62,872						62,872
Customer Deposits							17,425			17,425
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 98,501	\$ 14,997	\$ 0	\$ 78,662	\$ 0	\$ 0	\$ 192,160
Fund Balances:										
Nonspendable Fund Balances:										
Prepays	\$	\$	\$	\$ 896	\$	\$	\$	\$	\$	\$ 896
Restricted Fund Balances:										
Restricted for Advertising and Promotions							985,411			985,411
Restricted for Court Security		11,749								11,749
Restricted for Court Technology			461							461
Restricted for Public, Educational and Governmental Television Access						223,848				223,848
Restricted for Public Safety Improvements								16,214	255	16,469
Restricted for Senior Citizen's Center					112,039					112,039
Committed Fund Balances:										
Committed for Employee Education	63,783									63,783
Committed for Cemetery Operations				(95,802)						(95,802)
Total Fund Balances	\$ 63,783	\$ 11,749	\$ 461	\$ (94,906)	\$ 112,039	\$ 223,848	\$ 985,411	\$ 16,214	\$ 255	\$ 1,318,854
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 63,783	\$ 11,749	\$ 461	\$ 3,595	\$ 127,036	\$ 223,848	\$ 1,064,073	\$ 16,214	\$ 255	\$ 1,511,014

-82-
CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021**

	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-2)
Revenue:										
Taxes										
Gross Receipts Business Tax	\$	\$	\$	\$	\$	\$ 45,478	\$	\$	\$	\$ 45,478
Motel Occupancy Taxes							1,086,370			1,086,370
Intergovernmental					114,487					114,487
Charges for Services	32,578				17,692					50,270
Fines		9,145	5,011							14,156
Investment Earnings	99	11	10	1,008	245	436	1,577	31		3,417
Rents and Royalties				88,123			30,515			118,638
Miscellaneous		702		388			2,734			4,080
Contributions and Donations					20,000					20,000
Total Revenue	\$ 32,677	\$ 9,858	\$ 5,021	\$ 89,519	\$ 152,680	\$ 45,914	\$ 1,121,196	\$ 31	\$ 0	\$ 1,456,896
Expenditures:										
Current										
General Government	\$	\$	\$	\$	\$	\$ 37,461	\$	\$	\$	\$ 37,461
Community Service					386,168					386,168
Economic Development							945,658			945,658
Cemetery				157,858						157,858
Debt Service										
Principal				14,415			5,652			20,067
Interest				935			236			1,171
Total Expenditures	\$ 0	\$ 0	\$ 0	\$ 173,208	\$ 386,168	\$ 37,461	\$ 951,546	\$ 0	\$ 0	\$ 1,548,383
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 32,677	\$ 9,858	\$ 5,021	\$ (83,689)	\$ (233,488)	\$ 8,453	\$ 169,650	\$ 31	\$ 0	\$ (91,487)
Other Financing Sources (Uses):										
Transfers In (Out)	\$ (4,158)	\$	\$	\$ 185	\$ 245,000	\$ (5,451)	\$ (76,830)	\$	\$	\$ 158,746
Total Other Financing Sources (Uses)	\$ (4,158)	\$ 0	\$ 0	\$ 185	\$ 245,000	\$ (5,451)	\$ (76,830)	\$ 0	\$ 0	\$ 158,746
Net Change in Fund Balances	\$ 28,519	\$ 9,858	\$ 5,021	\$ (83,504)	\$ 11,512	\$ 3,002	\$ 92,820	\$ 31	\$ 0	\$ 67,259
Fund Balances - Beginning	35,264	1,891	(4,560)	(11,402)	100,527	220,846	892,591	16,183	255	1,251,595
Fund Balances - Ending	\$ 63,783	\$ 11,749	\$ 461	\$ (94,906)	\$ 112,039	\$ 223,848	\$ 985,411	\$ 16,214	\$ 255	\$ 1,318,854

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 1,080,200	\$ 1,080,200	\$ 1,086,370	\$ 6,170
Investment Earnings	1,500	1,500	1,577	77
Rents and Royalties	40,000	40,000	30,515	(9,485)
Miscellaneous	4,010	4,010	2,734	(1,276)
Contributions and Donations	1,000	1,000		(1,000)
Total Revenues	<u>\$ 1,126,710</u>	<u>\$ 1,126,710</u>	<u>\$ 1,121,196</u>	<u>\$ (5,514)</u>
Expenditures:				
Economic Development	\$ 1,115,476	\$ 1,115,476	\$ 945,658	\$ 169,818
Debt Service:				
Principal	4,796	4,796	5,652	(856)
Interest	1,092	1,092	236	856
Total Expenditures	<u>\$ 1,121,364</u>	<u>\$ 1,121,364</u>	<u>\$ 951,546</u>	<u>\$ 169,818</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,346</u>	<u>\$ 5,346</u>	<u>\$ 169,650</u>	<u>\$ 164,304</u>
Other Financing Uses:				
Transfers Out	<u>\$ (76,830)</u>	<u>\$ (76,830)</u>	<u>\$ (76,830)</u>	<u>\$ 0</u>
Total Other Financing Uses	<u>\$ (76,830)</u>	<u>\$ (76,830)</u>	<u>\$ (76,830)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (71,484)	\$ (71,484)	\$ 92,820	\$ 164,304
Fund Balances - Beginning	<u>892,591</u>	<u>892,591</u>	<u>892,591</u>	<u></u>
Fund Balances - Ending	<u><u>\$ 821,107</u></u>	<u><u>\$ 821,107</u></u>	<u><u>\$ 985,411</u></u>	<u><u>\$ 164,304</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Charges for Services	\$ 15,000	\$ 15,000	\$ 32,578	\$ 17,578
Investment Earnings	200	200	99	(101)
Total Revenues	<u>\$ 15,200</u>	<u>\$ 15,200</u>	<u>\$ 32,677</u>	<u>\$ 17,477</u>
Expenditures:				
Current				
General Government	\$ 10,000	\$ 10,000	\$	\$ 10,000
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 10,000</u>	<u>\$ 0</u>	<u>\$ 10,000</u>
Excess of Revenues Over Expenditures	<u>\$ 5,200</u>	<u>\$ 5,200</u>	<u>\$ 32,677</u>	<u>\$ 27,477</u>
Other Financing Sources (Uses):				
Transfers Out	\$ (4,158)	\$ (4,158)	\$ (4,158)	\$ 0
Total Other Financing Sources (Uses)	<u>\$ (4,158)</u>	<u>\$ (4,158)</u>	<u>\$ (4,158)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 1,042	\$ 1,042	\$ 28,519	\$ 27,477
Fund Balances - Beginning	<u>35,264</u>	<u>35,264</u>	<u>35,264</u>	
Fund Balances - Ending	<u><u>\$ 36,306</u></u>	<u><u>\$ 36,306</u></u>	<u><u>\$ 63,783</u></u>	<u><u>\$ 27,477</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-7

