

**CITY OF BIG SPRING, TEXAS**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

**CAFR Prepared by the Finance Department**



**CITY OF BIG SPRING, TEXAS**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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## **INTRODUCTORY SECTION**





February 19, 2015

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

State law requires every general-purpose local government to publish complete audited financial statements within six months of the close of each fiscal year. This report is published to fulfill such requirement for the fiscal year ended September 30, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls which has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. All amounts in this transmittal letter are in thousands of dollars, unless otherwise stated.

Bolinger, Segars, Gilbert & Moss, L.L.P., Certified Public Accountants, have issued an unqualified (“clean”) opinion on the City of Big Spring’s financial statements for the year ended September 30, 2014. The independent auditor’s report is located at the front of the financial section of this report.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

### **Profile of the City**

The City of Big Spring, Texas, incorporated in 1907, is the county seat and principal city of Howard County. The city is located 39 miles northeast of Midland, Texas at the intersection of Interstate Highway 20 and U.S. Highway 87. The city currently occupies a land area of 19.2 square miles and serves a population of 28,125. The city is empowered to levy a property tax on

both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

The city has operated under the council-manager form of government since 1927. Policy-making and legislative authority are vested in a city council consisting of the mayor and six other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the city's manager, attorney and municipal court judge. The city's manager is responsible for carrying out the policies and ordinances of the city council, for overseeing the day-to-day operations of the city, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. All council members are elected by district. The mayor is elected at large.

The city provides a full range of services to its citizens, including police and fire protection, 911 emergency medical services, construction and maintenance of highways, streets, and other infrastructure; and recreational and cultural activities. Certain water and wastewater services are provided and accounted for through a separate enterprise fund. The city is also financially accountable for a legally separate economic development corporation, which is reported separately within the city's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (See Note A.1).

The city council is required to adopt a final budget by no later than the close of each fiscal year. This annual budget serves as the foundation for the City of Big Spring's financial planning and control. The budget is prepared by fund, function (e.g., public safety), and department (e.g., police). Department heads may transfer resources within a department with the city manager's approval. Transfers between departments need special approval from the city council.

### **Economic Condition and Outlook**

Major industries located within the government's boundaries or in close proximity include numerous oilfield related businesses, manufacturers of plastic bottles and hydraulic components, carbon black, five prison facilities (four owned by the city and one federal institution), a large oil refinery, a railroad, and several financial institutions and insurance companies. Both the state and federal governments are significant economic presences thanks to a major psychiatric hospital and a veteran's health care facility that provides employment to approximately 1,100 healthcare professionals and staff.

Unemployment rates for the last ten years have varied from a low of 4.4% in 2008 to a high of 7.5% in 2009. The City's unemployment rate for 2014 was 5.4%, which was below the state and national unemployment rates. Trends in unemployment rates are one indicator of economic strength and the City's rates for the past ten years are presented in Table E-16 in the statistical section.

Property tax revenue (using the modified accrual basis of accounting) rose in 2013-14 year from \$5,161 to \$5,567, a 7.9% increase. This was due to adoption of the previous year's 85.66 cents per \$100 of assessed value and the increase in property valuations (assessed value) from the Howard County Appraisal District.

Sales tax revenue has increased by 41.9% over the last five year period, indicating significant economic growth in the region. The city's hotel occupancy tax revenue has seen a major increase from 2010 to 2014, reflecting a 305% increase. Hotel occupancy tax is due to increase further as a few hotels have already begun the process of locating in the city and others have expressed interest. Hotel occupancy tax, by law, is restricted to uses which should have a direct impact on bringing more overnight visitors to the City of Big Spring. It is not available to meet many of the City's governmental needs.

Much of the increase in business activities in the city is related to the exploration and production of the Cline Shale oil and gas formation. The City of Big Spring is the largest city within the boundaries of the shale formation. Although the economic outlook looked bright for the city and area on September 30, 2014, the end of the fiscal year these financial statements are for, as of the writing of this letter, all area economic focus is on the falling price of oil and what it may do to business, organizations, and people in our area. Currently, the city continues to see increases in building permits and other positive economic factors.

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

Unassigned fund balance in the General Fund (36% of total General Fund expenditures) is higher than the policy guidelines set by the council for budgetary and planning purposes (5% as defined by the city's master plan, which was adopted in 1995). The fund balance has increased significantly over the past ten years because of diligence in budgeting, understaffing due to the small pool of qualified workers due to the demand of workers in the local oil and gas and related industries, and the willingness of the elected officials to plan for the future (e.g. the building up of fund balances now for the new landfill, water and waste water plant upgrades, and other infrastructure planned improvements).

Total long-term debt, not due within one year, including capital leases, compensated absences, landfill closure and post closure totaled \$34,080,978 on September 30, 2014.

### **Relevant Financial Policies**

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

Additionally, the city is required to set aside money for closure and post-closure of the current landfill. As of September 14, 2014 the city had \$3,482,946 set aside in investments for anticipated closure and post-closure expenditures.

The City of Big Spring has no material liability for other post-employment benefits. Employees eligible for retirement are allowed to remain on the City's health insurance plan until age 65, but the retiree pays 100% of their own premiums. Currently there are 28 retirees who have elected to participate in this benefit.

### **Internal Controls**

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

### **Major Initiatives**

The city is currently in the planning and permitting process of a new landfill and a new cell within it. The new landfill's useful life is estimated to between 80 and 100 years, with individual cells between 10 and 15 years. Also the city has begun construction on a sewer bore underneath I-20 to increase sewer service to the north of city for further growth.

One very exciting project going on within the city, or soon to be annexed area, is the south and north Hwy 87 bypass being done by the Texas Department of Transportation. TxDOT first announced funding for the South 87 Bypass at approximately \$62.7 million and broke ground in April of 2014. Later in 2014 the Department announced funding of \$80 million for construction of the North bypass. This project will result in trucks being able to bypass the hilly downtown area of Big Spring and connect with I-20 for west and east national access. The south and north bypasses are part of a larger project commonly referred to as "Ports-To-Plains" which is an initiative to make US Hwy 87 into a national north and south transportation corridor, capable of transporting goods from Mexico to Canada. There is also talk of making this portion of Hwy 87 into Interstate 27, which would even further boost economic activity and transportation through Big Spring.

Other smaller projects include annual water line replacement and street resurfacing/seal coating, and strategic development of the historic spring, from which the city derives its name. The Hotel/Motel fund, restricted to this type of expense, hired KDC Associates, a well known Landscape Architect Firm, to develop a plan. The plan has been presented to both the EDC Board and the City Council, and is moving forward. Talks are currently underway with how best to proceed with the construction of the project.

Finally the City has done away with the formal Retired Senior Volunteer Program (RSVP), mainly because of federal and state grant requirements. Some of the functions of the former

RSVP program, have been continued, but without the red tape and expense required by the granting agencies. The RSVP Fund# 605 was closed on September 30, 2014.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Big Spring for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2013. This was the sixteenth consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration departments. We wish to express our appreciation to all members of these departments who assisted and contributed to the preparation of this report. Credit must also be given to the mayor and city council for their unfailing support for maintaining the highest standards of professionalism in the management of the city's finances.

Respectfully submitted,



Todd Darden  
City Manager



Donald Moore, CPA  
Finance Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Big Spring  
Texas**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2013**

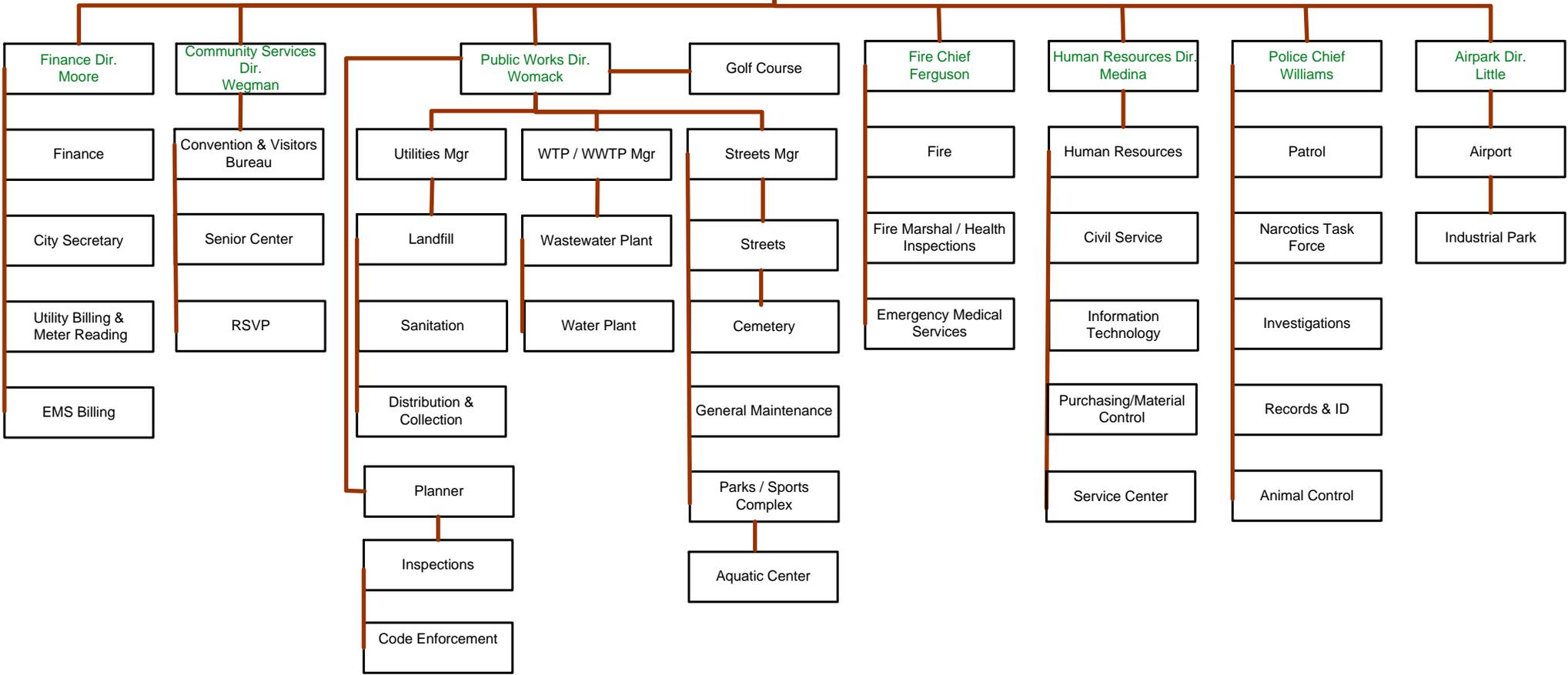
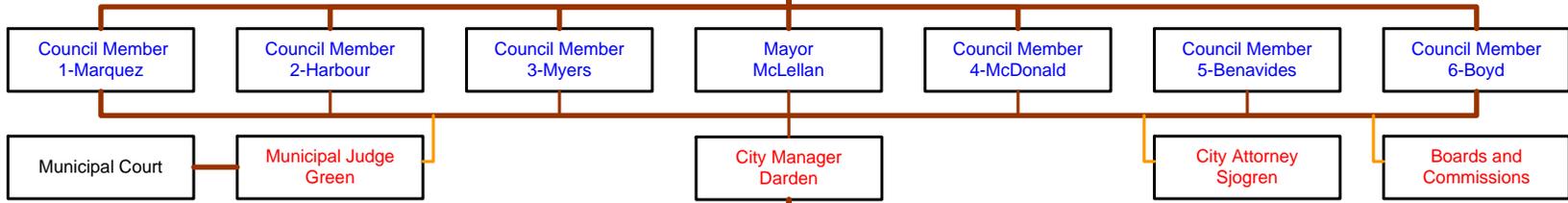
Executive Director/CEO





# Big Spring, Texas

## Citizens of Big Spring





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CITY OF BIG SPRING, TEXAS

LIST OF PRINCIPAL OFFICIALS  
SEPTEMBER 30, 2014

Elected Officials	
Name	Office
Larry McLellan	Mayor
	Mayor Pro Tem -
Raul Benavides	District 5 Council Member
Raul Marquez	District 1 Council Member
Carmen Harbour	District 2 Council Member
Justin Myers	District 3 Council Member
Bobby McDonald	District 4 Council Member
Marvin Boyd	District 6 Council Member

Appointed Officials	
Name	Position
Todd Darden	City Manager
Donald Moore	Finance Director/City Secretary
Linda Sjogren	City Attorney
Chad Williams	Chief of Police
Craig Ferguson	Fire Chief
Timothy Green	Municipal Judge
John Medina	Human Resources Director
Jim Little	Airpark Director



## **FINANCIAL SECTION**



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

**CERTIFIED PUBLIC ACCOUNTANTS**

**PHONE: (806) 747-3806**

**FAX: (806) 747-3815**

**8215 NASHVILLE AVENUE**

**LUBBOCK, TEXAS 79423-1954**

**Independent Auditor's Report**

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

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of City of Big Spring, Texas (the City), as of and for the fiscal year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

**Auditor's Responsibility**

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

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

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2014, and the respective changes in financial position and, where applicable, cash flow thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of funding progress for the retirement plan of the employees of the City, and budgetary information on pages 12 through 23 and 60 through 62 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 10, 2015 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 10, 2015



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



## City of Big Spring, Texas

### MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Big Spring, we offer readers of our City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2014. 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, 2014, by \$128,271 (net position). Of this amount, \$12,128 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$4,403, attributable in part to unoccupied employee positions from the continued difficulty of filling positions in the tight employment market.
- The City's governmental funds reported combined ending fund balances of \$10,293, of which \$6,044 is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$6,044, or 38.6% of total General Fund revenues and 36.1% of total expenditures.
- Total assets for the primary government increased by \$3,012 during fiscal year 2013-14, mostly as a result of an increase in capital assets.
- Resources available for appropriation in 2013-14 were \$384 less than anticipated in the final revised budget for the General Fund.

#### OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of the City as a whole and present a long-term view of the City's property and debt obligations and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements report the City's operations in more detail than the government-wide statements by providing information about the City's most significant funds. For governmental activities, these statements tell how services were financed in the short-term as well as what resources remain for future spending. They reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the City were sold to departments within the City or to external customers and how the sales revenues covered the expenses of the goods or services.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide statements or the fund financial statements. This report also contains other required supplementary information in addition to the basic financial statements.

## **Reporting the City as a Whole**

### ***The Statement of Net Position and the Statement of Activities***

The Statement of Net Position provides an analysis of the City's overall financial condition and operations. The primary purpose of this analysis is to show whether the City is better or worse off as a result of the year's activities. The Statement of Net Position includes all the City's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the City's operations during the year. These apply the accrual basis of accounting which is the method used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The City's revenues are separated into two categories: those provided by outside parties who share the costs of some programs, such as the Department of Transportation's assistance in safe driving, and revenues provided by the taxpayers. All the City's assets are reported whether they serve the current year or future years. Liabilities are included regardless of whether they must be paid in the current or future years.

These two statements report the City's net position and changes in them. The City's net position (the difference between assets, deferred outflows of resources, liabilities and deferred inflows of resources) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider other financial factors as well (such as changes in the City's sales tax revenues or its property tax base) and non-financial factors (such as the condition of the City's facilities, unemployment rates and population growth or decline).

In the Statement of Net Position and the Statement of Activities, the following activities are presented.

- Governmental activities – Most of the City's basic services are reported here, including general government, public safety, highways and streets, sanitation, and recreation and parks. Property taxes, sales taxes, user fees, and licenses and permits finance most of these activities.
- Business-type activities – The City accounts for business-type activities in its proprietary funds, where user fees and charges are intended to recover all or a significant portion of overall costs.
- Component unit – The City has one component unit which is funded primarily through sales tax revenue for the purpose of economic development, specifically the generation and retention of business activities and jobs.

## **Reporting the City's Most Significant Funds**

### ***Fund Financial Statements***

The fund financial statements provide detailed information about the most significant funds – not the City as a whole. Laws and contracts require the City to establish certain funds to account for specific activities, such as grants received through the Department of Justice. The City's administration establishes other funds to help it control and manage resources for particular purposes. The City's two kinds of funds – governmental and proprietary – use different accounting approaches.

- Governmental funds – Most of the City's basic services are reported in governmental funds. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the City's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- Proprietary funds – The City reports the activities for which it charges users (whether outside customers or other units of the City) in proprietary funds using the full accrual method, which is the same accounting method employed in the Statement of Net Position and the Statement of Activities. Proprietary funds, like the government-wide statements, provide both long-term and short-term financial information.

### ***Notes to the Financial Statements***

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

### ***Other Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. The City of Big Spring adopts an annual appropriated budget for its general fund (major fund). A budgetary comparison schedule has been provided for this fund to demonstrate budgetary compliance.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

Net position may serve over time as a useful indicator of a government's financial position. The City of Big Spring's assets exceeded liabilities by \$128,271 at September 30, 2014. The largest portion of the City's net position (88.3%) 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.

**City of Big Spring, Texas**

**NET POSITION  
(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 10,571	\$ 13,798	\$ 14,105	\$ 12,209	\$ 24,676	\$ 26,007
Receivables	761	1,288	2,142	1,759	2,903	3,047
Internal Balances	1,873	1,513	(1,873)	(1,513)	0	0
Due from Other Governments	604	1,599			604	1,599
Capital Assets	89,581	93,771	51,976	42,313	141,557	136,084
Other Assets	24	98	455	372	479	470
Total Assets	<u>\$ 103,414</u>	<u>\$ 112,067</u>	<u>\$ 66,805</u>	<u>\$ 55,140</u>	<u>\$ 170,219</u>	<u>\$ 167,207</u>
<b>Liabilities:</b>						
Accounts Payable and Other Current Liabilities	\$ 2,361	\$ 2,531	\$ 2,757	\$ 2,802	\$ 5,118	\$ 5,333
Current Portion of Long-term Liabilities	1,573	1,770	1,176	1,378	2,749	3,148
Long-term Liabilities	17,321	21,060	16,760	13,797	34,081	34,857
Total Liabilities	<u>\$ 21,255</u>	<u>\$ 25,361</u>	<u>\$ 20,693</u>	<u>\$ 17,977</u>	<u>\$ 41,948</u>	<u>\$ 43,338</u>
<b>Net Position:</b>						
Invested in Capital Assets	\$ 72,238	\$ 74,891	\$ 40,984	\$ 34,408	\$ 113,222	\$ 109,299
Restricted	2,922	3,223			2,922	3,223
Unrestricted	6,999	8,592	5,128	2,755	12,127	11,347
Total Net Position	<u>\$ 82,159</u>	<u>\$ 86,706</u>	<u>\$ 46,112</u>	<u>\$ 37,163</u>	<u>\$ 128,271</u>	<u>\$ 123,869</u>

The City has restricted net position totaling 2.2% of total net position, which represent resources subject to restrictions on how they may be used. Such resources include special revenue funds restricted for specific purposes. The remaining balance of unrestricted net position of \$12,127 may be used to meet the City's ongoing obligations.

At the end of the current fiscal year, the City of Big Spring is able to report positive balances in all three categories of net position for governmental activities and both categories in business-type activities.

There was an overall increase of \$3,923 in net investment in capital assets, with capital assets in governmental activities decreasing by \$2,653 and capital assets in business-type activities increasing by \$6,576. 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)**

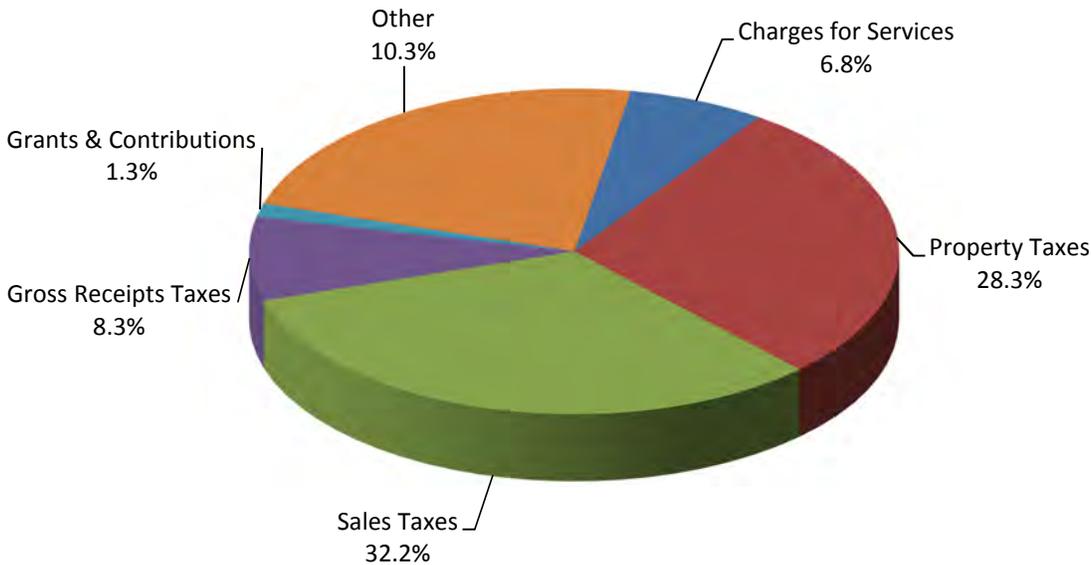
	Governmental Activities		Business-Type Activities		Totals	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
Program Revenues						
Charges for Services	\$ 1,342	\$ 4,197	\$ 18,693	\$ 15,201	\$ 20,035	\$ 19,398
Operating Grants and Contributions	263	280	966	173	1,229	453
Capital Grants and Contributions			2,612	750	2,612	750
General Revenues						
Property Taxes	5,567	5,161			5,567	5,161
Sales Taxes	6,348	6,686			6,348	6,686
Gross Receipts Taxes	1,632	1,553			1,632	1,553
Motel Occupancy Tax	1,512	1,339			1,512	1,339
Grants and Contributions Not						
Restricted to Specific Programs	1,200	993		1,554	1,200	2,547
Unrestricted Investment Earnings	18	34	8	13	26	47
Miscellaneous	1,805	1,284	2,081	(5)	3,886	1,279
Total Revenues	<u>\$ 19,687</u>	<u>\$ 21,527</u>	<u>\$ 24,360</u>	<u>\$ 17,686</u>	<u>\$ 44,047</u>	<u>\$ 39,213</u>
<b>Expenses:</b>						
Water and Sewer	\$	\$	\$ 11,017	\$ 10,619	\$ 11,017	\$ 10,619
Airport/Industrial Park			1,872	1,865	1,872	1,865
Emergency Medical Services			2,439	2,733	2,439	2,733
Landfill			787		787	0
Sanitation		2,246	2,375		2,375	2,246
Molone & Hogan Clinic			305	196	305	196
General Government	2,949	2,271			2,949	2,271
Public Safety	10,020	9,170			10,020	9,170
Highways and Streets	3,241	2,856			3,241	2,856
Recreation and Parks	2,704	2,577			2,704	2,577
Economic Development	579	425			579	425
Other	1,357	1,516			1,357	1,516
Total Expenses	<u>\$ 20,850</u>	<u>\$ 21,061</u>	<u>\$ 18,795</u>	<u>\$ 15,413</u>	<u>\$ 39,645</u>	<u>\$ 36,474</u>
Increase in Net Position Before Transfers	\$ (1,163)	\$ 466	\$ 5,565	\$ 2,273	\$ 4,402	\$ 2,739
Transfers	302	599	(302)	(599)	0	0
Increase (Decrease) in Net Position	\$ (861)	\$ 1,065	\$ 5,263	\$ 1,674	\$ 4,402	\$ 2,739
Net Position-Beginning	86,706	85,728	37,163	35,765	123,869	121,493
Transfer Net Position from Governmental						
Activities	(3,686)		3,686		0	0
Prior Period Adjustment		(87)		(276)	0	(363)
Net Position-Ending	<u>\$ 82,159</u>	<u>\$ 86,706</u>	<u>\$ 46,112</u>	<u>\$ 37,163</u>	<u>\$ 128,271</u>	<u>\$ 123,869</u>

**Governmental Activities** - Governmental activities resulted in a decrease of \$861 in the City's net position. Key elements of this decrease are as follows:

- The moving of the Sanitation and Landfill departments from the General Fund to individual separate Enterprise Funds. The result of this was similar to a transfer of net position from Governmental Activities to Business Type Activities of \$3,686. Also from this account fund type change, the Revenue category "Charges for Services" in Governmental Activities decreased by \$2,855 and Expense category "Sanitation" by \$2,246. The change in fund type was the main component of the changes in this revenue and expense category.

- Hotel/Motel Occupancy tax increased \$173 in this year following \$194 increase from the following year. Property taxes increased by \$406.
- On the expense side General Government, Public Safety, Highway and Streets, Recreation and Parks, and Economic Development increased a combined \$2,221 mainly in part to the raises in wages given by the elected officials to retain existing employee and to reduce unfilled budgeted positions.
- This year the transfers from Business Activities to Governmental Activities mainly represent administrative overhead paid by the business-type activities to the General Fund.

**Revenues by Source  
Governmental Activities  
Fiscal Year 2013-14**



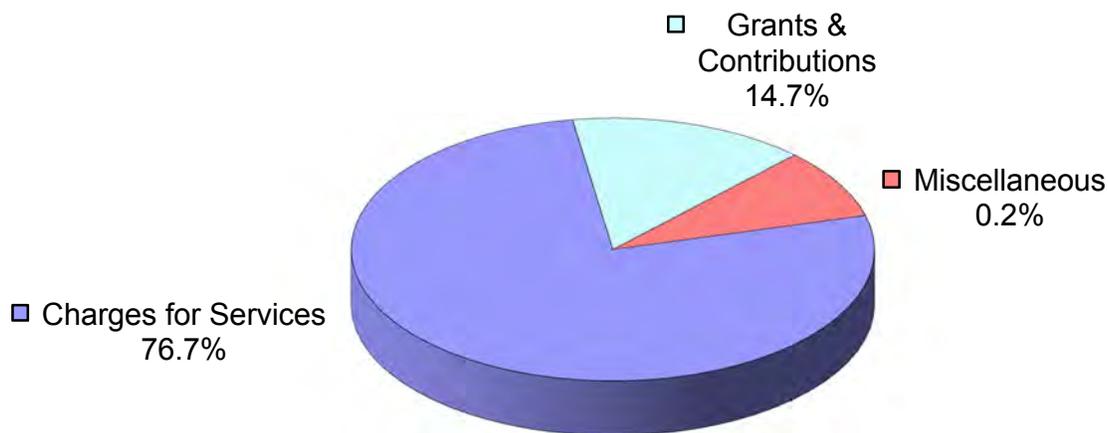
**Business-type Activities** - Business-type activities increased the City of Big Spring’s total net position by \$5,263 in the current fiscal year. Key elements of this increase are as follows.

- As discussed in Governmental Activities, the moving of the Sanitation and Landfill departments from the General Fund to individual separate Enterprise Funds, resulted in the transfer of net position from Governmental Activities to Business Type Activities of \$3,686. Also, from this account fund type change, the Revenue category “Charges for Services” in Business-Type Activities increased by \$3,492 and Expense categories “Landfill” & “Sanitation” by \$3,162. The change in fund type was the main component of the changes in these revenue and expense category.
- Emergency Medical Services expenses decreased for the first time in several years as procedures to reduce the amount of subsidy to the fund from the general fund and Howard County began to help. The two main changes were better staff management to reduce overtime and reducing the number of fire stations with full EMS crews. The wage raises the elected officials approved also help retain and increase EMS positions which helped with the lowering of overtime.
- Miscellaneous Revenue increased by \$2,086 from 2013. The main component of this increase was a onetime mineral lease bonus signing payment at the Airpark for \$1,947.
- The key revenue source for business-type activities is the charge for service that is passed through to the users of the business. Although charges for water and sewer service decreased in the current fiscal year by \$209 the result is better than if the early poor revenue received in the year had been

allowed to continue. Changes in personal in the water office billing, meter reading, and meter repair shop had resulted in the loss of important procedures designed to insure water usage was properly billed. As a result there was a large amount of water which was not adequately billed to the parties who were using it. Water and Sewer revenues had good monthly increases in the last half of the year as many of these procedures were put back into place. For current 2014-15 year there still remain many things to do insure the City is paid for the water used, but progress continues to be made.

- The Emergency Services fund revenues decreased by \$403 from the prior period, from a reduction in long range transfers of patients and from the increasing complexity of EMS billing and difficulty to bill by the City's billing of EMS. The elected officials approved in the current 2014-15 year for the City to use a third party EMS billing service who city management believes will be able to receive more revenue, because of their specialized knowledge and procedures. The two city employees who had done billing have been reassigned to other open positions within the City.

**Revenues by Source  
Business-type Activities  
Fiscal Year 2013-14**



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

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

As the City completed the 2013-14 year, its governmental funds reported combined ending fund balances of \$10,293, representing an increase of \$567 from the prior year's balance of \$9,727. Unassigned fund balance at the end of the current year is \$6,044, as compared to the prior year's unassigned fund balance of \$7,361. Unassigned fund balance that is available for spending at the City's discretion amounts to 58.7% of total fund balances.

The General Fund is the major operating fund of the City. At the end of the current fiscal year,

unassigned fund balance in the General Fund was \$6,044, while total fund balance was \$6,068. Unassigned fund balance represents slightly more than 36% of total General Fund expenditures.

Total fund balance in the City’s General Fund decreased by \$4,726 during fiscal year 2013-14. Key factors in this decrease are as follows:

- The moving out of the general fund of the Sanitation and Landfill activities to Business type activities. Although the general fund, being a governmental fund, uses the current financial resources measurement focus and did not previously include the assets of these two functions in their fund balance, the cash and investments set aside for Landfill closure and post closure were included in the total fund balance and are now transferred to the landfill enterprise fund. This accounted for \$3,483 of the reduction in the General Fund’s Total Fund Balance.

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

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Water and Sewer Fund	\$ 3,230	\$ 3,163	\$ 67
Airport/Industrial Park	2,829	1,223	1,606
Emergency Medical Services	(1,653)	(1,670)	17
Landfill	414		414
Sanitation	267		267
Molone & Hogan Clinic	<u>41</u>	<u>38</u>	<u>3</u>
	<u>\$ 5,128</u>	<u>\$ 2,754</u>	<u>\$ 2,374</u>

Unrestricted net position increased by \$67 in the Water and Sewer Fund and increased by \$1,606 in the Airport/Industrial Park, increased by \$17 in the Emergency Medical Services Fund and increased by \$3 in the Malone & Hogan Clinic Fund. During the fiscal year ending September 30, 2014, the City moved the Landfill and Sanitation departments out of the General Fund and created a separate proprietary fund for each. Other factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

During the year there was a \$404 increase in appropriations between the original and final amended budget. The following details the main components of the increase, which represents an increase of 2.5 percent over the original budget.

- Legal Department expenditures were \$100 above original budget which was mostly due to the addition of another legal research staff position.
- Police Department expenditures were \$138 above original budget due to positions being filled which were not expected and budgeted, more than expected retirements, and higher vehicle maintenance costs.
- Planning Department. During the year the planner became a permanent position, which resulted in

\$93 of expenses above original budget.

- Fire Department expenditures were \$387 above original budget. The main contributor to this was the raises given the employees by council and overtime. Fire Department has the most employees of any department in the City.
- Debt Service Payments were \$321 under original budget, which were primarily asset purchases budgeted for the landfill and sanitation departments in the general fund, which later were moved to their respective enterprise funds.

## 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, 2014, amounts to \$141,557 (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 \$5,473 or 4%.

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

- Capital equipment was purchased for various departments in the amount of \$1,577.
- Land for the new landfill (not expansion of existing landfill) was purchased for \$434.
- Expenditures on Construction in Progress of the Landfill expansion were \$54.
- Annual Depreciation of Assets lowered net carrying value by \$1,075.

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

**CAPITAL ASSETS AT SEPTEMBER 30, 2014**  
**(Net of Depreciation, in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Land	\$ 72,787	\$ 72,989	\$ 6,355	\$ 5,719	\$ 79,142	\$ 78,708
Infrastructure	23	49			23	49
Buildings and Systems	3,715	4,411	20,656	22,410	24,371	26,821
Improvements Other Than						
Buildings	10,553	11,838	13,161	8,777	23,714	20,615
Machinery and Equipment	2,410	3,852	2,557	620	4,967	4,472
Construction in Progress	93	632	9,247	4,787	9,340	5,419
	<u>\$ 89,581</u>	<u>\$ 93,771</u>	<u>\$ 51,976</u>	<u>\$ 42,313</u>	<u>\$ 141,557</u>	<u>\$ 136,084</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***

March of 2007, the City sold \$14,285 General Obligation Bonds and an additional \$1,100 Certificates of Obligation. All debt service on the above bonds and certificates is being paid from property tax revenue, with the exception of \$640 of Certificates of Obligation which is funded from increases in user fees in the utility system. In 2010, the City of Big Spring sold \$4,200 in Certificates of Obligation for the construction of a new family aquatic center. The debt service on this certificate of obligation is being paid from property tax revenue. In March 2011, the City refunded the 2002 Refunding Bonds in the amount of \$1,555. This refunding reduced debt service requirements over the life of the bonds by \$34.

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

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$26,115. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$14,790 of the total and the remaining \$11,325 is business-type activity debt, supported by water and sewer system revenues. Total long-term debt, not due within one year, including capital leases compensated absences, landfill closure and post closure is \$34,080,978.

The City of Big Spring carefully plans debt acquisition to fund only capital replacement and new construction. This process includes matching the maturity of the debt to the useful lives of the assets to be funded, as closely as possible. This allows for the use of debt to compliment operations by allowing for matching the cash flows of asset cost to the period deriving the benefit from the asset.

Additionally, this allows the City to plan for and structure debt payments in such a manner that debt service tends to be generally declining across the years creating a known, decreasing demand upon resources for debt service and limiting the demand upon resources to a managed level. As a result of the development and refinement of this process, the impact of current debt upon present and future operations is minimized and annual operations can be based upon a known level of expendable, available resources to respond to the immediate needs of the City.