MUNICIPAL COURT SECURITY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 4,000	\$ 4,000	\$ 9,145	\$ 5,145
Investment Earnings	10	10	11	1
Miscellaneous			702	702
Total Revenues	<u>\$ 4,010</u>	<u>\$ 4,010</u>	<u>\$ 9,858</u>	<u>\$ 5,848</u>
Expenditures:				
Current				
Public Safety	<u>\$ 4,900</u>	<u>\$ 4,900</u>	<u>\$</u>	<u>\$ 4,900</u>
Total Expenditures	<u>\$ 4,900</u>	<u>\$ 4,900</u>	<u>\$ 0</u>	<u>\$ 4,900</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (890)</u>	<u>\$ (890)</u>	<u>\$ 9,858</u>	<u>\$ 10,748</u>
Net Change in Fund Balances	<u>\$ (890)</u>	<u>\$ (890)</u>	<u>\$ 9,858</u>	<u>\$ 10,748</u>
Fund Balances - Beginning	<u>1,891</u>	<u>1,891</u>	<u>1,891</u>	
Fund Balances - Ending	<u><u>\$ 1,001</u></u>	<u><u>\$ 1,001</u></u>	<u><u>\$ 11,749</u></u>	<u><u>\$ 10,748</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 6,500	\$ 6,500	\$ 5,011	\$ (1,489)
Investment Earnings	80	80	10	(70)
Total Revenues	<u>\$ 6,580</u>	<u>\$ 6,580</u>	<u>\$ 5,021</u>	<u>\$ (1,559)</u>
Expenditures:				
Current				
Public Safety	\$ 1,500	\$ 29,651	\$	\$ 29,651
Total Expenditures	<u>\$ 1,500</u>	<u>\$ 29,651</u>	<u>\$ 0</u>	<u>\$ 29,651</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 5,080</u>	<u>\$ (23,071)</u>	<u>\$ 5,021</u>	<u>\$ 28,092</u>
Net Change in Fund Balances	\$ 5,080	\$ (23,071)	\$ 5,021	\$ 28,092
Fund Balances - Beginning	<u>(4,560)</u>	<u>(4,560)</u>	<u>(4,560)</u>	
Fund Balances - Ending	<u>\$ 520</u>	<u>\$ (27,631)</u>	<u>\$ 461</u>	<u>\$ 28,092</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

CEMETERY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Investment Earnings	\$ 400	\$ 400	\$ 1,008	\$ 608
Rents and Royalties	77,600	77,600	88,123	10,523
Fines		25		(25)
Miscellaneous			388	
Total Revenues	<u>\$ 78,000</u>	<u>\$ 78,025</u>	<u>\$ 89,519</u>	<u>\$ 11,106</u>
Expenditures:				
Cemetery	\$ 192,658	\$ 142,658	\$ 157,858	\$ (15,200)
Debt Service:				
Principal Payments	16,846	16,846	14,415	2,431
Interest	935	935	935	0
Total Expenditures	<u>\$ 210,439</u>	<u>\$ 160,439</u>	<u>\$ 173,208</u>	<u>\$ (12,769)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (132,439)</u>	<u>\$ (82,414)</u>	<u>\$ (83,689)</u>	<u>\$ (1,663)</u>
Other Financing Sources:				
Transfers In	\$ 71,500	\$ 71,500	\$ 185	\$ (71,315)
Capital Lease	62,500	62,500		(62,500)
Total Other Financing Sources	<u>\$ 134,000</u>	<u>\$ 134,000</u>	<u>\$ 185</u>	<u>\$ (133,815)</u>
Net Change in Fund Balances	\$ 1,561	\$ 51,586	\$ (83,504)	\$ (135,090)
Fund Balances - Beginning	<u>(11,402)</u>	<u>(11,402)</u>	<u>(11,402)</u>	
Fund Balances - Ending	<u><u>\$ (9,841)</u></u>	<u><u>\$ 40,184</u></u>	<u><u>\$ (94,906)</u></u>	<u><u>\$ (135,090)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

SENIOR CENTER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 84,000	\$ 84,000	\$ 114,487	\$ 30,487
Charges for Services	15,070	15,070	17,692	2,622
Investment Earnings	500	500	245	(255)
Miscellaneous			256	256
Contributions and Donations			20,000	20,000
Total Revenues	<u>\$ 99,570</u>	<u>\$ 99,570</u>	<u>\$ 152,680</u>	<u>\$ 53,110</u>
Expenditures:				
Community Service	<u>\$ 393,355</u>	<u>\$ 393,355</u>	<u>\$ 386,168</u>	<u>\$ 7,187</u>
Total Expenditures	<u>\$ 393,355</u>	<u>\$ 393,355</u>	<u>\$ 386,168</u>	<u>\$ 7,187</u>
Deficiency of Revenues Under Expenditures	<u>\$ (293,785)</u>	<u>\$ (293,785)</u>	<u>\$ (233,488)</u>	<u>\$ 60,297</u>
Other Financing Sources:				
Transfers In	<u>\$ 245,000</u>	<u>\$ 245,000</u>	<u>\$ 245,000</u>	<u>\$ 0</u>
Total Other Financing Sources	<u>\$ 245,000</u>	<u>\$ 245,000</u>	<u>\$ 245,000</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (48,785)	\$ (48,785)	\$ 11,512	\$ 60,297
Fund Balances - Beginning	<u>100,527</u>	<u>100,527</u>	<u>100,527</u>	
Fund Balances - Ending	<u><u>\$ 51,742</u></u>	<u><u>\$ 51,742</u></u>	<u><u>\$ 112,039</u></u>	<u><u>\$ 60,297</u></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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Gross Receipts Business Tax	\$ 48,000	\$ 48,000	\$ 45,478	\$ (2,522)
Investment Earnings	1,000	1,000	436	(564)
Total Revenues	<u>\$ 49,000</u>	<u>\$ 49,000</u>	<u>\$ 45,914</u>	<u>\$ (3,086)</u>
Expenditures:				
General Governmental	\$ 20,144	\$ 20,144	\$ 37,461	\$ (17,317)
Total Expenditures	<u>\$ 20,144</u>	<u>\$ 20,144</u>	<u>\$ 37,461</u>	<u>\$ (17,317)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 28,856</u>	<u>\$ 28,856</u>	<u>\$ 8,453</u>	<u>\$ (20,403)</u>
Other Financing Sources:				
Transfers In	\$ (5,451)	\$ (5,451)	\$ (5,451)	\$ 0
Total Other Financing Sources	<u>\$ (5,451)</u>	<u>\$ (5,451)</u>	<u>\$ (5,451)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 23,405	\$ 23,405	\$ 3,002	\$ (20,403)
Fund Balances - Beginning	<u>220,846</u>	<u>220,846</u>	<u>220,846</u>	
Fund Balances - Ending	<u><u>\$ 244,251</u></u>	<u><u>\$ 244,251</u></u>	<u><u>\$ 223,848</u></u>	<u><u>\$ (20,403)</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, 2021

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 2,000	\$ 2,000	\$	\$ (2,000)
Investment Earnings	50	50	31	(19)
Total Revenues	<u>\$ 2,050</u>	<u>\$ 2,050</u>	<u>\$ 31</u>	<u>\$ (2,019)</u>
Expenditures:				
General Governmental	\$	\$	\$	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 2,050</u>	<u>\$ 2,050</u>	<u>\$ 31</u>	<u>\$ (2,019)</u>
Net Change in Fund Balances	\$ 2,050	\$ 2,050	\$ 31	\$ (2,019)
Fund Balances - Beginning	<u>16,183</u>	<u>16,183</u>	<u>16,183</u>	
Fund Balances - Ending	<u>\$ 18,233</u>	<u>\$ 18,233</u>	<u>\$ 16,214</u>	<u>\$ (2,019)</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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>1</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>(1)</u>
Total Revenues	\$ <u>1</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>(1)</u>
Expenditures:				
General Governmental	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Total Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Deficiency of Revenues Under Expenditures	\$ <u>1</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>(1)</u>
Net Change in Fund Balances	\$ <u>1</u>	\$ <u>1</u>	\$ <u>0</u>	\$ <u>(1)</u>
Fund Balances - Beginning	<u>255</u>	<u>255</u>	<u>255</u>	<u></u>
Fund Balances - Ending	\$ <u><u>256</u></u>	\$ <u><u>256</u></u>	\$ <u><u>255</u></u>	\$ <u><u>(1)</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, 2021

	<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	\$ 362,500	\$ 41,637
Investment Earnings	100	100	356	256
Total Revenues	<u>\$ 320,963</u>	<u>\$ 320,963</u>	<u>\$ 362,856</u>	<u>\$ 41,893</u>
Expenditures:				
Debt Service:				
Principal	\$ 200,000	\$ 200,000	\$ 205,000	\$ (5,000)
Interest and Fiscal Charges	105,088	105,088	86,900	18,188
Fiscal Agent's Fees	475	475		475
Total Expenditures	<u>\$ 305,563</u>	<u>\$ 305,563</u>	<u>\$ 291,900</u>	<u>\$ 13,663</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 15,400</u>	<u>\$ 15,400</u>	<u>\$ 70,956</u>	<u>\$ 55,556</u>
Net Change in Fund Balances	\$ 15,400	\$ 15,400	\$ 70,956	\$ 55,556
Fund Balances - Beginning	<u>38,446</u>	<u>38,446</u>	<u>38,446</u>	
Fund Balances - Ending	<u><u>\$ 53,846</u></u>	<u><u>\$ 53,846</u></u>	<u><u>\$ 109,402</u></u>	<u><u>\$ 55,556</u></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, 2021