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

**OUTSTANDING BONDED DEBT AT SEPTEMBER 30, 2014**  
**(in thousands)**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Serviced by Tax Revenues						
General Obligation Bonds	\$ 10,825	\$ 11,430	\$	\$	\$ 10,825	\$
Certificates of Obligation Bonds	3,965	4,150			3,965	4,150
Serviced by Enterprise Funds						
General Obligation Bonds			0	525	0	525
Certificates of Obligation Bonds			480	505	480	505
Combination Tax & Revenue Bonds			<u>10,845</u>	<u>11,290</u>	<u>10,845</u>	<u>11,290</u>
	<u>\$ 14,790</u>	<u>\$ 15,580</u>	<u>\$ 11,325</u>	<u>\$ 12,320</u>	<u>\$ 26,115</u>	<u>\$ 16,470</u>

Additional information regarding long-term debt activity of the City can be found in Note F in the Notes to the Financial Statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The City's elected and appointed officials considered many factors when adopting the annual budget and setting tax rates. One of those factors is the economy. The City's population growth as measured by the 2010 Census indicated no significant gain in population, but in the last three years all population indicators have shown a strong increase in population due to workers coming into the City to work in oil and gas and related industries from the Cline Shale oil and gas exploration and extraction. Unemployment during 2014 increased slightly, from 5.3% in 2013 to 5.4%, which compares favorably to the state's unemployment rate of 5.9% and the national rate of 5.9% for September 2014. Per capita income (stated in actual dollars) rose by 4.2%, increasing from \$36,287 to \$37,796.

Sustained growth in the West Texas oil industry, an influx of temporary, migratory construction workers who are in the region for several large construction projects, and an overall improvement in the economy have all combined to strengthen the City's taxable retail sales. Sales tax for the year was \$6,348 and continued to be the largest single source of revenue. It is expected to remain high over the next three to five years.

Although the economic outlook looked bright for the City and area on September 30, 2014, the end of the fiscal year for which these financial statements are for, as the time of writing this Management Discussion and Analysis, all area economic focus is on the falling price of oil and what it may do to businesses, organizations, and people in our area. However, the City continues to see increases in building permits and other positive economic factors.

## **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

STATEMENT OF NET POSITION  
SEPTEMBER 30, 2014

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>ASSETS:</b>				
Cash and Cash Equivalents	\$ 10,571,746	\$ 6,806,049	\$ 17,377,795	\$ 3,476,915
Cash and Cash Equivalents - Restricted		7,299,365	7,299,365	
Receivables (Net of Allowances for Uncollectibles)	760,432	2,142,367	2,902,799	443,867
Internal Balances	1,873,228	(1,873,228)	0	
Due from Other Governments	604,079		604,079	
Notes Receivable			0	1,789,587
Inventories		378,549	378,549	
Deferred Charges	24,125	76,085	100,210	5,053
Other Assets			0	87,430
Capital Assets (Net of Accumulated Depreciation)				
Land	72,786,883	6,355,414	79,142,297	25,000
Buildings and Systems	3,715,169	20,655,621	24,370,790	128,717
Improvements Other Than Buildings	10,552,336	13,160,796	23,713,132	
Machinery and Equipment	2,410,231	2,556,800	4,967,031	1,139
Infrastructure	23,246		23,246	
Construction in Progress	93,079	9,247,232	9,340,311	
Total Assets	<u>\$ 103,414,554</u>	<u>\$ 66,805,050</u>	<u>\$ 170,219,604</u>	<u>\$ 5,957,708</u>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 1,278,166	\$ 2,074,705	\$ 3,352,871	\$ 185,205
Claims and Judgments Payable	425,354		425,354	
Accrued Interest Payable	78,946	48,359	127,305	
Retainage Payable		98,632	98,632	
Accrued Wages	421,244	170,159	591,403	
Unearned Revenue	143,107		143,107	
Customer Deposits	15,025	256,845	271,870	
Unclaimed Property		107,954	107,954	
Noncurrent Liabilities				
Due Within One Year	1,573,222	1,175,558	2,748,780	
Due In More Than One Year	17,320,653	14,230,741	31,551,394	
Closure/Post-closure Landfill Obligation		2,529,584	2,529,584	
Total Liabilities	<u>\$ 21,255,717</u>	<u>\$ 20,692,537</u>	<u>\$ 41,948,254</u>	<u>\$ 185,205</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	\$ 72,237,794	\$ 40,984,310	\$ 113,222,104	\$ 154,856
Restricted For:				
Cemetery Permanent Care (nonexpendable)	351,519		351,519	
Public, Educational and Governmental Television Access	73,131		73,131	
Grants			0	1,877,017
Economic Development			0	3,740,630
Advertising and Promotions	2,492,758		2,492,758	
Court Security	3,915		3,915	
Unrestricted	6,999,720	5,128,203	12,127,923	
Total Net Position	<u>\$ 82,158,837</u>	<u>\$ 46,112,513</u>	<u>\$ 128,271,350</u>	<u>\$ 5,772,503</u>

The accompanying notes are an integral part of this statement.

-25-  
CITY OF BIG SPRING, TEXAS

EXHIBIT A-2

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

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	
<b>PRIMARY GOVERNMENT:</b>								
Governmental Activities:								
General Government	\$ 2,949,162	\$ 381,874	\$ 15,675	\$	\$ (2,551,613)	\$	\$ (2,551,613)	\$
Public Safety	10,019,614		70,267		(9,949,347)		(9,949,347)	
Highways and Streets	3,241,167				(3,241,167)		(3,241,167)	
Community Service	445,156	25,095	177,511		(242,550)		(242,550)	
Recreation and Parks	2,704,295	934,612			(1,769,683)		(1,769,683)	
Cemetery	178,970				(178,970)		(178,970)	
Economic Development	579,099				(579,099)		(579,099)	
Interest on Long-Term Debt	731,792				(731,792)		(731,792)	
Total Governmental Activities	<u>\$ 20,849,255</u>	<u>\$ 1,341,581</u>	<u>\$ 263,453</u>	<u>\$ 0</u>	<u>\$ (19,244,221)</u>	<u>\$ 0</u>	<u>\$ (19,244,221)</u>	<u>\$ 0</u>
Business-Type Activities:								
Water and Sewer	\$ 11,017,032	\$ 11,887,981	\$	\$ 1,763,880	\$	\$ 2,634,829	\$ 2,634,829	\$
Airport/Industrial Park	1,871,990	1,099,100		848,467		75,577	75,577	
Emergency Medical Services	2,439,037	1,325,358	389,000		(724,679)	(724,679)	(724,679)	
Landfill	786,699	1,437,172	577,157		1,227,630	1,227,630	1,227,630	
Sanitation	2,375,412	2,653,868			278,456	278,456	278,456	
Molone & Hogan Clinic	304,504	289,171			(15,333)	(15,333)	(15,333)	
Total Business-Type Activities	<u>\$ 18,794,674</u>	<u>\$ 18,692,650</u>	<u>\$ 966,157</u>	<u>\$ 2,612,347</u>	<u>\$ 0</u>	<u>\$ 3,476,480</u>	<u>\$ 3,476,480</u>	<u>\$ 0</u>
Total Primary Government	<u>\$ 39,643,929</u>	<u>\$ 20,034,231</u>	<u>\$ 1,229,610</u>	<u>\$ 2,612,347</u>	<u>\$ (19,244,221)</u>	<u>\$ 3,476,480</u>	<u>\$ (15,767,741)</u>	<u>\$ 0</u>
<b>COMPONENT UNIT:</b>								
Economic Development Corporation	<u>\$ 4,157,682</u>	<u>\$ 13,847</u>	<u>\$ 0</u>	<u>\$ 0</u>				<u>\$ (4,143,835)</u>
General Revenues:								
Property Taxes					\$ 5,566,502	\$	\$ 5,566,502	\$
Sales Taxes					6,347,971		6,347,971	2,362,823
Gross Receipts Taxes					1,631,818		1,631,818	
Motel Occupancy Taxes					1,512,024		1,512,024	
Grants and Contributions Not Restricted to Specific Programs					1,200,350		1,200,350	
Unrestricted Investment Earnings					17,681	7,819	25,500	183,416
Miscellaneous					1,805,292	2,081,058	3,886,350	
Transfers					301,970	(301,970)	0	
Total General Revenue and Transfers					<u>\$ 18,383,608</u>	<u>\$ 1,786,907</u>	<u>\$ 20,170,515</u>	<u>\$ 2,546,239</u>
Change in Net Position					<u>\$ (860,613)</u>	<u>\$ 5,263,387</u>	<u>\$ 4,402,774</u>	<u>\$ (1,597,596)</u>
Net Position - Beginning					86,705,634	37,162,942	123,868,576	7,370,099
Transfer Net Position					(3,686,184)	3,686,184	0	
Net Position - Ending					<u>\$ 82,158,837</u>	<u>\$ 46,112,513</u>	<u>\$ 128,271,350</u>	<u>\$ 5,772,503</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS:</b>			
Cash and Cash Equivalents	\$ 4,581,021	\$ 4,302,185	\$ 8,883,206
Receivables (Net of Allowances for Uncollectibles)	552,488	207,944	760,432
Due from Other Funds	1,898,361	26,384	1,924,745
Intergovernmental Receivables	604,079		604,079
Prepaid Items	<u>24,125</u>		<u>24,125</u>
Total Assets	<u>\$ 7,660,074</u>	<u>\$ 4,536,513</u>	<u>\$ 12,196,587</u>
 <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>			
<b>LIABILITIES:</b>			
Accounts Payable	\$ 1,021,782	\$ 104,811	\$ 1,126,593
Accrued Wages	362,483	58,761	421,244
Due to Other Funds	951		951
Deferred Revenue	76,862	66,245	143,107
Customer Deposits		<u>15,025</u>	<u>15,025</u>
Total Liabilities	<u>\$ 1,462,078</u>	<u>\$ 244,842</u>	<u>\$ 1,706,920</u>
 <b>DEFERRED INFLOWS OF RESOURCES:</b>			
Unavailable Revenue - Property Taxes	<u>\$ 130,024</u>	<u>\$ 66,314</u>	<u>\$ 196,338</u>
 <b>FUND BALANCES:</b>			
<b>Nonspendable Fund Balances:</b>			
Prepays	\$ 24,125		\$ 24,125
Cemetery Permanent Care		351,519	351,519
<b>Restricted Fund Balances:</b>			
Restricted for Advertising and Promotions		2,492,758	2,492,758
Restricted for Court Security		3,915	3,915
Restricted for Public, Educational and Governmental Television Access		73,131	73,131
Restricted for Debt Service		423,037	423,037
<b>Committed Fund Balances:</b>			
Committed for Capital Projects		534,973	534,973
Committed for Employee Education		41,433	41,433
Committed for Task Force Operations		144,131	144,131
Committed for Cemetery Operations		718	718
Committed for Volunteer Program		23,266	23,266
Committed for Senior Center Operations		136,476	136,476
Unassigned Fund Balance	<u>6,043,847</u>		<u>6,043,847</u>
Total Fund Balances	<u>\$ 6,067,972</u>	<u>\$ 4,225,357</u>	<u>\$ 10,293,329</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 7,660,074</u>	<u>\$ 4,536,513</u>	<u>\$ 12,196,587</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  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

Total Fund Balances - Governmental Funds Balance Sheet	\$ 10,293,329
Amounts reported for governmental activities in the statement of net assets ("SNA") are different because:	
Capital assets used in governmental activities are not reported in the funds.	89,567,217
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	196,338
The assets and liabilities of internal service funds are included in governmental activities in the SNA.	1,060,858
Payables for bond principal which are not due in the current period are not reported in the funds.	(14,790,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,414,788)
Payables for notes payable which are not due in the current period are not reported in the funds.	(1,124,446)
Payables for bond interest which are not due in the current period are not reported in the funds.	(78,946)
Payables for compensated absences which are not reported in the funds.	<u>(1,550,725)</u>
Net Position of Governmental Activities - Statement of Net Assets	\$ <u><u>82,158,837</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, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
	<u>          </u>	<u>          </u>	<u>          </u>
Revenue:			
Taxes:			
General Property Taxes	\$ 3,723,237	\$ 1,784,555	\$ 5,507,792
General Sales Taxes	6,347,971		6,347,971
Gross Receipts Business Taxes	1,575,345	56,473	1,631,818
Motel Occupancy Taxes		1,512,024	1,512,024
License and Permits	373,964		373,964
Intergovernmental	1,199,850	262,452	1,462,302
Charges for Services	250	62,201	62,451
Fines	394,621	7,661	402,282
Recreation	934,612		934,612
Investment Earnings	4,538	9,844	14,382
Rents and Royalties	1,026,757	174,509	1,201,266
Miscellaneous	55,960	25	55,985
Contributions and Donations	16,099	1,500	17,599
Total Revenues	<u>\$ 15,653,204</u>	<u>\$ 3,871,244</u>	<u>\$ 19,524,448</u>
Expenditures:			
Current:			
General Government	\$ 2,445,302	\$ 113,234	\$ 2,558,536
Public Safety	9,417,008	461,167	9,878,175
Highways and Streets	2,390,778		2,390,778
Community Service		440,099	440,099
Recreation and Parks	1,812,530		1,812,530
Economic Development	279	575,690	575,969
Cemetery		189,728	189,728
Debt Service:			
Principal	608,853	802,056	1,410,909
Interest and Fiscal Charges	77,589	655,735	733,324
Fiscal Agent's Fees		1,150	1,150
Total Expenditures	<u>\$ 16,752,339</u>	<u>\$ 3,238,859</u>	<u>\$ 19,991,198</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,099,135)</u>	<u>\$ 632,385</u>	<u>\$ (466,750)</u>
Other Financing Sources (Uses):			
Transfers In	\$ 1,688,647	\$ 443,954	\$ 2,132,601
Transfers Out	(1,327,828)	(464,374)	(1,792,202)
Capital Lease Proceeds	677,952	15,484	693,436
Total Other Financing Sources (Uses)	<u>\$ 1,038,771</u>	<u>\$ (4,936)</u>	<u>\$ 1,033,835</u>
Net Change in Fund Balances	\$ (60,364)	\$ 627,449	\$ 567,085
Fund Balances - Beginning	10,769,453	3,493,271	14,262,724
Transfer Fund Balance	<u>(4,641,117)</u>	<u>104,637</u>	<u>(4,536,480)</u>
Fund Balances - Ending	<u>\$ 6,067,972</u>	<u>\$ 4,225,357</u>	<u>\$ 10,293,329</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, 2014

Net Change in Fund Balances - Total Governmental Funds	\$	567,085
Amounts reported for governmental activities in the statement of activities ("SOA") are different because:		
Capital assets are not reported as expenses in the SOA.		889,527
The depreciation of capital assets used in governmental activities is not reported in the funds.		(2,574,180)
The loss on disposition of capital assets is not reported in the funds.		(18,456)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.		(693,436)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.		58,710
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.		790,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.		485,054
Repayment of notes payable principal is an expenditure in the funds but is not an expense in the SOA.		135,855
Decrease in accrued interest from beginning of period to end of period.		3,534
The net revenue of internal service funds is reported with governmental activities.		(386,744)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.		<u>(117,562)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$	<u><u>(860,613)</u></u>

The accompanying notes are an integral part of this statement.

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CITY OF BIG SPRING, TEXAS

EXHIBIT A-7

**STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Major Enterprise Funds					Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Molone & Hogan Clinic		
<b>ASSETS:</b>								
<b>Current Assets</b>								
Cash and Cash Equivalents	\$ 3,618,946	\$ 2,986,761	\$ 165	\$ 107	\$ 131,192	\$ 68,878	\$ 6,806,049	\$ 1,688,540
Cash and Cash Equivalents - Restricted	3,816,419			3,482,946			7,299,365	
Receivables (Net of Allowances for Uncollectibles)	1,629,318	77,311	90,735	43,300	301,703		2,142,367	
Due from Other Funds	3,156						3,156	5,155
Inventories	348,551		29,998				378,549	
Prepaid Items	1,715	6,280	3,614	53,419	11,057		76,085	
Total Current Assets	<u>\$ 9,418,105</u>	<u>\$ 3,070,352</u>	<u>\$ 124,512</u>	<u>\$ 3,579,772</u>	<u>\$ 443,952</u>	<u>\$ 68,878</u>	<u>\$ 16,705,571</u>	<u>\$ 1,693,695</u>
<b>Noncurrent Assets</b>								
<b>Capital Assets (Net of Accumulated Depreciation)</b>								
Land	\$ 5,036	\$ 5,590,113	\$	\$ 636,265	\$	\$ 124,000	\$ 6,355,414	\$ 10,000
Buildings and Systems	10,938,578	8,370,460				1,346,583	20,655,621	
Improvements Other Than Buildings	6,055,631	7,105,165					13,160,796	
Machinery and Equipment	284,944	111,340	337,648	733,415	1,059,896	29,557	2,556,800	3,727
Construction in Progress	5,016,160	1,407,812		2,823,260			9,247,232	
Total Noncurrent Assets	<u>\$ 22,300,349</u>	<u>\$ 22,584,890</u>	<u>\$ 337,648</u>	<u>\$ 4,192,940</u>	<u>\$ 1,059,896</u>	<u>\$ 1,500,140</u>	<u>\$ 51,975,863</u>	<u>\$ 13,727</u>
Total Assets	<u>\$ 31,718,454</u>	<u>\$ 25,655,242</u>	<u>\$ 462,160</u>	<u>\$ 7,772,712</u>	<u>\$ 1,503,848</u>	<u>\$ 1,569,018</u>	<u>\$ 68,681,434</u>	<u>\$ 1,707,422</u>
<b>LIABILITIES:</b>								
<b>Current Liabilities</b>								
Accounts Payable	\$ 1,695,973	\$ 118,878	\$ 28,109	\$ 55,853	\$ 148,297	\$ 27,595	\$ 2,074,705	\$ 151,573
Claims and Judgments Payable								425,354
Retainage Payable		2,224		96,408			98,632	
Accrued Wages	79,346	12,548	55,353		13,913		170,159	
Due to Other Funds	26,384		1,412,500	437,500			1,876,384	55,721
Customer Deposits	213,029	43,816					256,845	
Unclaimed Property	107,954						107,954	
Accrued Interest Payable	48,359						48,359	
Accrued Compensated Absences - Current	23,567	7,558	33,055	4,405	1,719		70,304	
Notes Payable - Current	236,075	4,870					240,945	1,293
Revenue Bonds Payable - Current	490,000						490,000	
Capital Leases Payable - Current	21,175	1,970	64,014	63,237	223,913		374,309	3,646
Total Current Liabilities	<u>\$ 2,941,862</u>	<u>\$ 191,864</u>	<u>\$ 1,593,031</u>	<u>\$ 666,402</u>	<u>\$ 387,842</u>	<u>\$ 27,595</u>	<u>\$ 5,808,596</u>	<u>\$ 637,587</u>
<b>Noncurrent Liabilities</b>								
Revenue Bonds Payable	\$ 11,121,820	\$	\$	\$	\$	\$	\$ 11,121,820	\$
Notes Payable	1,639,298	33,813					1,673,111	8,977
Capital Leases Payable	54,262		160,592	166,741	526,192		907,787	
Accrued Compensated Absences	176,993	56,765	248,265	33,086	12,914		528,023	
Closure/Post-closure Landfill Obligation				2,529,584			2,529,584	
Total Noncurrent Liabilities	<u>\$ 12,992,373</u>	<u>\$ 90,578</u>	<u>\$ 408,857</u>	<u>\$ 2,729,411</u>	<u>\$ 539,106</u>	<u>\$ 0</u>	<u>\$ 16,760,325</u>	<u>\$ 8,977</u>
Total Liabilities	<u>\$ 15,934,235</u>	<u>\$ 282,442</u>	<u>\$ 2,001,888</u>	<u>\$ 3,395,813</u>	<u>\$ 926,948</u>	<u>\$ 27,595</u>	<u>\$ 22,568,921</u>	<u>\$ 646,564</u>
<b>NET POSITION:</b>								
Net Investment in Capital Assets	\$ 12,554,138	\$ 22,544,237	\$ 113,042	\$ 3,962,962	\$ 309,791	\$ 1,500,140	\$ 40,984,310	\$ (189)
Unrestricted	<u>3,230,081</u>	<u>2,828,563</u>	<u>(1,652,770)</u>	<u>413,937</u>	<u>267,109</u>	<u>41,283</u>	<u>5,128,203</u>	<u>1,061,047</u>
Total Net Position	<u>\$ 15,784,219</u>	<u>\$ 25,372,800</u>	<u>\$ (1,539,728)</u>	<u>\$ 4,376,899</u>	<u>\$ 576,900</u>	<u>\$ 1,541,423</u>	<u>\$ 46,112,513</u>	<u>\$ 1,060,858</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, 2014**

	Major Enterprise Funds					Non-Major Enterprise Fund	Total Enterprise Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Molone & Hogan Clinic		
<b>OPERATING REVENUES:</b>								
Water Sales	\$ 8,792,897	\$	\$	\$	\$	\$	\$ 8,792,897	\$
Sewer Charges	2,720,085						2,720,085	
Landfill Fees				1,434,072			1,434,072	
Sanitation Revenue					2,637,743		2,637,743	
Emergency Medical Services			1,325,358				1,325,358	
Commercial Rentals and Fees		1,099,100				289,171	1,388,271	
Billings to Departments and Employees							0	2,028,352
Other Services	374,999			3,100	16,125		394,224	
<b>Total Operating Revenues</b>	<b>\$ 11,887,981</b>	<b>\$ 1,099,100</b>	<b>\$ 1,325,358</b>	<b>\$ 1,437,172</b>	<b>\$ 2,653,868</b>	<b>\$ 289,171</b>	<b>\$ 18,692,650</b>	<b>\$ 2,028,352</b>
<b>OPERATING EXPENSES:</b>								
Personnel Services	\$ 2,455,165	\$ 391,767	\$ 1,645,857	\$ 376,017	\$ 459,591	\$	\$ 5,328,397	\$
Supplies and Materials	4,379,511	48,370	132,693	57,799	373,280	26,366	5,018,019	8,158
Contractual Services	1,039,429	238,726	86,343	111,478	934,635	165,571	2,576,182	2,003,162
Maintenance	1,150,290	154,821	58,739	80,497	332,667	59,684	1,836,698	17,169
Depreciation	1,394,950	1,019,863	62,984	101,306	225,491	52,883	2,857,477	13,304
Other	126,321	16,417	447,229	56,628	39,121		685,716	455,991
<b>Total Operating Expenses</b>	<b>\$ 10,545,666</b>	<b>\$ 1,869,964</b>	<b>\$ 2,433,845</b>	<b>\$ 783,725</b>	<b>\$ 2,364,785</b>	<b>\$ 304,504</b>	<b>\$ 18,302,489</b>	<b>\$ 2,497,784</b>
<b>Operating Income (Loss)</b>	<b>\$ 1,342,315</b>	<b>\$ (770,864)</b>	<b>\$ (1,108,487)</b>	<b>\$ 653,447</b>	<b>\$ 289,083</b>	<b>\$ (15,333)</b>	<b>\$ 390,161</b>	<b>\$ (469,432)</b>
<b>NON-OPERATING REVENUES (EXPENSES)</b>								
Intergovernmental Revenue	\$ 1,763,880	\$ 848,467	\$ 389,000	\$ 577,157	\$	\$	\$ 3,578,504	\$
Interest Revenue	4,119	1,625		1,954	71	50	7,819	3,299
Rents and Royalties		1,952,227					1,952,227	
Other	84,942	32,963	10,048	601	277		128,831	118,669
Interest Expense and Paying Agent Fees	(471,366)	(2,026)	(5,192)	(2,974)	(10,627)		(492,185)	(852)
<b>Total Non-Operating Revenues (Expenses)</b>	<b>\$ 1,381,575</b>	<b>\$ 2,833,256</b>	<b>\$ 393,856</b>	<b>\$ 576,738</b>	<b>\$ (10,279)</b>	<b>\$ 50</b>	<b>\$ 5,175,196</b>	<b>\$ 121,116</b>
<b>Income (Loss) Before Transfers</b>	<b>\$ 2,723,890</b>	<b>\$ 2,062,392</b>	<b>\$ (714,631)</b>	<b>\$ 1,230,185</b>	<b>\$ 278,804</b>	<b>\$ (15,283)</b>	<b>\$ 5,565,357</b>	<b>\$ (348,316)</b>
<b>Transfers In (Out)</b>	<b>(646,967)</b>	<b>(144,690)</b>	<b>731,061</b>	<b>(75,454)</b>	<b>(165,920)</b>		<b>(301,970)</b>	<b>(38,428)</b>
<b>Change in Net Position</b>	<b>\$ 2,076,923</b>	<b>\$ 1,917,702</b>	<b>\$ 16,430</b>	<b>\$ 1,154,731</b>	<b>\$ 112,884</b>	<b>\$ (15,283)</b>	<b>\$ 5,263,387</b>	<b>\$ (386,744)</b>
<b>Total Net Position - Beginning</b>	<b>13,707,296</b>	<b>23,455,098</b>	<b>(1,556,158)</b>			<b>1,556,706</b>	<b>37,162,942</b>	<b>1,447,602</b>
Transfer Fund Balance from General Fund				4,381,134	155,346		4,536,480	
Transfer Net Position from Governmental Activities				(1,158,966)	308,670		(850,296)	
<b>Total Net Position - Ending</b>	<b>\$ 15,784,219</b>	<b>\$ 25,372,800</b>	<b>\$ (1,539,728)</b>	<b>\$ 4,376,899</b>	<b>\$ 576,900</b>	<b>\$ 1,541,423</b>	<b>\$ 46,112,513</b>	<b>\$ 1,060,858</b>

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Major Enterprise Funds					Non-Major Enterprise Fund	Totals	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Molone & Hogan Clinic		
Cash Flows from Operating Activities:								
Cash Received from Customers	\$ 11,893,236	\$ 1,155,974	\$ 1,366,505	\$ 1,394,473	\$ 2,507,791	\$ 289,171	\$ 18,607,150	\$
Cash Receipts from Interfund Services Provided								1,572,324
Cash Payments to Employees for Services	(2,375,388)	(387,650)	(1,592,281)	(383,167)	(441,322)		(5,179,808)	
Cash Payments to Other Suppliers for Goods and Services	(6,728,580)	(519,503)	(863,916)	314,680	(1,542,463)	(238,052)	(9,577,834)	(1,914,400)
Net Cash Provided by (Used in) Operating Activities	\$ 2,789,268	\$ 248,821	\$ (1,089,692)	\$ 1,325,986	\$ 524,006	\$ 51,119	\$ 3,849,508	\$ (342,076)
Cash Flows from Non-Capital Financing Activities:								
Cash Received from Intergovernmental Grants	\$ 1,763,880	\$ 848,467	\$ 389,000	\$ 577,157	\$ 0	\$	\$ 3,578,504	\$
Cash Received from Mineral Lease/Bonus Insurance Reimbursement		1,952,227					1,952,227	0
Transfers from (to) Other Funds	(646,967)	(144,690)	731,061	(75,454)	(165,920)		(301,970)	118,669
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ 1,116,913	\$ 2,656,004	\$ 1,120,061	\$ 501,703	\$ (165,920)	\$ 0	\$ 5,228,761	\$ (38,428)
Cash Flows from Capital and Related Financing Activities:								
Principal and Interest Paid	\$ (1,758,801)	\$ (14,472)	\$ (64,511)	\$ (62,997)	\$ (226,965)	\$	\$ (2,127,746)	\$ (13,761)
Acquisition or Construction of Capital Assets	(5,421,472)	(1,319,646)	(3,000)	(2,656,448)	0	(34,772)	(9,435,338)	
Net Cash (Used in) Capital and Related Financing Activities	\$ (7,180,273)	\$ (1,334,118)	\$ (67,511)	\$ (2,719,445)	\$ (226,965)	\$ (34,772)	\$ (11,563,084)	\$ (13,761)
Cash Flows from Investing Activities:								
Interest and Dividends on Investments	\$ 4,119	\$ 1,625	\$ 0	\$ 1,954	\$ 71	\$ 50	\$ 7,819	\$ 3,299
Net Cash Provided by Investing Activities	\$ 4,119	\$ 1,625	\$ 0	\$ 1,954	\$ 71	\$ 50	\$ 7,819	\$ 3,299
Increase (Decrease) in Cash and Cash Equivalents	\$ (3,269,973)	\$ 1,572,332	\$ (37,142)	\$ (889,802)	\$ 131,192	\$ 16,397	\$ (2,476,996)	\$ (272,297)
Cash and Cash Equivalents - Beginning of Year	10,705,338	1,414,429	37,307	4,372,855	0	52,481	16,582,410	1,960,837
Cash and Cash Equivalents - End of Year	\$ 7,435,365	\$ 2,986,761	\$ 165	\$ 3,483,053	\$ 131,192	\$ 68,878	\$ 14,105,414	\$ 1,688,540
Reconciliation of Operating Income to Net Cash Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ 1,342,315	\$ (770,864)	\$ (1,108,487)	\$ 653,447	\$ 289,083	\$ (15,333)	\$ 390,161	\$ (469,432)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities								
Depreciation	\$ 1,394,950	\$ 1,019,863	\$ 62,984	\$ 101,306	\$ 225,491	\$ 52,883	\$ 2,857,477	\$ 13,304
Other Revenue	84,942	32,963	10,048	601	277		128,831	
Change in Assets and Liabilities:								
Decrease (Increase) in Receivables	(91,212)	21,847	31,099	(43,300)	(146,354)		(227,920)	176
Decrease (Increase) in Interfund Receivable	(3,156)						(3,156)	(5,155)
Decrease (Increase) in Inventories	(19,660)		(139)				(19,799)	49,233
Decrease (Increase) in Prepaid Expenses	391	(6,280)	7,485	(45,139)	(11,057)		(54,600)	
Increase (Decrease) in Accounts Payable	87,913	(54,889)	(173,402)	152,261	148,297	13,569	173,749	14,262
Increase (Decrease) in Interfund Payables	(101,673)		27,144	437,500			362,971	55,536
Increase (Decrease) in Customer Deposits	10,167	2,064					12,231	
Increase (Decrease) in Unclaimed Property	4,514						4,514	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				76,460			76,460	
Increase (Decrease) in Accrued Expenses	79,777	4,117	53,576	(7,150)	18,269		148,589	
Total Adjustments	\$ 1,446,953	\$ 1,019,685	\$ 18,795	\$ 672,539	\$ 234,923	\$ 66,452	\$ 3,459,347	\$ 127,356
Net Cash Provided by (Used in) Operating Activities	\$ 2,789,268	\$ 248,821	\$ (1,089,692)	\$ 1,325,986	\$ 524,006	\$ 51,119	\$ 3,849,508	\$ (342,076)
Supplemental Cash Flow Information:								
Non-Cash Related Financing Activities:								
Capital Lease Proceeds and Capital Assets of \$51,479 - Water and Sewer Fund								
Capital Lease Proceeds and Capital Assets of \$111,008 - EMS Fund								
Capital Lease Proceeds and Capital Assets of \$25,676 - Landfill Fund								
Capital Lease Proceeds and Capital Assets of \$424,280 - Sanitation Fund								

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

Exhibit A-10

STATEMENT OF FIDUCIARY NET POSITION  
SEPTEMBER 30, 2014

	<u>Defined Benefit Pension Plan</u>
ASSETS	
Cash and Cash Equivalents	\$ 1,696
Investment Funds, at fair value:	
SEI Government Securities	85,516
AllCap Growth Fund	1,311,434
AllCap Value Fund	2,486,470
Emerging Markets	541,947
Trust Core Investment Grade	1,207,514
Trust Income Opportunity Fund	1,485,159
Reit Investment Trust	333,950
Short Duration High Yield Bond Investment Trust	652,136
First Eagle Funds	915,329
Investment Managers Ser Tr	938,949
Pimco Fds Inv	594,882
Templeton Income Tr Gib	<u>526,444</u>
Total Assets	<u>\$ 11,081,426</u>
NET POSITION	
Assets Held in Trust For Pension Benefits	\$ <u>11,081,426</u>
Total Net Position	<u>\$ 11,081,426</u>

CITY OF BIG SPRING, TEXAS

Exhibit A-11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
SEPTEMBER 30, 2014

	<u>Defined Benefit Pension Fund</u>
<b>ADDITIONS</b>	
Employer Contributions	\$ 497,375
Employee Contributions	500,136
Total Contributions	<u>\$ 997,511</u>
Interest Income	\$ 207,449
Dividends	67,115
Gain on Sale of Investments	176,054
Unrealized Gain on Investments	584,311
Total Investment Earnings	<u>\$ 1,034,929</u>
Other Income	<u>\$ 200</u>
Total Additions	<u>\$ 2,032,640</u>
<b>DEDUCTIONS</b>	
Pension Benefit Payments	\$ 1,438,726
Contributions Refunded	94,817
Administration Costs	138,298
Total Deductions	<u>\$ 1,671,841</u>
<b>NET POSITION HELD IN TRUST</b>	
Change in Net Position	\$ 360,799
Net Position - Beginning	<u>10,720,627</u>
Net Position - Ending	<u><u>\$ 11,081,426</u></u>

**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 enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

The City reports the following major governmental funds:

General Fund: This is the City's primary operating fund. It accounts for all financial resources of the City except those required to be accounted for in another fund.

The City reports the following non-major funds:

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

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

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

The City reports the following major enterprise funds:

Water and Sewer Fund: This fund accounts for the revenues and expenses associated with providing water and sewer service to the citizens of the City.

Airport/Industrial Park Fund: This fund is used to account for the Airport and Industrial Park. Funding for these activities is provided by charges to renters of facilities.

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

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

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

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

Molone & Hogan Clinic Fund: This fund is used to account for leasing space at the clinic and also the repairs and maintenance on the clinic. During the year ended September 30, 2014, the clinic was contributed to the City.

The City reports the following fiduciary fund:

Big Spring Firemen's Relief and Retirement Fund (Defined Benefit Plan): This fund is accounted for essentially the same as the government-wide financial statements. The net position of this fund is restricted for retirement benefits.