	<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	\$ 907,073	\$ (113,728)
Investment Earnings	1,200	1,200	342	(858)
Total Revenues	<u>\$ 1,022,001</u>	<u>\$ 1,022,001</u>	<u>\$ 907,415</u>	<u>\$ (114,586)</u>
Debt Service:				
Principal	\$ 790,000	\$ 790,000	\$ 790,000	\$ 0
Interest and Fiscal Charges	150,650	150,250	151,000	(750)
Total Expenditures	<u>\$ 940,650</u>	<u>\$ 940,250</u>	<u>\$ 941,000</u>	<u>\$ (750)</u>
Excess of Revenues Over Expenditures	<u>\$ 81,351</u>	<u>\$ 81,751</u>	<u>\$ (33,585)</u>	<u>\$ (115,336)</u>
Net Change in Fund Balances	\$ 81,351	\$ 81,751	\$ (33,585)	\$ (115,336)
Fund Balances - Beginning	<u>114,780</u>	<u>114,780</u>	<u>114,780</u>	
Fund Balances - Ending	<u>\$ 196,131</u>	<u>\$ 196,531</u>	<u>\$ 81,195</u>	<u>\$ (115,336)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

CEMETERY PERMANENT CARE FUND
PERMANENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>185</u>	\$ <u>(1,815)</u>
Total Revenues	\$ <u>2,000</u>	\$ <u>2,000</u>	\$ <u>185</u>	\$ <u>(1,815)</u>
Other Financing Uses:				
Transfers Out	\$ <u>(1,500)</u>	\$ <u>(1,500)</u>	\$ <u>(185)</u>	\$ <u>1,315</u>
Total Other Financing Uses	\$ <u>(1,500)</u>	\$ <u>(1,500)</u>	\$ <u>(185)</u>	\$ <u>1,315</u>
Net Change in Fund Balances	\$ 500	\$ 500	\$ 0	\$ (500)
Fund Balances - Beginning	<u>351,519</u>	<u>351,519</u>	<u>351,519</u>	
Fund Balances - Ending	<u>\$ 352,019</u>	<u>\$ 352,019</u>	<u>\$ 351,519</u>	<u>\$ (500)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-17

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2021

	<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	\$ 29,368	\$ 854,630	\$ 1,147,594	\$ 64,155	\$ 2,095,747
Due from Other Funds				2,151	2,151
Total Current Assets	<u>\$ 29,368</u>	<u>\$ 854,630</u>	<u>\$ 1,147,594</u>	<u>\$ 66,306</u>	<u>\$ 2,097,898</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	1,113				1,113
Total Noncurrent Assets	<u>\$ 11,113</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 11,113</u>
Total Assets	<u>\$ 40,481</u>	<u>\$ 854,630</u>	<u>\$ 1,147,594</u>	<u>\$ 66,306</u>	<u>\$ 2,109,011</u>
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 2,565	\$ 1,900	\$ 23,637	\$ 66,027	\$ 94,129
Claims and Judgments Payable		179,306	174,966		354,272
Due to Other Funds		61,778	12,680	279	74,737
Long Term Debt - Current	1,462				1,462
Total Current Liabilities	<u>\$ 4,027</u>	<u>\$ 242,984</u>	<u>\$ 211,283</u>	<u>\$ 66,306</u>	<u>\$ 524,600</u>
Noncurrent Liabilities					
Long Term Debt	\$ 423	\$	\$	\$	\$ 423
Total Noncurrent Liabilities	<u>\$ 423</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 423</u>
Total Liabilities	<u>\$ 4,450</u>	<u>\$ 242,984</u>	<u>\$ 211,283</u>	<u>\$ 66,306</u>	<u>\$ 525,023</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 9,228	\$	\$	\$	\$ 9,228
Unrestricted Net Position	26,803	611,646	936,311		1,574,760
Total Net Position	<u>\$ 36,031</u>	<u>\$ 611,646</u>	<u>\$ 936,311</u>	<u>\$ 0</u>	<u>\$ 1,583,988</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, 2021

	<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	\$ 64,441	\$ 2,929,512	\$ 554,898	\$ 3,548,851
Total Operating Revenues	<u>\$ 64,441</u>	<u>\$ 2,929,512</u>	<u>\$ 554,898</u>	<u>\$ 3,548,851</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 5,515	\$	\$	\$ 5,515
Contractual Services	14,611	2,940,070	179,743	3,134,424
Maintenance	15,650			15,650
Depreciation	1,335			1,335
Other Expense		127,532	32,434	159,966
Total Operating Expenses	<u>\$ 37,111</u>	<u>\$ 3,067,602</u>	<u>\$ 212,177</u>	<u>\$ 3,316,890</u>
Operating Income (Loss)	<u>\$ 27,330</u>	<u>\$ (138,090)</u>	<u>\$ 342,721</u>	<u>\$ 231,961</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$	\$ 942	\$ 1,132	\$ 2,074
Other Income		421,621		421,621
Interest Expense and Paying Agent Fees	(143)			(143)
Total Non-Operating Revenues (Expenses)	<u>\$ (143)</u>	<u>\$ 422,563</u>	<u>\$ 1,132</u>	<u>\$ 423,552</u>
Income (Loss) Before Transfers	\$ 27,187	\$ 284,473	\$ 343,853	\$ 655,513
Transfers In (Out)		<u>(61,647)</u>	<u>(12,680)</u>	<u>(74,327)</u>
Change in Net Position	\$ 27,187	\$ 222,826	\$ 331,173	\$ 581,186
Total Net Position - Beginning	<u>8,844</u>	<u>388,820</u>	<u>605,138</u>	<u>1,002,802</u>
Total Net Position - Ending	<u>\$ 36,031</u>	<u>\$ 611,646</u>	<u>\$ 936,311</u>	<u>\$ 1,583,988</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-19

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<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	\$ 64,441	\$ 2,929,512	\$ 554,898	\$	\$ 3,548,851
Cash Payments to Suppliers for Goods and Services	<u>(34,056)</u>	<u>(3,046,513)</u>	<u>(199,630)</u>	<u>4,054</u>	<u>(3,276,145)</u>
Net Cash from Operating Activities	<u>\$ 30,385</u>	<u>\$ (117,001)</u>	<u>\$ 355,268</u>	<u>\$ 4,054</u>	<u>\$ 272,706</u>
Cash Flows from Non-Capital Financing Activities					
Cash Transfers from (to) Other Funds	\$	\$ (5)	\$ 270,386	\$ 225	\$ 270,606
Various Reimbursements		<u>421,621</u>			<u>421,621</u>
Net Cash from Non-Capital Financing Activities	<u>\$ 0</u>	<u>\$ 421,616</u>	<u>\$ 270,386</u>	<u>\$ 225</u>	<u>\$ 692,227</u>
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	<u>(4,146)</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>(4,146)</u>
Net Cash from Capital and Related Financing Activities	<u>\$ (4,146)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (4,146)</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	<u>0</u>	<u>942</u>	<u>1,132</u>	<u>\$</u>	<u>2,074</u>
Net Cash from Investing Activities	<u>\$ 0</u>	<u>\$ 942</u>	<u>\$ 1,132</u>	<u>\$ 0</u>	<u>\$ 2,074</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 26,239	\$ 305,557	\$ 626,786	\$ 4,279	\$ 962,861
Cash and Cash Equivalents at Beginning of Year	<u>3,129</u>	<u>549,073</u>	<u>520,808</u>	<u>59,876</u>	<u>1,132,886</u>
Cash and Cash Equivalents at End of Year	<u>\$ 29,368</u>	<u>\$ 854,630</u>	<u>\$ 1,147,594</u>	<u>\$ 64,155</u>	<u>\$ 2,095,747</u>
Reconciliation of Operating Income to Net Cash from Operating Activities					
Operating Income (Loss)	<u>\$ 27,330</u>	<u>\$ (138,090)</u>	<u>\$ 342,721</u>	<u>\$ 0</u>	<u>\$ 231,961</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	1,720	(1,550)	23,637	4,054	27,861
Increase (Decrease) in Claims and Judgements Payable		<u>22,639</u>	<u>(11,090)</u>		<u>11,549</u>
Total Adjustments	<u>\$ 3,055</u>	<u>\$ 21,089</u>	<u>\$ 12,547</u>	<u>\$ 4,054</u>	<u>\$ 40,745</u>
Net Cash from Operating Activities	<u>\$ 30,385</u>	<u>\$ (117,001)</u>	<u>\$ 355,268</u>	<u>\$ 4,054</u>	<u>\$ 272,706</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 2,984,673
Public Safety	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	12,138,354
Highways and Streets	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	2,890,074
Sanitation	1,917,764	2,245,954								
Community Service	488,382	544,265	445,156	388,350	485,436	428,628	422,772	407,909	402,571	376,394
Recreation and Parks	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	2,273,428
Cemetery	136,214	197,462	178,970	112,931	157,622	160,716	149,166	133,503	153,204	190,937
Economic Development	2,597,377	2,653,925	579,099	1,885,570	884,174	943,376	1,259,566	2,167,088	1,546,079	1,431,389
Interest on Long-Term Debt	820,539	775,200	731,792	721,634	545,700	406,966	384,767	353,988	250,179	237,275
Bond Issuance Costs									85,474	
Total Governmental Activities Expenses	\$ 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	\$ 22,522,524
Business-Type Activities										
Water and Sewer	\$ 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	\$ 12,054,773
Airport/Industrial Park	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	2,651,321
Emergency Medical Services	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	3,638,340
Landfill		786,699	956,719	911,517	1,294,588		2,365,078	2,122,902	2,029,714	1,636,015
Sanitation			2,375,412	2,604,324	2,510,088	2,677,446	2,499,118	3,136,617	2,950,235	3,008,044
Malone & Hogan Clinic		196,300	304,504	333,196	149,171					
Total Business-Type Activities Expenses	\$ 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	\$ 22,988,493
Total Primary Government Expenses	\$ 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	\$ 45,511,017
Program Revenues										
Governmental Activities										
Charges for Services										
General Government	\$ 233,895	\$ 287,084	\$ 381,874	\$ 321,863	\$ 425,291	\$ 1,160,988	\$ 3,122,346	\$ 2,392,392	\$ 1,447,812	\$ 1,401,269
Public Safety				383,893	463,439	735,710	713,524	555,191	468,015	500,250
Sanitation	2,914,021	2,905,146								
Highways and Streets										306,325
Community Service	40,464	26,867	25,095	20,015	21,532	58,245	63,241	73,347	41,965	47,077
Recreation and Parks	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593	1,031,451	1,042,544
Cemetery				97,334	104,927	109,569	89,726	106,337	62,822	88,123
Economic Development					15,046	600	2,810	3,425	4,890	1,130
Operating Grants and Contributions	200,736	280,323	263,453	161,905	178,985	1,051,110	1,296,290	1,239,501	1,381,942	1,674,992
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	\$ 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	\$ 5,061,710
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 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	\$ 13,411,754
Airport/Industrial Park	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	1,499,377
Emergency Medical Services	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	2,267,482
Landfill			1,437,172	1,629,385	1,883,292	1,847,307	1,756,388	1,874,136	2,084,418	2,048,328
Sanitation			2,653,868	3,380,689	3,203,951	3,140,550	3,228,622	3,354,131	3,805,557	3,656,484
Malone & Hogan Clinic		198,983	289,171	267,838	138,695					
Operating Grants and Contributions	156,348	173,337	966,157	456,771	453,867					1,210,391
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	222,200
Total Business-Type Activities Program Revenues	\$ 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	\$ 24,316,016
Total Primary Government Program Revenues	\$ 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	\$ 29,377,726
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (17,460,814)
Business-Type Activities	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	1,327,523
Total Primary Government Net Expense	\$ (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)	\$ (16,133,291)