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

Under GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," all proprietary funds will continue to follow Financial Accounting Standards Board (FASB) standards issued on or before November 30, 1989. However, from that date forward, enterprise funds will have the option of either 1) choosing not to apply future FASB standards (including amendments of earlier pronouncements), or 2) continuing to follow new FASB pronouncements unless they conflict with GASB guidance. The City has chosen not to apply future FASB standards.

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 enterprise funds, of the water and sewer, airport/industrial park, EMS, landfill, sanitation and Molone and Hogan Clinic funds, and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise 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.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO 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.

**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.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Restricted Cash and Cash Equivalents consist of the following:

<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Landfill Closure and Post-Closure	Landfill	3,482,946
Water and Sewer Improvements	Water and Sewer	3,816,419
		<u>7,299,365</u>

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.

c. Inventories and Prepaid Items

Inventories on the balance sheet are stated at first in first out method. Inventory items are recorded as expenditures when they are consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

Asset Classes	Estimated Useful Lives
Infrastructure	30
Buildings	5-50
Building Improvements	20
Vehicles	2-15
Office Equipment	3-15
Computer Equipment	3-15
Furniture and Fixtures	2-10

e. Receivable Balances

Receivables as of year-end for the City's individual major funds, non-major funds, 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	\$ 553,005						\$ 553,005
Municipal Court	1,331,432						1,331,432
Other	8,403						8,403
Accounts	<u>352,600</u>	<u>1,680,442</u>	<u>124,751</u>	<u>1,055,004</u>	<u>43,300</u>	<u>334,838</u>	<u>3,590,935</u>
Gross Receivables	\$ 2,245,440	\$ 1,680,442	\$ 124,751	\$ 1,055,004	\$ 43,300	\$ 334,838	\$ 5,483,775
Less: Allowance for Uncollectibles	<u>(1,485,008)</u>	<u>(51,124)</u>	<u>(47,440)</u>	<u>(964,269)</u>		<u>(33,135)</u>	<u>(2,580,976)</u>
Net Total Receivables	<u>\$ 760,432</u>	<u>\$ 1,629,318</u>	<u>\$ 77,311</u>	<u>\$ 90,735</u>	<u>\$ 43,300</u>	<u>\$ 301,703</u>	<u>\$ 2,902,799</u>

Intergovernmental receivables are classified separately in the accompanying financial statements.

f. Interfund Activity

Interfund activity results from loans, services provided, reimbursements, or transfers between funds. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers In and Transfers Out are netted and presented as a single "Transfers" line on the government-wide statement of activities. Similarly, interfund receivables and payables are netted and presented as a single "Internal Balances" line of the government-wide statement of net assets.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

g. Deferred Inflows of Resources – Governmental Funds:

In addition to liabilities, the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

h. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

B. Compliance and Accountability

Deficit Fund Balance or Fund Net Assets of Individual Funds

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

Fund Name	Deficit Amount	Remarks
Proprietary Fund		
Emergency Medical Services	\$ (1,539,728)	This fund incurred additional costs that will be recaptured.

C. Deposits and Investments

The City's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the City's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

1. Cash Deposits:

At September 30, 2014, the carrying amount of the City's deposits was \$16,027,551 with \$338 in escrow for financing, \$23,689 in TML for loss deposit, and \$8,150 for cash on hand. The City's cash deposits at year end were \$15,995,374 with a bank balance of \$16,220,615.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The City's cash deposits at September 30, 2014, and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

The City is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

The Public Funds Investment Act (the Act) requires an annual audit of investment practices. Audit procedures in this area conducted as a part of the audit of the basic financial statements disclosed that in the areas of investment practices, management reports and establishment of appropriate policies, the City adhered to the requirements of the Act. Additionally, investment practices of the District were in accordance with local policies.

The Act determines the types of investments which are allowable for the City. These include, with certain restrictions, 1) obligations of the U.S. Treasury, U.S. agencies, and the State of Texas, 2) certificates of deposit, 3) certain municipal securities, 4) securities lending program, 5) repurchase agreements, 6) bankers acceptances, 7) mutual funds, 8) investment pools, 9) guaranteed investment contracts, and 10) commercial paper.

The City's investments at September 30, 2014 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	30 Days Average	AAAm	\$ 4,833,190
TexStar	17 Days Average	AAAm	\$ 3,816,419

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the City was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

- 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, 2014, the City's investments in TexStar and TexPool were both rated AAAM by Standard and Poor's.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

- 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 distributed between two local government investment pools 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, 2014, TexPool's portfolio maintained a weighted average maturity of approximately 45 days. The other local government investment pool utilized by the City is Texas Short Term Asset Reserve Fund (TexStar). This pool is managed by JP Morgan Chase Bank and First Southwest Asset Management, Inc. As of September 30, 2014, TexStar'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.

**Investment Accounting Policy**

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

D. Capital Assets

Capital asset activity for the year ended September 30, 2014, were as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,989,457	\$	\$ (202,574)	\$	\$ 72,786,883
Construction in Progress	632,169	61,414	(600,504)		93,079
Total Capital Assets Not Being Depreciated	<u>\$ 73,621,626</u>	<u>\$ 61,414</u>	<u>\$ (803,078)</u>	<u>\$ 0</u>	<u>\$ 72,879,962</u>
Capital Assets Being Depreciated					
Infrastructure	\$ 5,711,462	\$	\$	\$	\$ 5,711,462
Buildings and Systems	31,945,885		(332,083)		31,613,802
Improvements Other Than Buildings	17,792,469	60,142			17,852,611
Machinery and Equipment	12,953,751	767,971	(3,822,151)	987,010	8,912,561
Total Capital Assets Being Depreciated	<u>\$ 68,403,567</u>	<u>\$ 828,113</u>	<u>\$ (4,154,234)</u>	<u>\$ 987,010</u>	<u>\$ 64,090,436</u>
Less Accumulated Depreciation for:					
Infrastructure	\$ 5,662,834	\$ 25,382	\$	\$	\$ 5,688,216
Buildings and Systems	27,535,717	362,916			27,898,633
Improvements Other Than Buildings	5,953,793	1,678,565	(332,083)		7,300,275
Machinery and Equipment	9,102,262	520,621	(2,151,999)	968,554	6,502,330
Total Accumulated Depreciation	<u>\$ 48,254,606</u>	<u>\$ 2,587,484</u>	<u>\$ (2,484,082)</u>	<u>\$ 968,554</u>	<u>\$ 47,389,454</u>
Total Capital Assets Being Depreciated, I	<u>\$ 20,148,961</u>	<u>\$ (1,759,371)</u>	<u>\$ (1,670,152)</u>	<u>\$ 18,456</u>	<u>\$ 16,700,982</u>
Governmental Activities Capital Assets, Net	<u>\$ 93,770,587</u>	<u>\$ (1,697,957)</u>	<u>\$ (2,473,230)</u>	<u>\$ 18,456</u>	<u>\$ 89,580,944</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Depreciation was charged to governmental activities as follows:

General Government	\$ 8,695
Public Safety	403,356
Highways and Streets	997,620
Community Service	5,057
Recreation and Parks	1,087,370
Cemetery	22,125
Economic Development	49,957
	<u>\$ 2,574,180</u>
Depreciation Charged to Internal Service Funds	13,304
Total Depreciation Charged to Governmental Activities	<u><u>\$ 2,587,484</u></u>

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Net</u> <u>Transfers</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 5,719,149	\$ 433,691	\$ 202,574	\$	\$ 6,355,414
Construction in Progress	4,786,793	3,859,935	600,504		9,247,232
Total Capital Assets Not Being Depreciated	<u>\$ 10,505,942</u>	<u>\$ 4,293,626</u>	<u>\$ 803,078</u>	<u>\$ 0</u>	<u>\$ 15,602,646</u>
Capital Assets Being Depreciated					
Buildings and Systems	\$ 73,191,762	\$ 62,447	\$ 332,083	\$ 37,136	\$ 73,549,156
Improvements Other Than Buildings	33,079,785	4,912,227			37,992,012
Machinery and Equipment	3,087,636	779,481	3,822,151	72,262	7,617,006
Total Capital Assets Being Depreciated	<u>\$ 109,359,183</u>	<u>\$ 5,754,155</u>	<u>\$ 4,154,234</u>	<u>\$ 109,398</u>	<u>\$ 119,158,174</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 50,782,035	\$ 1,816,553	\$ 332,083	\$ 37,135	\$ 52,893,536
Improvements Other Than Buildings	24,302,883	528,332			24,831,215
Machinery and Equipment	2,467,877	509,985	2,151,999	69,655	5,060,206
Total Accumulated Depreciation	<u>\$ 77,552,795</u>	<u>\$ 2,854,870</u>	<u>\$ 2,484,082</u>	<u>\$ 106,790</u>	<u>\$ 82,784,957</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 31,806,388</u>	<u>\$ 2,899,285</u>	<u>\$ 1,670,152</u>	<u>\$ 2,608</u>	<u>\$ 36,373,217</u>
Business-Type Activities Capital Assets, Net	<u>\$ 42,312,330</u>	<u>\$ 7,192,911</u>	<u>\$ 2,473,230</u>	<u>\$ 2,608</u>	<u>\$ 51,975,863</u>
Depreciation Expense		<u>\$ 2,854,870</u>			

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

E. Internal Balances

1. Due To and From / Advances To and From Balances

Internal Balances at September 30, 2014, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 1,850,000	Short-Term Loans
Proprietary Funds	Internal Service Fund	(3,156)	Short-Term Loans
Capital Replacement	Proprietary Funds	<u>26,384</u>	Short-Term Loans
Total Internal Balances		<u>\$ 1,873,228</u>	

All short-term loans are scheduled to be repaid within one year and all other loans are to be repaid within five years.

2. Transfers To and From Other Funds

Transfers at September 30, 2014, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	EMS	\$ (854,800)	Annual Subsidy
General Fund	Landfill	(44,184)	Closure Contribution
Water and Sewer	General Fund	140,000	Excess Energy Savings
Landfill	General Fund	119,638	Administrative Fees
Sanitation	General Fund	165,920	Administrative Fees
Water and Sewer	General Fund	506,967	Administrative Fees
Airport/Industrial Park	General Fund	144,690	Administrative Fees
EMS	General Fund	<u>123,739</u>	Administrative Fees
		<u>\$ 301,970</u>	

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, and accrued compensated absences. Changes in long-term obligations for the year ended September 30, 2014, are as follows:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance	Amounts Due Within One Year
<b>Governmental Activities:</b>						
General Obligation Bonds	\$ 11,430,000	\$		\$ 605,000	\$ 10,825,000	\$ 635,000
Certificate of Obligation Bonds	4,150,000			185,000	3,965,000	190,000
Capital Leases	2,028,208	693,436	(806,485)	496,724	1,418,435	423,172
Economic Conservation	1,271,810			137,095	1,134,715	142,840
Compensated Absences	1,497,079	206,231	(63,915)	88,670	1,550,725	182,210
Closure/Postclosure Landfill	2,453,124		(2,453,124)		0	
<b>Total Governmental Activities</b>	<b>\$ 22,830,221</b>	<b>\$ 899,667</b>	<b>\$ (3,323,524)</b>	<b>\$ 1,512,489</b>	<b>\$ 18,893,875</b>	<b>\$ 1,573,222</b>
<b>Business-Type Activities:</b>						
General Obligation Bonds	\$ 525,000	\$		\$ 525,000	\$ 0	\$
Certificate of Obligation Bonds	505,000			25,000	480,000	30,000
Combination Tax and Revenue Bonds	11,593,325			461,505	11,131,820	460,000
Capital Leases	253,420	616,936	806,485	394,745	1,282,096	374,309
Economic Conservation	2,145,310			231,254	1,914,056	240,945
Compensated Absences	455,975	107,150	63,915	28,713	598,327	70,304
Closure/Postclosure Landfill	0	76,460	2,453,124		2,529,584	
<b>Total Business-Type Activities</b>	<b>\$ 15,478,030</b>	<b>\$ 800,546</b>	<b>\$ 3,323,524</b>	<b>\$ 1,666,217</b>	<b>\$ 17,935,883</b>	<b>\$ 1,175,558</b>

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

Liability	Activity Type	Fund
Compensated Absences	Governmental	General
Compensated Absences	Business-Type	Proprietary

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2014, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2015	\$ 825,000	\$ 624,382	\$ 1,449,382
2016	855,000	592,932	1,447,932
2017	885,000	559,907	1,444,907
2018	925,000	525,069	1,450,069
2019	965,000	488,219	1,453,219
2020-2024	5,510,000	1,743,378	7,253,378
2025-2029	4,525,000	431,830	4,956,830
2030	300,000	6,188	306,188
<b>Totals</b>	<b>\$ 14,790,000</b>	<b>\$ 4,971,905</b>	<b>\$ 19,761,905</b>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Bonds	2/1/2007	\$ 14,285,000	4.0% - 5.0%	2/15/2027	\$ 10,825,000	Streets & Sports Complex
C.O. Bonds	2/1/2007	460,000	4.0% - 4.375%	2/15/2027	345,000	Animal Shelter
Tax and Surplus						
Revenue C.O. Bonds	3/3/2010	4,200,000	2.0% - 4.125%	2/15/2030	3,620,000	Family Aquatic Center
		<u>\$ 18,945,000</u>			<u>\$ 14,790,000</u>	

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2015	\$ 490,000	\$ 379,650	\$ 869,650
2016	500,000	364,500	864,500
2017	515,000	348,975	863,975
2018	530,000	333,000	863,000
2019	550,000	316,475	866,475
2020-2024	3,015,000	1,313,926	4,328,926
2025-2029	3,440,000	803,082	4,243,082
2030-2032	2,285,000	169,688	2,454,688
<b>Totals</b>	<b>\$ 11,325,000</b>	<b>\$ 4,029,296</b>	<b>\$ 15,354,296</b>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
2012 Tax and Revenue	7/15/2012	\$ 11,725,000	2.0% - 5.0%	2/15/2032	\$ 10,845,000	Water Improvements
2007 C.O. Bonds	2/1/2007	640,000	4.0% - 4.375%	2/15/2027	480,000	Elevated Reservoir Repair
		<u>\$ 12,365,000</u>			<u>\$ 11,325,000</u>	

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Economic Conservation debt requirements at September 30, 2014, are as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2015	\$ 142,840	\$ 47,545	\$ 190,385
2016	148,825	41,560	190,385
2017	155,060	35,325	190,385
2018	161,557	28,828	190,385
2019	168,327	22,058	190,385
2020-2021	358,106	22,657	380,763
Totals	<u>\$ 1,134,715</u>	<u>\$ 197,973</u>	<u>\$ 1,332,688</u>

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2015	\$ 240,945	\$ 80,198	\$ 321,143
2016	251,039	70,104	321,143
2017	261,558	59,585	321,143
2018	272,517	48,626	321,143
2019	283,936	37,207	321,143
2020-2021	604,061	38,225	642,286
Totals	<u>\$ 1,914,056</u>	<u>\$ 333,945</u>	<u>\$ 2,248,001</u>

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

**3. Capital Leases**

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 8,649,265	\$ 3,836,067
Less: Accumulated Depreciation	(6,660,760)	(2,366,193)
Totals	<u>\$ 1,988,505</u>	<u>\$ 1,469,874</u>

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2014, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2015	\$ 423,172	\$ 17,431	\$ 440,603
2016	386,910	11,596	398,506
2017	321,686	6,359	328,045
2018	215,432	2,529	217,961
2019	71,235	320	71,555
Total Minimum Rentals	<u>\$ 1,418,435</u>	<u>\$ 38,235</u>	<u>\$ 1,456,670</u>

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

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2015	\$ 374,309	\$ 15,755	\$ 390,064
2016	349,721	10,482	360,203
2017	290,766	5,748	296,514
2018	194,725	2,286	197,011
2019	72,575	290	72,865
Total Minimum Rentals	<u>\$ 1,282,096</u>	<u>\$ 34,561</u>	<u>\$ 1,316,657</u>

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

4. Continuing Disclosure

The City has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the City.

G. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2014, 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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Pension Plan

1. Plan Description

The City provides pension benefits for all of its eligible employees (except for firemen, which are covered under their own defined benefit plan) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multi-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and Required Supplementary Information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. The report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

	Plan Year 2013	Plan Year 2014
Employee deposit rate	7.00%	7.00%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age / years of service)	60/5,0/20	60/5,0/20
Updated Service Credit	100% Repeating,	100% Repeating,
Annuity Increase (to retirees)	70% of CPI	70% of CPI

2. Funding Policy

Plan members are required to contribute seven percent of their annual covered salary. The City is required to contribute at an actuarially determined rate; the current rate is 17.76% of annual covered payroll. The City's contributions to the TMRS for the years ending September 30, 2014, 2013, and 2012, were \$1,965,338, \$1,327,503, and \$1,161,187, respectively, and were equal to the required contributions for each year.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

3. Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN was first used in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015)

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

The required contribution rates for fiscal year 2014 were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

Valuation Date	12/31/2011	12/31/2012	12/31/2013
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	26.2 years; closed period	25.3 years; closed period	23.0 years; closed period
Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return	7.00%	7.00%	7.00%
Projected Salary Increases	Varies by age and Service	Varies by age and Service	Varies by age and Service
Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	2.10%	2.10%	2.10%

**4. Funded Status and Funding Progress**

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 *TMRS Comprehensive Annual Financial Report (CAFR)*.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The funded status as of December 31, 2013, the most recent actuarial valuation date, is as follows:

Funded Status	
Actuarial Valuation Date	12/31/13
Actuarial Value of Assets	\$ 35,157,823
Actuarial Accrued Liability (AAL)	\$ 45,456,235
Percentage Funded	77.3%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 10,298,412
Annual Covered Payroll	\$ 8,147,910
UAAL as a Percentage of Covered Payroll	126.4%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

5. Trend Information for the Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
September 30, 2012	\$ 1,161,187	100%	0
September 30, 2013	\$ 1,327,503	100%	0
September 30, 2014	\$ 1,965,338	100%	0

6. Firemen's Relief and Retirement Fund (Defined Benefit Plan)

Firemen of the City are covered by a defined benefit pension plan, which is administered by a seven-member board. This board consists of the Mayor or his designee, the Chief Financial Officer, three firemen and two outside citizens. Texas Local Fire Fighters' Retirement Act (TLFFRA) requires that the Mayor, or his designee, and the Chief Financial Officer be permanent members of the Board. In addition, three firemen trustees are elected by the firemen. These five members are then charged with the responsibility of appointing the two final board members, who must be local citizens. The City now provides a defined

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

contribution to the fund of 12% 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.

The City's total payroll for firemen (all covered under the plan) for the year ended September 30, 2014, was \$3,847,199. Both the City and the firemen made the required contribution of \$497,375 and \$500,136 representing 12.93% and 13.00% of covered payroll, respectively.

**Actuarial Methods and Assumptions**

Valuation Date	<u>1/1/2011</u>	<u>1/1/2012</u>	<u>1/1/2013</u>
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
Remaining Amortization Period	30 years	30 years	30 years
Asset Valuation Method	5-year Actuarial Asset Smoothing	5-year Actuarial Asset Smoothing	5-year Actuarial Asset Smoothing

**Actuarial Assumptions:**

Investment Rate of Return	8.00%	8.00%	8.00%
Projected Salary Increases*	5.00%	5.00%	5.00%
Mortality	RP 2000 fully projected	RP 2000 fully projected	RP 2000 fully projected
Retirement Rates	Age 52 with 25 years	Age 52 with 25 years	Age 52 with 25 years
Turnover	Graded by age & service	Graded by age & service	Graded by age & service

\* - With additional increases for the first 10 years of service.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

The actuarial present value of accumulated benefits to participants of the plan and net position available for those benefits at January 1, are as follows:

Funded Status

Actuarial Valuation Date	1/1/11	1/1/12	1/1/13
Actuarial Value of Assets	\$ 10,699,811	\$ 11,133,176	\$ 9,889,540
Actuarial Accrued Liability (AAL)	\$ 16,068,598	\$ 18,148,372	\$ 17,433,912
Percentage Funded	66.6%	61.3%	56.7%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 5,368,787	\$ 7,015,196	\$ 7,544,372
Annual Covered Payroll	\$ 3,312,629	\$ 3,356,918	\$ 3,173,050
UAAL as a Percentage of Covered Payroll	162.1%	209.0%	237.8%

I. Self-Insurance

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

	Liability Balance at 10-01	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance at 9-30	Total Internal Service Funds
Year Ending 09-30-13					
Health Insurance Claims	\$ 93,333	\$ 1,388,575	\$ 1,415,974	\$ 65,934	\$
Workers' Compensation Claims	168,439	425,140	158,649	434,930	500,864
Year Ending 09-30-14					
Health Insurance Claims	\$ 65,934	\$ 1,869,955	\$ 1,894,460	\$ 41,429	\$
Workers' Compensation Claims	434,930	121,631	172,636	383,925	425,354

Health Insurance

Effective October 1, 2001, the City changed from a fully-insured to a self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Employee Benefits Administrators (EBA). EBA reviews and processes all health insurance claims. The City has acquired stop-loss coverage, which limits the City's possible liability exposure to \$90,000 per claim. The City informally budgets for current claims based on actuarial and historical data. The City incurred \$2,256,878 in health insurance expense and administrative and other charges for the year ended September 30, 2014. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$41,429 at September 30, 2014.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

Workers' Compensation

The City's workers' compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML reviews and processes all workers' compensation claims. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence. The City informally budgets for current claims based on actuarial valuations and historical data. The City incurred \$142,117 in workers' compensation expense and administrative and other charges for the year ended September 30, 2014. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$383,925 at September 30, 2014.

J. Deferred Compensation Plan

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

K. Commitments and Contingencies, Litigation, and Subsequent Events

1. Contingencies

The City participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

**CITY OF BIG SPRING, TEXAS**

**NOTES TO FINANCIAL STATEMENTS**

2. Litigation

The City has no litigation pending which would have a material impact on the financial statements.

3. Subsequent Events

The City has evaluated subsequent events through March 10, 2015, the date which the financial statements were available to be issued.

L. Closure and Post-closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,529,584 reported as landfill closure and post-closure care liability at September 30, 2014, represents the cumulative amount reported to date based on the use of 78.06% percent of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$710,824 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 2014. 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, 2014 the City has designated an investment in the amount of \$3,482,946 for this purpose.

**REQUIRED SUPPLEMENTARY INFORMATION**



**CITY OF BIG SPRING, TEXAS  
TEXAS MUNICIPAL RETIREMENT SYSTEM TREND DATA  
SCHEDULE OF FUNDING PROGRESS FOR THE RETIREMENT PLAN  
FOR THE EMPLOYEES OF THE CITY**

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

Schedule of Funding Information

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
12/31/2011	\$ 31,044,487	\$ 39,527,997	\$ 8,483,510	78.54%	\$ 8,498,850	99.82%
12/31/2012	33,142,290	40,838,832	7,696,542	81.15%	7,894,486	97.49%
12/31/2013	35,157,823	45,456,235	10,298,412	77.34%	8,147,910	126.39%

CITY OF BIG SPRING, TEXAS

EXHIBIT B-1

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 3,865,000	\$ 3,764,400	\$ 3,723,237	\$ (41,163)
General Sales Taxes	6,400,000	7,000,000	6,347,971	(652,029)
Gross Receipts Business Taxes	1,464,000	1,471,300	1,575,345	104,045
License and Permits	234,150	292,900	373,964	81,064
Intergovernmental	1,296,842	1,186,953	1,199,850	12,897
Charges for Services	3,485,000	250	250	0
Fines	432,300	407,900	394,621	(13,279)
Recreation	959,000	917,000	934,612	17,612
Investment Earnings	9,000	4,400	4,538	138
Rents and Royalties	322,100	924,704	1,026,757	102,053
Miscellaneous	14,028	46,905	55,963	9,058
Contributions and Donations	20,000	2,000	16,099	14,099
Total Revenues	\$ 18,501,420	\$ 16,018,712	\$ 15,653,207	\$ (365,505)
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 296,889	\$ 228,568	\$ 197,498	\$ 31,070
City Council (110)	132,533	284,168	325,663	(41,495)
Finance (120)	563,245	551,876	559,197	(7,321)
City Manager (130)	292,188	296,933	299,423	(2,490)
Information Technology (140)	270,127	232,966	236,713	(3,747)
Legal (150)	244,255	324,493	313,125	11,368
Human Resources (160)	381,060	411,354	420,511	(9,157)
Special Projects (170)	0	0	40	(40)
Planning Department (190)	0	97,419	93,132	4,287
Public Safety				
Police (200)	4,744,168	4,989,037	4,882,854	106,183
Fire (210)	3,358,953	3,713,215	3,746,406	(33,191)
Municipal Court (220)	274,489	298,100	297,311	789
Fire Marshal (230)	217,788	230,410	230,547	(137)
Animal Control (240)	266,467	265,160	259,890	5,270
Highways and Streets				
Code Enforcement (300)	341,695	375,780	372,414	3,366
General Maintenance (310)	111,741	113,532	122,587	(9,055)
Streets (320)	2,061,655	1,923,975	1,895,777	28,198
Recreation and Parks				
Parks (370)	428,214	397,289	398,415	(1,126)
Sports Complex (375)	235,659	195,133	230,158	(35,025)
Swimming Pool (380)	232,565	243,459	270,423	(26,964)
Golf Course (390)	746,425	723,831	746,601	(22,770)
Lake (410)	44,875	57,983	50,442	7,541
City Hall (420)	109,776	121,893	116,491	5,402
Economic Development (180)	0	0	279	(279)
Debt Service:				
Principal	1,007,019	614,760	611,964	2,796
Interest		74,478	74,478	
Total Expenditures	\$ 16,361,786	\$ 16,765,812	\$ 16,752,339	\$ 13,473
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,139,634	\$ (747,100)	\$ (1,099,132)	\$ (352,032)
Other Financing Sources (Uses):				
Transfers In	\$ 1,403,066	\$ 1,676,439	\$ 1,688,647	\$ 12,208
Transfers Out	(1,250,643)	(1,283,643)	(1,327,828)	(44,185)
Proceeds from Capital Lease Financing	1,170,250	677,952	677,952	0
Total Other Financing Sources	\$ 1,322,673	\$ 1,070,748	\$ 1,038,771	\$ (31,977)
Net Change in Fund Balances	\$ 3,462,307	\$ 323,648	\$ (60,361)	\$ (384,009)
Fund Balances - Beginning	10,769,453	10,769,453	10,769,453	
Transfer Fund Balance	(4,641,117)	(4,641,117)	(4,641,117)	
Fund Balances - Ending	\$ 9,590,643	\$ 6,451,984	\$ 6,067,975	\$ (384,009)

See notes to required supplementary information.

**CITY OF BIG SPRING, TEXAS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
SEPTEMBER 30, 2014**

**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).

Annual budgets were adopted for all governmental funds except the Grant fund.



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



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CITY OF BIG SPRING, TEXAS

EXHIBIT C-1

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2014**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund 2007 G.O. Bonds</u>	<u>Debt Service Fund 2007 C.O. Bonds</u>	<u>Debt Service Fund 2010 C.O. Bonds</u>	<u>Capital Projects Fund Capital Replacement</u>	<u>Permanent Fund Cemetery Permanent Care</u>	<u>Total Nonmajor Governmental Funds (See Exhibit A-3)</u>
<b>ASSETS</b>							
<b>Assets:</b>							
Cash and Cash Equivalents	\$ 3,019,040	\$ 327,574	\$ 21,614	\$ 73,849	\$ 508,589	\$ 351,519	\$ 4,302,185
Receivables (Net of Allowance for Uncollectibles)	157,777	37,630	1,231	11,306			207,944
Due from Other Funds					26,384		26,384
<b>Total Assets</b>	<b>\$ <u>3,176,817</u></b>	<b>\$ <u>365,204</u></b>	<b>\$ <u>22,845</u></b>	<b>\$ <u>85,155</u></b>	<b>\$ <u>534,973</u></b>	<b>\$ <u>351,519</u></b>	<b>\$ <u>4,536,513</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:</b>							
<b>Liabilities:</b>							
Accounts Payable	\$ 104,811	\$	\$	\$	\$	\$	\$ 104,811
Accrued Wages	58,761						58,761
Deferred Revenue	66,245						66,245
Customer Deposits	15,025						15,025
<b>Total Liabilities</b>	<b>\$ <u>244,842</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>0</u></b>	<b>\$ <u>244,842</u></b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>							
Unavailable Revenue - Property Taxes	\$ <u>16,147</u>	\$ <u>37,630</u>	\$ <u>1,231</u>	\$ <u>11,306</u>	\$	\$	\$ <u>66,314</u>
<b>Fund Balances:</b>							
<b>Nonspendable Fund Balances:</b>							
Cemetery Permanent Care	\$	\$	\$	\$	\$	\$ 351,519	\$ 351,519
<b>Restricted Fund Balances:</b>							
Restricted for Advertising and Promotions	2,492,758						2,492,758
Restricted for Court Security	3,915						3,915
Restricted for Public, Educational and Governmental Television Access	73,131						73,131
Restricted for Debt Service		327,574	21,614	73,849			423,037
Restricted for Capital Projects					534,973		534,973
<b>Committed Fund Balances:</b>							
Committed for Employee Education	41,433						41,433
Committed for Task Force Operations	144,131						144,131
Committed for Cemetery Operations	718						718
Committed for Volunteer Program	23,266						23,266
Committed for Senior Center Operations	136,476						136,476
<b>Total Fund Balances</b>	<b>\$ <u>2,915,828</u></b>	<b>\$ <u>327,574</u></b>	<b>\$ <u>21,614</u></b>	<b>\$ <u>73,849</u></b>	<b>\$ <u>534,973</u></b>	<b>\$ <u>351,519</u></b>	<b>\$ <u>4,225,357</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ <u>3,176,817</u></b>	<b>\$ <u>365,204</u></b>	<b>\$ <u>22,845</u></b>	<b>\$ <u>85,155</u></b>	<b>\$ <u>534,973</u></b>	<b>\$ <u>351,519</u></b>	<b>\$ <u>4,536,513</u></b>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Special Revenue Funds	Debt Service Fund 2007 G.O. Bonds	Debt Service Fund 2007 C.O. Bonds	Debt Service Fund 2010 C.O. Bonds	Capital Projects Fund Capital Replacement	Capital Projects Fund Water Park	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
<b>Revenue:</b>								
Taxes								
General Property Taxes	\$ 368,247	\$ 1,066,534	\$ 34,981	\$ 314,793	\$	\$	\$	\$ 1,784,555
Gross Receipts Business Tax	56,473							56,473
Motel Occupancy Taxes	1,512,024							1,512,024
Intergovernmental	262,452							262,452
Charges for Services	62,201							62,201
Fines	7,661							7,661
Investment Earnings	4,782	397	22	95	4,430		118	9,844
Rents and Royalties	171,026				3,483			174,509
Miscellaneous	25							25
Contributions and Donations	1,500							1,500
<b>Total Revenue</b>	<b>\$ 2,446,391</b>	<b>\$ 1,066,931</b>	<b>\$ 35,003</b>	<b>\$ 314,888</b>	<b>\$ 7,913</b>	<b>\$ 0</b>	<b>\$ 118</b>	<b>\$ 3,871,244</b>
<b>Expenditures:</b>								
Current								
General Government	\$ 113,234	\$	\$	\$	\$	\$	\$	\$ 113,234
Public Safety	461,167							461,167
Community Service	440,099							440,099
Economic Development	575,690							575,690
Cemetery	189,728							189,728
Debt Service								
Principal	12,056	605,000	20,000	165,000				802,056
Interest and Fiscal Charges	1,978	500,156	14,913	138,688				655,735
Fiscal Agent's Fees		500	250	400				1,150
<b>Total Expenditures</b>	<b>\$ 1,793,952</b>	<b>\$ 1,105,656</b>	<b>\$ 35,163</b>	<b>\$ 304,088</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 3,238,859</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 652,439	\$ (38,725)	\$ (160)	\$ 10,800	\$ 7,913	\$ 0	\$ 118	\$ 632,385
<b>Other Financing Sources (Uses):</b>								
Transfers In	\$ 443,954	\$	\$	\$	\$	\$	\$	\$ 443,954
Transfers Out	(449,242)				(15,000)	(22)	(110)	(464,374)
Capital Lease Proceeds	15,484							15,484
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 10,196</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ (15,000)</b>	<b>\$ (22)</b>	<b>\$ (110)</b>	<b>\$ (4,936)</b>
<b>Net Change in Fund Balances</b>	<b>\$ 662,635</b>	<b>\$ (38,725)</b>	<b>\$ (160)</b>	<b>\$ 10,800</b>	<b>\$ (7,087)</b>	<b>\$ (22)</b>	<b>\$ 8</b>	<b>\$ 627,449</b>
Fund Balances - Beginning	2,148,556	366,299	21,774	63,049	542,060	22	351,511	3,493,271
Fund Balance Transferred from General Fund	104,637							104,637
Fund Balances - Ending	<u>\$ 2,915,828</u>	<u>\$ 327,574</u>	<u>\$ 21,614</u>	<u>\$ 73,849</u>	<u>\$ 534,973</u>	<u>\$ 0</u>	<u>\$ 351,519</u>	<u>\$ 4,225,357</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET  
NONMAJOR SPECIAL REVENUE FUNDS  
SEPTEMBER 30, 2014**