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (17,460,814)
Business-Type Activities	<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>	<u>1,327,523</u>
Total Primary Government Net Expense	<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>	<u>\$ (16,133,291)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$ 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	\$ 7,950,028
Sales Taxes	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	7,936,498
Gross Receipts Taxes	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	1,618,021
Motel Occupancy Taxes	499,279	732,252	1,145,353	1,339,310	1,512,024	967,870	2,157,204	2,263,860	1,318,699	1,086,370
Unrestricted Grants and Contributions	1,126,704	1,144,321	1,077,560	992,900	1,200,350	756,762	389,368	28,435	82,604	22,650
Investment Earnings	71,567	51,606	38,154	33,510	17,681	33,262	106,615	223,672	120,667	26,544
Miscellaneous	1,265,495	1,383,766	1,469,698	1,284,148	1,805,292	1,320,595	590,565	697,262	354,048	1,347,342
Transfers	687,099	593,937	(1,447,344)	598,536	301,970	335,522	1,041,997	569,322	309,430	766,342
Total Governmental Activities	<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>	<u>\$ 20,753,795</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$	\$	\$	\$	\$	\$	\$ 12,481	\$ 98,662	\$ 31,265	\$ 4,261,211
Investment Earnings	1,646	1,252	2,374	12,897	7,819	37,572	191,813	360,990	167,488	32,686
Other	24,814	20,272	24,989	(5,816)	2,081,058	(500,275)	3,095,576	1,730,910	1,195,353	1,343,978
Transfers	(687,099)	(593,937)	1,447,344	(598,536)	(301,970)	(335,522)	(1,041,997)	(569,322)	(309,430)	(766,342)
Total Business-Type Activities	<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>	<u>\$ 4,871,533</u>
Total Primary Government	<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>	<u>\$ 25,625,328</u>
Change in Net Position										
Governmental Activities	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 393,103	\$ 480,496	\$ (1,465,064)	\$ 5,698,341	\$ 597,859	\$ (1,424,245)	\$ 3,292,981
Business-Type Activities	<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>	<u>6,199,056</u>
Total Primary Government	<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>	<u>\$ 9,492,037</u>

-102-
CITY OF BIG SPRING, TEXAS

TABLE E-4

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ 40,815	\$ 48,631	\$ 24,125	\$ 23,737	\$ 22,240	\$ 13,290	\$ 725	\$ 4,900	\$ 6,112	\$ 4,746
Restricted				19,248	10,773	9,573				
Committed	3,004,648	3,254,712					2,724,800	100,000		
Unassigned	<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>	<u>11,849,702</u>
Total General Fund	<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>	<u>\$ 11,854,448</u>
All Other Governmental Funds										
Nonspendable	\$ 353,370	\$ 351,511	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 351,519	\$ 1,099	\$ 352,415
Restricted	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	1,444,772
Committed	<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>	<u>63,783</u>
Total All Other Governmental Funds	<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>	<u>\$ 1,860,970</u>

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 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	\$ 18,555,594
License and Permits	225,050	279,026	373,964	314,981	378,798	554,169	451,219	390,390	515,244	540,930
Fines	485,534	402,604	402,282	352,406	422,150	354,784	359,512	283,932	196,613	221,159
Charges for Services	3,204,314	3,210,841	62,451	39,343	28,537	43,113	35,165	29,764	38,179	50,670
Recreation	850,840	977,787	934,612	896,820	689,922	629,462	673,473	689,593	1,031,451	1,042,544
Intergovernmental	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	1,674,993
Investment Earnings	35,385	28,833	14,382	15,781	29,907	26,364	101,524	217,699	114,022	24,470
Other Revenues	743,179	897,198	1,274,850	845,652	1,276,344	1,553,770	3,619,343	2,708,355	1,863,935	2,479,786
Total Revenues	\$ 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	\$ 24,590,146
Expenditures										
General Government	\$ 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	\$ 3,070,680
Public Safety	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	11,863,395
Highways and Streets	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	2,469,949
Sanitation	2,251,328	3,368,138								
Community Service	476,450	534,888	440,099	399,761	441,448	409,539	416,639	382,800	395,056	386,168
Recreation and Parks	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	1,979,905
Economic Development	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	945,658
Cemetery	115,531	195,940	189,728	97,332	179,392	131,738	139,283	119,413	198,654	157,858
Interest and Fees	816,451	777,180	734,474	698,954	543,544	415,394	392,195	363,218	268,821	280,707
Bond Issuance Costs					60,454				85,474	
Principal	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	1,679,537
Total Expenditures	\$ 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	\$ 22,833,857
Excess of Revenues Under Expenditures	\$ (1,154,413)	\$ (432,990)	\$ (466,750)	\$ (1,310,622)	\$ (2,759,211)	\$ (2,129,152)	\$ 2,067,284	\$ (444,967)	\$ (2,251,222)	\$ 1,756,289
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)	(1,415,906)	406,819	340,399	204,814	386,029	1,290,083	1,119,079	620,948	378,757	840,669
Total Other Financing Sources	\$ (553,767)	\$ 1,649,948	\$ 1,033,835	\$ 924,521	\$ 1,062,860	\$ 1,508,021	\$ 2,031,599	\$ 1,398,161	\$ 727,859	\$ 840,669
Net Change in Fund Balances	\$ (1,708,180)	\$ 1,216,958	\$ 567,085	\$ (386,101)	\$ (1,696,351)	\$ (621,131)	\$ 4,098,883	\$ 953,194	\$ (1,523,363)	\$ 2,596,958
Debt Service as a Percentage of Noncapital Expenditures	10.4%	10.8%	11.2%	11.1%	11.1%	11.7%	11.2%	10.5%	9.2%	9.0%
Capital Outlay	\$ 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	\$ 1,104,735

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>
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
2021	7,831,857	7,338,611	1,397,440	1,318,699	17,886,607
Percent Change 2016-2020	13.4%	10.5%	-10.5%	13.3%	

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>
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%
2020-21	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.