ASSETS	Hotel/Motel Occupancy Tax Fund	Grant	Employee's College Education	Municipal Court Security	R.S.V.P.	Narcotics Task Force	Cemetery	Senior Center	P.E.G.	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
Assets:										
Cash and Cash Equivalents	\$ 2,451,743	\$ 22,023	\$ 42,513	\$ 1,344	\$ 25,880	\$ 171,185	\$ 71,762	\$ 173,567	\$ 59,023	\$ 3,019,040
Receivables (Net of Allowance for Uncollectibles)	111,020	13,928		2,574		16,147			14,108	157,777
Intergovernmental Receivables										0
<b>Total Assets</b>	<b><u>\$ 2,562,763</u></b>	<b><u>\$ 35,951</u></b>	<b><u>\$ 42,513</u></b>	<b><u>\$ 3,918</u></b>	<b><u>\$ 25,880</u></b>	<b><u>\$ 187,332</u></b>	<b><u>\$ 71,762</u></b>	<b><u>\$ 173,567</u></b>	<b><u>\$ 73,131</u></b>	<b><u>\$ 3,176,817</u></b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES:										
Liabilities:										
Accounts Payable	\$ 47,492	\$ 13,928	\$ 1,080	\$ 3	\$ 1,068	\$ 15,590	\$ 9,066	\$ 16,584		\$ 104,811
Accrued Wages	7,488				1,546	11,464	17,756	20,507		58,761
Due to Other Funds										0
Deferred Revenue		22,023					44,222			66,245
Customer Deposits	15,025									15,025
<b>Total Liabilities</b>	<b><u>\$ 70,005</u></b>	<b><u>\$ 35,951</u></b>	<b><u>\$ 1,080</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 2,614</u></b>	<b><u>\$ 27,054</u></b>	<b><u>\$ 71,044</u></b>	<b><u>\$ 37,091</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 244,842</u></b>
DEFERRED INFLOWS OF RESOURCES:										
Unavailable Revenue - Property Taxes						16,147				16,147
Fund Balances:										
Restricted Fund Balances:										
Restricted for Advertising and Promotions	\$ 2,492,758									\$ 2,492,758
Restricted for Court Security				3,915						3,915
Restricted for Public, Educational and Governmental Television Access									73,131	73,131
Committed Fund Balances:										
Committed for Employee Education			41,433							41,433
Committed for Task Force Operations						144,131				144,131
Committed for Cemetery Operations							718			718
Committed for Volunteer Program					23,266					23,266
Committed for Senior Center Operations								136,476		136,476
<b>Total Fund Balances</b>	<b><u>\$ 2,492,758</u></b>	<b><u>\$ 0</u></b>	<b><u>\$ 41,433</u></b>	<b><u>\$ 3,915</u></b>	<b><u>\$ 23,266</u></b>	<b><u>\$ 144,131</u></b>	<b><u>\$ 718</u></b>	<b><u>\$ 136,476</u></b>	<b><u>\$ 73,131</u></b>	<b><u>\$ 2,915,828</u></b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b><u>\$ 2,562,763</u></b>	<b><u>\$ 35,951</u></b>	<b><u>\$ 42,513</u></b>	<b><u>\$ 3,918</u></b>	<b><u>\$ 25,880</u></b>	<b><u>\$ 187,332</u></b>	<b><u>\$ 71,762</u></b>	<b><u>\$ 173,567</u></b>	<b><u>\$ 73,131</u></b>	<b><u>\$ 3,176,817</u></b>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Hotel/Motel Occupancy Tax Fund	Grant	Employee's College Education	Municipal Court Security	R.S.V.P.	Narcotics Task Force	Cemetery	Senior Center	P.E.G.	Total Nonmajor Special Revenue Funds (See Exhibit C-1)
<b>Revenue:</b>										
Taxes										
General Property Taxes	\$	\$	\$	\$	\$	\$ 368,247	\$	\$	\$	\$ 368,247
Gross Receipts Business Tax									56,473	56,473
Motel Occupancy Taxes	1,512,024									1,512,024
Intergovernmental		45,813			54,522	39,128		122,989		262,452
Charges for Services			37,106					25,095		62,201
Fines				7,661						7,661
Investment Earnings	1,927		37		17	177	2,462	104	58	4,782
Rents and Royalties	46,702						124,324			171,026
Miscellaneous	25									25
Contributions and Donations		1,000						500		1,500
<b>Total Revenue</b>	<b>\$ 1,560,678</b>	<b>\$ 46,813</b>	<b>\$ 37,143</b>	<b>\$ 7,661</b>	<b>\$ 54,539</b>	<b>\$ 407,552</b>	<b>\$ 126,786</b>	<b>\$ 148,688</b>	<b>\$ 56,531</b>	<b>\$ 2,446,391</b>
<b>Expenditures:</b>										
Current										
General Government	\$	\$	\$ 25,197	\$	\$	\$	\$	\$	\$ 88,037	\$ 113,234
Public Safety		46,813		4,866		409,488				461,167
Community Service					53,401			386,698		440,099
Economic Development	575,690									575,690
Cemetery							189,728			189,728
Debt Service										
Principal	4,240					6,320	1,496			12,056
Interest and Fiscal Charges	1,648					216	114			1,978
<b>Total Expenditures</b>	<b>\$ 581,578</b>	<b>\$ 46,813</b>	<b>\$ 25,197</b>	<b>\$ 4,866</b>	<b>\$ 53,401</b>	<b>\$ 416,024</b>	<b>\$ 191,338</b>	<b>\$ 386,698</b>	<b>\$ 88,037</b>	<b>\$ 1,793,952</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 979,100	\$ 0	\$ 11,946	\$ 2,795	\$ 1,138	\$ (8,472)	\$ (64,552)	\$ (238,010)	\$ (31,506)	\$ 652,439
<b>Other Financing Sources (Uses):</b>										
Transfers In	\$	\$	\$	\$	\$ 22,000	\$	\$ 48,111	\$ 373,843	\$	\$ 443,954
Transfers Out	(449,242)									(449,242)
Capital Lease Proceeds							15,484			15,484
<b>Total Other Financing Sources (Uses)</b>	<b>\$ (449,242)</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 22,000</b>	<b>\$ 0</b>	<b>\$ 63,595</b>	<b>\$ 373,843</b>	<b>\$ 0</b>	<b>\$ 10,196</b>
<b>Net Change in Fund Balances</b>	<b>\$ 529,858</b>	<b>\$ 0</b>	<b>\$ 11,946</b>	<b>\$ 2,795</b>	<b>\$ 23,138</b>	<b>\$ (8,472)</b>	<b>\$ (957)</b>	<b>\$ 135,833</b>	<b>\$ (31,506)</b>	<b>\$ 662,635</b>
Fund Balances - Beginning	1,962,900		29,487	1,120	128	152,603	1,675	643		2,148,556
Fund Balance Transferred from General Fund									104,637	104,637
<b>Fund Balances - Ending</b>	<b>\$ 2,492,758</b>	<b>\$ 0</b>	<b>\$ 41,433</b>	<b>\$ 3,915</b>	<b>\$ 23,266</b>	<b>\$ 144,131</b>	<b>\$ 718</b>	<b>\$ 136,476</b>	<b>\$ 73,131</b>	<b>\$ 2,915,828</b>

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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 1,200,000	\$ 1,415,000	\$ 1,512,024	\$ 97,024
Investment Earnings	1,200	1,400	1,927	527
Rents and Royalties	47,500	48,100	46,702	(1,398)
Miscellaneous		25	25	0
Total Revenues	<u>\$ 1,248,700</u>	<u>\$ 1,464,525</u>	<u>\$ 1,560,678</u>	<u>\$ 96,153</u>
Expenditures:				
Economic Development	\$ 1,414,463	\$ 601,447	\$ 575,690	\$ 25,757
Debt Service:	5,888	5,888	5,888	0
Total Expenditures	<u>\$ 1,420,351</u>	<u>\$ 607,335</u>	<u>\$ 581,578</u>	<u>\$ 25,757</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (171,651)</u>	<u>\$ 857,190</u>	<u>\$ 979,100</u>	<u>\$ 121,910</u>
Other Financing Uses:				
Transfers Out (Use)	<u>\$ (449,242)</u>	<u>\$ (449,242)</u>	<u>\$ (449,242)</u>	<u>\$ 0</u>
Total Other Financing Uses	<u>\$ (449,242)</u>	<u>\$ (449,242)</u>	<u>\$ (449,242)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (620,893)	\$ 407,948	\$ 529,858	\$ 121,910
Fund Balances - Beginning	<u>1,962,900</u>	<u>1,962,900</u>	<u>1,962,900</u>	
Fund Balances - Ending	<u>\$ 1,342,007</u>	<u>\$ 2,370,848</u>	<u>\$ 2,492,758</u>	<u>\$ 121,910</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Charges for Services	\$ 25,000	\$ 36,000	\$ 37,106	\$ 1,106
Investment Earnings	40	27	37	10
Total Revenues	<u>\$ 25,040</u>	<u>\$ 36,027</u>	<u>\$ 37,143</u>	<u>\$ 1,116</u>
Expenditures:				
Current				
General Government	\$ 10,000	\$ 19,000	\$ 25,197	\$ (6,197)
Total Expenditures	<u>\$ 10,000</u>	<u>\$ 19,000</u>	<u>\$ 25,197</u>	<u>\$ (6,197)</u>
Excess of Revenues Over Expenditures	<u>\$ 15,040</u>	<u>\$ 17,027</u>	<u>\$ 11,946</u>	<u>\$ (5,081)</u>
Other Financing Sources (Uses):				
Transfers Out	\$	\$	\$ 0	\$
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 15,040	\$ 17,027	\$ 11,946	\$ (5,081)
Fund Balances - Beginning	<u>29,487</u>	<u>29,487</u>	<u>29,487</u>	
Fund Balances - Ending	<u>\$ 44,527</u>	<u>\$ 46,514</u>	<u>\$ 41,433</u>	<u>\$ (5,081)</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, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 8,200	\$ 8,200	\$ 7,661	\$ (539)
Investment Earnings		1	0	(1)
Total Revenues	<u>\$ 8,200</u>	<u>\$ 8,201</u>	<u>\$ 7,661</u>	<u>\$ (540)</u>
Expenditures:				
Current				
Public Safety	\$ 7,400	\$ 5,800	\$ 4,866	\$ 934
Total Expenditures	<u>\$ 7,400</u>	<u>\$ 5,800</u>	<u>\$ 4,866</u>	<u>\$ 934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 800</u>	<u>\$ 2,401</u>	<u>\$ 2,795</u>	<u>\$ 394</u>
Other Financing Uses:				
Transfers Out	\$ 0	\$ 0	\$ 0	\$ 0
Total Other Financing Uses	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 800	\$ 2,401	\$ 2,795	\$ 394
Fund Balances - Beginning	<u>1,120</u>	<u>1,120</u>	<u>1,120</u>	
Fund Balances - Ending	<u>\$ 1,920</u>	<u>\$ 3,521</u>	<u>\$ 3,915</u>	<u>\$ 394</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-8

R.S.V.P. FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Intergovernmental	\$ 35,000	\$ 35,000	\$ 54,522	\$ 19,522
Investment Earnings			17	17
Total Revenues	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 54,539</u>	<u>\$ 19,539</u>
Expenditures:				
Community Service	\$	\$	\$ 53,401	\$ (53,401)
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 53,401</u>	<u>\$ (53,401)</u>
Deficiency of Revenues Under Expenditures	<u>\$ 35,000</u>	<u>\$ 35,000</u>	<u>\$ 1,138</u>	<u>\$ (33,862)</u>
Other Financing Sources (Uses):				
Transfers In	\$	\$	\$ 22,000	\$ 22,000
Total Other Financing Sources	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 22,000</u>	<u>\$ 22,000</u>
Net Change in Fund Balances	\$ 35,000	\$ 35,000	\$ 23,138	\$ (11,862)
Fund Balances - Beginning	<u>128</u>	<u>128</u>	<u>128</u>	
Fund Balances - Ending	<u>\$ 35,128</u>	<u>\$ 35,128</u>	<u>\$ 23,266</u>	<u>\$ (11,862)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

NARCOTICS TASK FORCE  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
General Property Taxes	\$ 366,300	\$ 364,700	\$ 368,247	\$ 3,547
Intergovernmental	9,000	19,000	39,128	20,128
Investment Earnings	150	150	177	27
Total Revenues	<u>\$ 375,450</u>	<u>\$ 383,850</u>	<u>\$ 407,552</u>	<u>\$ 23,702</u>
Expenditures:				
Current				
Public Safety	\$ 461,313	\$ 415,355	\$ 409,488	\$ 5,867
Debt Service:				
Principal Payments	6,320	6,320	6,320	
Interest Payments	216	216	216	
Total Expenditures	<u>\$ 467,849</u>	<u>\$ 421,891</u>	<u>\$ 416,024</u>	<u>\$ 5,867</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (92,399)</u>	<u>\$ (38,041)</u>	<u>\$ (8,472)</u>	<u>\$ 29,569</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ (92,399)	\$ (38,041)	\$ (8,472)	\$ 29,569
Fund Balances - Beginning	<u>152,603</u>	<u>152,603</u>	<u>152,603</u>	
Fund Balances - Ending	<u>\$ 60,204</u>	<u>\$ 114,562</u>	<u>\$ 144,131</u>	<u>\$ 29,569</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

**CEMETERY FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ 3,000	\$ 2,200	\$ 2,462	\$ 262
Rents and Royalties	105,500	120,750	124,324	3,574
Total Revenues	<u>\$ 108,500</u>	<u>\$ 122,950</u>	<u>\$ 126,786</u>	<u>\$ 3,836</u>
Expenditures:				
Cemetery	\$ 166,165	\$ 187,278	\$ 189,728	\$ (2,450)
Debt Service:				
Principal Payments	1,922	1,496	1,496	
Interest Payments		114	114	
Total Expenditures	<u>\$ 168,087</u>	<u>\$ 188,888</u>	<u>\$ 191,338</u>	<u>\$ (2,450)</u>
Deficiency of Revenues Under Expenditures	<u>\$ (59,587)</u>	<u>\$ (65,938)</u>	<u>\$ (64,552)</u>	<u>\$ 1,386</u>
Other Financing Sources:				
Transfers In	\$ 15,500	\$ 48,100	\$ 48,111	\$ 11
Debt Proceeds	15,500	15,484	15,484	
Total Other Financing Sources	<u>\$ 31,000</u>	<u>\$ 63,584</u>	<u>\$ 63,595</u>	<u>\$ 11</u>
Net Change in Fund Balances	\$ (28,587)	\$ (2,354)	\$ (957)	\$ 1,397
Fund Balances - Beginning	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>	
Fund Balances - Ending	<u><u>\$ (26,912)</u></u>	<u><u>\$ (679)</u></u>	<u><u>\$ 718</u></u>	<u><u>\$ 1,397</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-11

SENIOR CENTER  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Intergovernmental	\$ 141,000	\$ 127,000	\$ 122,989	\$ (4,011)
Charges for Services	29,700	23,920	25,095	1,175
Investment Earnings		45	104	59
Contributions and Donations		500	500	0
Total Revenues	<u>\$ 170,700</u>	<u>\$ 151,465</u>	<u>\$ 148,688</u>	<u>\$ (2,777)</u>
Expenditures:				
Community Service	\$ 469,194	\$ 430,486	\$ 386,698	\$ 43,788
Total Expenditures	<u>\$ 469,194</u>	<u>\$ 430,486</u>	<u>\$ 386,698</u>	<u>\$ 43,788</u>
Deficiency of Revenues Under Expenditures	<u>\$ (298,494)</u>	<u>\$ (279,021)</u>	<u>\$ (238,010)</u>	<u>\$ 41,011</u>
Other Financing Sources:				
Transfers In	\$ 373,843	\$ 373,843	\$ 373,843	\$ 0
Total Other Financing Sources	<u>\$ 373,843</u>	<u>\$ 373,843</u>	<u>\$ 373,843</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 75,349	\$ 94,822	\$ 135,833	\$ 41,011
Fund Balances - Beginning	<u>643</u>	<u>643</u>	<u>643</u>	
Fund Balances - Ending	<u>\$ 75,992</u>	<u>\$ 95,465</u>	<u>\$ 136,476</u>	<u>\$ 41,011</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-12

P.E.G. FUND  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Gross Receipts Business Tax	\$	\$ 50,000	\$ 56,473	\$ 6,473
Investment Earnings		47	58	11
Total Revenues	<u>\$ 0</u>	<u>\$ 50,047</u>	<u>\$ 56,531</u>	<u>\$ 6,484</u>
Expenditures:				
General Governmental	\$	\$ 88,037	\$ 88,037	\$ 0
Total Expenditures	<u>\$ 0</u>	<u>\$ 88,037</u>	<u>\$ 88,037</u>	<u>\$ 0</u>
Deficiency of Revenues Under Expenditures	<u>\$ 0</u>	<u>\$ (37,990)</u>	<u>\$ (31,506)</u>	<u>\$ 6,484</u>
Net Change in Fund Balances	\$ 0	\$ (37,990)	\$ (31,506)	\$ 6,484
Fund Balances - Beginning	0	0	0	
Fund Balance Transferred from General Fund		104,637	104,637	
Fund Balances - Ending	<u>\$ 0</u>	<u>\$ 66,647</u>	<u>\$ 73,131</u>	<u>\$ 6,484</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-13

2007 G.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 1,100,725	\$ 1,060,900	\$ 1,066,534	\$ 5,634
Investment Earnings	500	400	397	(3)
Total Revenues	<u>\$ 1,101,225</u>	<u>\$ 1,061,300</u>	<u>\$ 1,066,931</u>	<u>\$ 5,631</u>
Expenditures:				
Debt Service:				
Principal	\$ 635,000	\$ 605,000	\$ 605,000	\$ 0
Interest and Fiscal Charges	475,356	500,156	500,156	0
Fiscal Agent's Fees	500	500	500	0
Total Expenditures	<u>\$ 1,110,856</u>	<u>\$ 1,105,656</u>	<u>\$ 1,105,656</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ (9,631)</u>	<u>\$ (44,356)</u>	<u>\$ (38,725)</u>	<u>\$ 5,631</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	<u>\$ (9,631)</u>	<u>\$ (44,356)</u>	<u>\$ (38,725)</u>	<u>\$ 5,631</u>
Fund Balances - Beginning	<u>366,299</u>	<u>366,299</u>	<u>366,299</u>	
Fund Balances - Ending	<u>\$ 356,668</u>	<u>\$ 321,943</u>	<u>\$ 327,574</u>	<u>\$ 5,631</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-14