-106-
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		
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%
2021	1,255,081,521	1,255,081,521	167,023,470	167,023,470	1,422,104,991	1,422,104,991	0.7173	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	2021			2012		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Kerr Management Inc	\$ 20,906,535	1	1.67%	\$		
Oncor Electric Delivery	16,237,810	2	1.29%			
Reserves Apartments at 700 LLC	13,500,000	3	1.08%			
Oxy USA Inc	11,719,540	4	0.93%			
Atmos Energy/West Texas Div	9,832,590	2	0.78%			
Big Spring TPS Development LP	8,506,263	6	0.68%			
MPT of Big Spring - Steward, LLC	8,137,413	7	0.65%			
Plains Cotton Coop Assoc	7,570,480	8	0.60%			
Callon Petroleum Operating	7,383,760	9	0.59%			
Oak Manor Big Spring, LLC	7,280,395	10	0.58%			
Western Container				16,591,367	1	3.02%
Scenic Mountain Medical Center				14,497,923	2	2.64%
Oncor Electric Delivery				8,063,887	3	1.48%
Wal-Mart Stores Texas LP				7,425,515	4	1.36%
Wal-Mart Real Estate				7,028,034	5	1.29%
John Crane Production Sol Inc				5,474,778	6	1.00%
The Coca-Cola Company				5,117,337	7	0.94%
R&B Leasing Company LLC				4,752,312	8	0.87%
HTP TA Properties Trust				4,071,903	9	0.75%
Southwestern Bell Telephone LP				3,926,047	10	0.72%
Total	\$ <u>111,074,786</u>		<u>8.85%</u>	\$ <u>76,949,103</u>		<u>14.07%</u>

Source: Texas State Comptroller

CITY OF BIG SPRING, TEXAS

TABLE E-10

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected Within the Fiscal Year of the Levy</u>		<u>Collections in Subsequent Years</u>	<u>Total Collections in Year</u>	
		<u>Amount</u>	<u>Percentage of Levy</u>		<u>Amount</u>	<u>Percentage of Levy</u>
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	5,386,459	96.14%
2015	6,251,900	5,936,236	94.95%	108,500	6,044,736	96.69%
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	6,741,310	94.40%
2018	7,408,821	7,053,440	95.20%	210,589	7,264,029	98.05%
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%	145,719	7,636,939	101.02%
2021	7,816,269	7,490,300	95.83%	178,080	7,668,561	98.11%

Source: Howard County

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2021			2012		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Non Categorized - Other	\$ 1,264,802	1	12.23%	\$		
Dept Stores	1,111,348	2	10.75%			
Electric Power Distribution	919,794	3	8.90%	276,916	2	5.33%
Limited Service Restaurant	760,583	4	7.36%	310,659	1	5.98%
Gasoline Service Stations with Convenience Store	463,066	5	4.48%	248,788	3	4.79%
Electronic Shopping and Mail-Order Houses	419,478	6	4.06%			
Support Activities for Oil and Gas	395,330	7	3.82%			
Other Building Material Dealers	324,689	8	3.14%	119,320	10	2.30%
Full Service Restaurants	301,270	9	2.91%	159,823	6	3.07%
Supermarkets and Other Grocery	283,660	10	2.74%	215,345	4	4.14%
Other Miscellaneous Retailers	247,653	11	2.40%			
Chemical Product and Preparatory Materials	222,172	12	2.15%			
Natural Gas Distributors						
Cafeterias, Grill Buffets and Buffets						
Gasoline Service Stations				155,089	8	2.98%
Eating Places				113,248	12	2.18%
Crude Petroleum and Natural Gas Extraction				195,395	5	3.76%
Wireless Telecommunications Carriers				157,308	7	3.03%
Wired Telecommunications Carriers				149,953	9	2.88%
Furniture Stores				115,110	11	2.21%
Total	\$ <u>6,713,845</u>		<u>64.93%</u>	\$ <u>2,216,954</u>		<u>42.65%</u>

Source: Texas State Comptroller

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities					Total Primary Government	Percentage Of Personal Income ¹	Per Capita ²
	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			
2021	\$ 7,350,000	\$	\$ 488,703	\$ 859,112	\$	\$ 160,000	\$ 7,335,000	\$ 190,629	\$ 1,522,189	\$	\$ #####	1.83%	247
2020	8,345,000	7,885,000	558,602	1,366,094	182,728	180,000	7,885,000	209,660	1,788,980	308,227	28,709,291	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

¹ Table E-16

² MAC Report 9/30/2021

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>
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
2021	7,350,000	114,780	7,235,220	0.51%	247

(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. (258-3501)

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property. (Table E-8)

(4) Current MAC Report

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*	\$ 40,895,000	*	34.88%	\$ 14,264,176
Forsan Independent School District*	13,055,907	*	2.09%	272,868
Coahoma Independent School District*	11,978,491	*	1.16%	138,950
Howard County*	7,190,000	*	20.21%	1,453,099
Howard College*	8,640,000	*	20.21%	1,746,144
Subtotal, Overlapping Debt				<u>\$ 17,875,238</u>
City of Big Spring Direct Debt	\$ 17,905,633		100%	<u>\$ 17,905,633</u>
Total Direct and Overlapping Debt				<u><u>\$ 35,780,871</u></u>

Sources: MAC Report 9/30/2021

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

-113-
CITY OF BIG SPRING, TEXAS

TABLE E-15

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

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 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	\$ 21,331,575
Total Net Debt Applicable to Limit	<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>	<u>(7,350,000)</u>
Legal Debt Margin	<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>	<u>\$ 13,981,575</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.77%	3.55%	3.65%	2.61%	2.10%	3.97%	7.80%	61.32%	52.79%	34.46%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 1,422,104,991
Debt Limit (1.5% Assessed Value) Assessed Value	\$ 21,331,575
Debt Applicable to Limit:	
General Obligation Bonds and Certificates	\$ 7,350,000
Less: Amount Set Aside for Repayment	<u>(93,845)</u>
Net Debt Applicable to Limit	\$ 7,256,155
Legal Debt Margin	<u>\$ 14,075,420</u>

CITY OF BIG SPRING, TEXAS

TABLE E-16

DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Population (1)	27,282	27,282	28,125	28,472	28,862	28,532	27,905	28,162	28,187	21,710
Total Personal Income	\$ 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	\$ 979,229,550
Per Capita Personal Income (1)	\$ 31,781	\$ 36,287	\$ 37,796	\$ 36,313	\$ 34,624	\$ 36,705	\$ 36,367	\$ 37,644	\$ 40,255	\$ 45,105
Median Age (1)	36	37	37	37	37	37	37	36	37	34
Unemployment (2)	5.7%	5.3%	5.4%	4.6%	4.6%	5.2%	3.9%	3.7%	7.0%	5.9%

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	2021			2012		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Veterans Administration Hospital	652	1	6.85%	547	3	4.00%
Big Spring ISD	620	2	6.51%	626	1	4.57%
Big Spring State Hospital	546	3	5.74%	577	2	4.22%
GEO Group	432	4	4.54%	490	4	3.58%
Scenic Mountain Medical Center	332	5	3.49%	322	7	2.35%
Wal-Mart	300	6	3.15%	360	5	2.63%
City of Big Spring	247	7	2.60%	262	10	1.91%
Federal Bureau of Prisons	222	8	2.33%	268	9	1.96%
Delek	197	9	2.07%	235	11	1.72%
Howard College & SWICD	175	10	1.84%			
Robinson Drilling of Texas			0.00%	353	6	2.58%
Alon USA				178	12	1.30%
Price Construction				322	8	2.35%
Total	<u>3,723</u>		<u>39.12%</u>	<u>4,540</u>		<u>33.17%</u>

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Management Services	9	9	9	9	9	9	9	10	10	11
Finance	5	5	5	5	5	5	5	5	5	6
Other	8.5	8	11	11	11	11	14	14	14	23
Information Technology	2	2	2	3	3	3	3	3	3	3
Convention and Visitors Bureau	2	2	1	3	3	3	3	3	3	4
Police										
Officers	49	48	52	52	51	51	51	51	51	48
Civilians	12	7	8	8	9	8	8	8	8	14
Fire										
Firefighters and Officers	45	44	44	44	44	44	45	45	45	56
Civilians	0.5	0.5	0.5	0.5	0.5	1	1	1	1	0
EMS										
EMS and Officers	16	16	16	16	16	16	17	18	18	17
Civilians	2	2	2	2	1	0	0	0	0	1
Refuse Collection (Landfill)	7	7	7	7	7	7	9	9	9	8
Other Public Works	18	18	17.5	17.5	19	19	19	19	18	
Parks and Recreation	19	22	20.2	20.2	21	18	17	17	17	17
Service Center	8									
Streets	14	14	14	14	13	13	13	14	14	14
Sanitation	7	7	7	7	7	7	7	7	7	8
Airpark	6	6	7	7	6	6	6	6	7	6
Water	40	40	37	37	36	37	25	25	25	27
Wastewater	9	9	7	7	9	9	9	9	9	9
Total	279	267	267	270	271	267	261	264	264	272

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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government										
Building Permits Issued	1,386	1,616	1,444	1,491	2,207	1,807	1,428	1,558	1,646	2,130
Police										
Physical Arrests	2,158	1,984	1,948	1,638	1,870	1,702	1,852	1,746	1,220	1,368
Number of Calls for Service	33,028	30,281	32,438	35,305	40,336	37,138	53,039	30,285	29,040	3,166
Alarm Responses	1,522	1,616	1,402	1,562	1,473	1,213	1,114	1,080	909	1,091
Fire										
Emergency Responses	607	1,952	1,971	1,998	1,849	1,592	1,642	2,253	2,200	2,161
EMS Service										
Number of Runs	4,272	4,815	4,732	3,768	3,837	4,844	4,414	4,834	4,573	4,791
Refuse Collection										
Collected (Tons per Day)	130	128	118	124	116	137	130	138	149	
Water										
Active Accounts	8,693	8,754	8,847	8,733	8,537	8,470	8,722	8,704	8,570	8,570
Water Main Breaks	167	131	212	313	226	234	258	213	160	316
Average Daily Consumption (Thousands of Gallons)	3,467	4,967	5,034	5,171	4,776	5,056	4,846	3,898	3,843	4,922
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,176	3,282	2,945	2,490	3,216	3,453	3,444	3,954	3,381	134

Data Sources: Various City Departments

-118-
CITY OF BIG SPRING, TEXAS

TABLE E-20

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

Function/Program	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	41	41	43	46	40	46	45	37	37	37
Unmarked	12	12	11	20	18	18	19	19	19	13
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	8	8	8	9	10	10	10	13
Other Public Works										
Streets										
Paved (Miles)	189	189	189	190	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	5
Street Lights	1,873	1,873	1,862	1,862	1,863	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	178	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	12,500	12,500	12,500	12,500	12,500	12,500	12,500
Wastewater										
Sanitary Sewers (Miles)	125	125	125	127	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

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Big Spring, Texas, as of and for the year ended September 30, 2021, 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 23, 2022. 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) as a basis for designing 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 financial statements. 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 23, 2022