2007 C.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 34,870	\$ 34,760	\$ 34,981	\$ 221
Investment Earnings	40	20	22	2
Total Revenues	<u>\$ 34,910</u>	<u>\$ 34,780</u>	<u>\$ 35,003</u>	<u>\$ 223</u>
Expenditures:				
Debt Service:				
Principal	\$ 20,000	\$ 20,000	\$ 12,744	\$ 7,256
Interest and Fiscal Charges	14,113	14,113	22,169	(8,056)
Fiscal Agent's Fees	250	250	250	
Total Expenditures	<u>\$ 34,363</u>	<u>\$ 34,363</u>	<u>\$ 35,163</u>	<u>\$ (800)</u>
Excess of Revenues Over Expenditures	<u>\$ 547</u>	<u>\$ 417</u>	<u>\$ (160)</u>	<u>\$ (577)</u>
Other Financing Sources (Uses):				
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 547	\$ 417	\$ (160)	\$ (577)
Fund Balances - Beginning	<u>21,774</u>	<u>21,774</u>	<u>21,774</u>	
Fund Balances - Ending	<u>\$ 22,321</u>	<u>\$ 22,191</u>	<u>\$ 21,614</u>	<u>\$ (577)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-15

2010 C.O. BONDS  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 309,700	\$ 316,800	\$ 314,793	\$ (2,007)
Investment Earnings	200	95	95	0
Total Revenues	<u>\$ 309,900</u>	<u>\$ 316,895</u>	<u>\$ 314,888</u>	<u>\$ (2,007)</u>
Expenditures:				
Debt Service:				
Principal	\$ 170,000	\$ 165,000	\$ 165,000	\$ 0
Interest and Fiscal Charges	134,913	138,688	138,688	0
Fiscal Agent's Fees	500	400	400	0
Total Expenditures	<u>\$ 305,413</u>	<u>\$ 304,088</u>	<u>\$ 304,088</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 4,487</u>	<u>\$ 12,807</u>	<u>\$ 10,800</u>	<u>\$ (2,007)</u>
Net Change in Fund Balances	\$ 4,487	\$ 12,807	\$ 10,800	\$ (2,007)
Fund Balances - Beginning	<u>63,049</u>	<u>63,049</u>	<u>63,049</u>	
Fund Balances - Ending	<u>\$ 67,536</u>	<u>\$ 75,856</u>	<u>\$ 73,849</u>	<u>\$ (2,007)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

CAPITAL REPLACEMENT FUND  
CAPITAL PROJECTS FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ 400	\$ 5,500	\$ 4,430	\$ (1,070)
Rents and Royalties	25,000	6,000	3,483	(2,517)
Total Revenues	<u>\$ 25,400</u>	<u>\$ 11,500</u>	<u>\$ 7,913</u>	<u>\$ (3,587)</u>
Expenditures:				
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 25,400</u>	<u>\$ 11,500</u>	<u>\$ 7,913</u>	<u>\$ (3,587)</u>
Other Financing Sources (Uses):				
Transfers Out	<u>\$ 0</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ 0</u>
Total Other Financing Sources (Uses)	<u>\$ 0</u>	<u>\$ (15,000)</u>	<u>\$ (15,000)</u>	<u>\$ 0</u>
Net Change in Fund Balances	\$ 25,400	\$ (3,500)	\$ (7,087)	\$ (3,587)
Fund Balances - Beginning	<u>542,060</u>	<u>542,060</u>	<u>542,060</u>	
Fund Balances - Ending	<u>\$ 567,460</u>	<u>\$ 538,560</u>	<u>\$ 534,973</u>	<u>\$ (3,587)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-17

CEMETERY PERMANENT CARE FUND  
PERMANENT FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Original Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>500</u>	\$ <u>120</u>	\$ <u>118</u>	\$ <u>(2)</u>
Total Revenues	\$ <u>500</u>	\$ <u>120</u>	\$ <u>118</u>	\$ <u>(2)</u>
Expenditures:				
Debt Service:	\$ _____	\$ _____	\$ _____	\$ _____
Total Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess of Revenues Over Expenditures	\$ <u>500</u>	\$ <u>120</u>	\$ <u>118</u>	\$ <u>(2)</u>
Other Financing Uses:				
Transfers Out	\$ <u>(500)</u>	\$ <u>(115)</u>	\$ <u>(110)</u>	\$ <u>5</u>
Total Other Financing Uses	\$ <u>(500)</u>	\$ <u>(115)</u>	\$ <u>(110)</u>	\$ <u>5</u>
Net Change in Fund Balances	\$ <u>0</u>	\$ <u>5</u>	\$ <u>8</u>	\$ <u>3</u>
Fund Balances - Beginning	<u>351,511</u>	<u>351,511</u>	<u>351,511</u>	<u>          </u>
Fund Balances - Ending	\$ <u><u>351,511</u></u>	\$ <u><u>351,516</u></u>	\$ <u><u>351,519</u></u>	\$ <u><u>3</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-18

WATER AND SEWER FUND  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Water Sales	\$ 9,100,000	\$ 8,595,900	\$ 8,792,897	\$ 196,997
Sewer Charges	2,800,000	2,644,615	2,720,085	75,470
Other Services	371,400	379,350	374,999	(4,351)
Total Operating Revenues	<u>\$ 12,271,400</u>	<u>\$ 11,619,865</u>	<u>\$ 11,887,981</u>	<u>\$ 268,116</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 2,499,874	\$ 2,341,371	\$ 2,455,165	\$ (113,794)
Supplies and Materials	4,427,750	4,153,829	4,379,511	(225,682)
Contractual Services	746,126	919,777	1,039,429	(119,652)
Maintenance	836,382	950,547	1,150,290	(199,743)
Depreciation			1,394,950	(1,394,950)
Other	10,000	13,571	126,321	(112,750)
Total Operating Expenses	<u>\$ 8,520,132</u>	<u>\$ 8,379,095</u>	<u>\$ 10,545,666</u>	<u>\$ (2,166,571)</u>
Operating Income	<u>\$ 3,751,268</u>	<u>\$ 3,240,770</u>	<u>\$ 1,342,315</u>	<u>\$ (1,898,455)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental Revenue	\$ 750,000	\$ 1,750,000	\$ 1,763,880	\$ 13,880
Interest Revenue	9,115	3,996	4,119	123
Other	13,000	113,500	84,942	(28,558)
Interest Expense and Paying Agent Fees	(1,824,205)	(1,869,384)	(471,366)	1,398,018
Total Non-Operating Expenses	<u>\$ (1,052,090)</u>	<u>\$ (1,888)</u>	<u>\$ 1,381,575</u>	<u>\$ 1,383,463</u>
Income Before Transfers	<u>\$ 2,699,178</u>	<u>\$ 3,238,882</u>	<u>\$ 2,723,890</u>	<u>\$ (514,992)</u>
Transfers Out	<u>(646,967)</u>	<u>(646,367)</u>	<u>(646,967)</u>	<u>(600)</u>
Change in Net Position	<u>\$ 2,052,211</u>	<u>\$ 2,592,515</u>	<u>\$ 2,076,923</u>	<u>\$ (515,592)</u>
Total Net Position - Beginning	<u>13,707,296</u>	<u>13,707,296</u>	<u>13,707,296</u>	
Total Net Position - Ending	<u>\$ 15,759,507</u>	<u>\$ 16,299,811</u>	<u>\$ 15,784,219</u>	<u>\$ (515,592)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-19

AIRPORT/INDUSTRIAL PARK  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Commercial Rentals and Fees	\$ 1,075,700	\$ 1,098,612	\$ 1,099,100	\$ 488
Total Operating Revenues	<u>\$ 1,075,700</u>	<u>\$ 1,098,612</u>	<u>\$ 1,099,100</u>	<u>\$ 488</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 447,923	\$ 384,882	\$ 391,767	\$ (6,885)
Supplies and Materials	64,850	56,050	48,370	7,680
Contractual Services	337,200	329,849	238,726	91,123
Maintenance	232,100	246,100	154,821	91,279
Depreciation			1,019,863	(1,019,863)
Other	2,000	2,000	16,417	(14,417)
Total Operating Expenses	<u>\$ 1,084,073</u>	<u>\$ 1,018,881</u>	<u>\$ 1,869,964</u>	<u>\$ (851,083)</u>
Operating Income (Expense)	<u>\$ (8,373)</u>	<u>\$ 79,731</u>	<u>\$ (770,864)</u>	<u>\$ (850,595)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental Revenue	\$ 2,212,520	\$ 1,004,834	\$ 848,467	\$ (156,367)
Interest Revenue	1,000	800	1,625	825
Rents and Royalties	1,125,000	1,955,695	1,952,227	(3,468)
Other	1,000	33,000	32,963	(37)
Interest Expense and Paying Agent Fees	(14,474)	(14,474)	(2,026)	12,448
Total Non-Operating Revenues	<u>\$ 3,325,046</u>	<u>\$ 2,979,855</u>	<u>\$ 2,833,256</u>	<u>\$ (146,599)</u>
Income (Loss) Before Transfers	\$ 3,316,673	\$ 3,059,586	\$ 2,062,392	\$ (997,194)
Transfers Out	<u>(144,690)</u>	<u>(144,690)</u>	<u>(144,690)</u>	<u>0</u>
Change in Net Position	\$ 3,171,983	\$ 2,914,896	\$ 1,917,702	\$ (997,194)
Total Net Position- Beginning	<u>23,455,098</u>	<u>23,455,098</u>	<u>23,455,098</u>	
Total Net Position - Ending	<u>\$ 26,627,081</u>	<u>\$ 26,369,994</u>	<u>\$ 25,372,800</u>	<u>\$ (997,194)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-20

EMERGENCY MEDICAL SERVICES FUND  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Emergency Medical Services	\$ 1,825,750	\$ 1,233,950	\$ 1,325,358	\$ 91,408
Total Operating Revenues	<u>\$ 1,825,750</u>	<u>\$ 1,233,950</u>	<u>\$ 1,325,358</u>	<u>\$ 91,408</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$ 1,495,390	\$ 1,589,086	\$ 1,645,857	\$ (56,771)
Supplies and Materials	150,750	134,245	132,693	1,552
Contractual Services	68,306	89,304	86,343	2,961
Maintenance	59,200	60,949	58,739	2,210
Depreciation			62,984	(62,984)
Other	300,400	600,000	447,229	152,771
Total Operating Expenses	<u>\$ 2,074,046</u>	<u>\$ 2,473,584</u>	<u>\$ 2,433,845</u>	<u>\$ 39,739</u>
Operating Loss	<u>\$ (248,296)</u>	<u>\$ (1,239,634)</u>	<u>\$ (1,108,487)</u>	<u>\$ 131,147</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental Revenue	\$ 427,400	\$ 389,000	\$ 389,000	\$
Other	1,000	4,000	10,048	6,048
Interest Expense and Paying Agent Fees	(101,568)	(99,332)	(5,192)	94,140
Total Non-Operating Revenues (Expenses)	<u>\$ 326,832</u>	<u>\$ 293,668</u>	<u>\$ 393,856</u>	<u>\$ 100,188</u>
Loss Before Transfers	\$ 78,536	\$ (945,966)	\$ (714,631)	\$ 231,335
Transfers In	854,800	854,800	854,800	0
Transfers Out	<u>(123,739)</u>	<u>(123,739)</u>	<u>(123,739)</u>	<u>0</u>
Change in Net Position	\$ 809,597	\$ (214,905)	\$ 16,430	\$ 231,335
Total Net Position - Beginning	<u>(1,556,158)</u>	<u>(1,556,158)</u>	<u>(1,556,158)</u>	<u></u>
Total Net Position - Ending	<u>\$ (746,561)</u>	<u>\$ (1,771,063)</u>	<u>\$ (1,539,728)</u>	<u>\$ 231,335</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-21

MOLONE & HOGAN CLINIC  
ENTERPRISE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Commercial Rentals and Fees	\$ 308,300	\$ 278,000	\$ 289,171	\$ 11,171
Total Operating Revenues	<u>\$ 308,300</u>	<u>\$ 278,000</u>	<u>\$ 289,171</u>	<u>\$ 11,171</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 40,000	\$ 22,600	\$ 26,366	\$ (3,766)
Contractual Services	193,000	171,769	165,571	6,198
Maintenance	40,000	50,000	59,684	(9,684)
Depreciation			52,883	(52,883)
Total Operating Expenses	<u>\$ 273,000</u>	<u>\$ 244,369</u>	<u>\$ 304,504</u>	<u>\$ (60,135)</u>
Operating Loss	<u>\$ 35,300</u>	<u>\$ 33,631</u>	<u>\$ (15,333)</u>	<u>\$ (48,964)</u>
NON-OPERATING REVENUES (EXPENSES):				
Contributions	\$	\$	\$	\$ 0
Interest Revenue	100	40	50	10
Total Non-Operating Revenues (Expenses)	<u>\$ 100</u>	<u>\$ 40</u>	<u>\$ 50</u>	<u>\$ 10</u>
Change in Net Position	\$ 35,400	\$ 33,671	\$ (15,283)	\$ (48,954)
Total Net Position - Beginning	<u>1,556,706</u>	<u>1,556,706</u>	<u>1,556,706</u>	
Total Net Position - Ending	<u>\$ 1,592,106</u>	<u>\$ 1,590,377</u>	<u>\$ 1,541,423</u>	<u>\$ (48,954)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-22

LANDFILL FUND  
 ENTERPRISE FUND  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
<b>OPERATING REVENUES:</b>				
Landfill Fees	\$	\$ 1,376,000	\$ 1,434,072	\$ 58,072
Other Services		3,350	3,100	(250)
Total Operating Revenues	\$ <u>0</u>	\$ <u>1,379,350</u>	\$ <u>1,437,172</u>	\$ <u>57,822</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$	\$ 403,820	\$ 376,017	\$ 27,803
Supplies and Materials		73,945	57,799	16,146
Contractual Services		182,448	111,478	70,970
Maintenance		65,755	80,497	(14,742)
Depreciation			101,306	(101,306)
Other			56,628	(56,628)
Total Operating Expenses	\$ <u>0</u>	\$ <u>725,968</u>	\$ <u>783,725</u>	\$ <u>(57,757)</u>
Operating Income	\$ <u>0</u>	\$ <u>653,382</u>	\$ <u>653,447</u>	\$ <u>65</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Intergovernmental Revenue	\$	\$ 577,157	\$ 577,157	\$
Interest Revenue		1,800	1,954	154
Other		223	601	378
Interest Expense and Paying Agent Fees		(62,996)	(2,974)	60,022
Total Non-Operating Expenses	\$ <u>0</u>	\$ <u>516,184</u>	\$ <u>576,738</u>	\$ <u>60,554</u>
Income Before Transfers	\$ 0	\$ 1,169,566	\$ 1,230,185	\$ 60,619
Transfers In		44,184	44,184	0
Transfers Out		(119,638)	(119,638)	0
Change in Net Position	\$ 0	\$ 1,094,112	\$ 1,154,731	\$ 60,619
Total Net Position - Beginning	0	0	0	
Transfer of Fund Balance and Net Position	<u>3,222,168</u>	<u>3,222,168</u>	<u>3,222,168</u>	
Total Net Position - Ending	\$ <u>3,222,168</u>	\$ <u>4,316,280</u>	\$ <u>4,376,899</u>	\$ <u>60,619</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-23

**SANITATION FUND  
ENTERPRISE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Sanitation Revenue	\$	\$ 2,635,000	\$ 2,637,743	\$ 2,743
Other Services		14,600	16,125	1,525
Total Operating Revenues	\$ <u>0</u>	\$ <u>2,649,600</u>	\$ <u>2,653,868</u>	\$ <u>4,268</u>
<b>OPERATING EXPENSES:</b>				
Personnel Services	\$	\$ 464,449	\$ 459,591	\$ 4,858
Supplies and Materials		361,950	373,280	(11,330)
Contractual Services		955,040	934,635	20,405
Maintenance		301,350	332,667	(31,317)
Depreciation			225,491	(225,491)
Other		35,000	39,121	(4,121)
Total Operating Expenses	\$ <u>0</u>	\$ <u>2,117,789</u>	\$ <u>2,364,785</u>	\$ <u>(246,996)</u>
Operating Income	\$ <u>0</u>	\$ <u>531,811</u>	\$ <u>289,083</u>	\$ <u>(242,728)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$	\$ 120	\$ 71	\$ (49)
Other		225	277	52
Interest Expense and Paying Agent Fees		(246,494)	(10,627)	235,867
Total Non-Operating Expenses	\$ <u>0</u>	\$ <u>(246,149)</u>	\$ <u>(10,279)</u>	\$ <u>235,870</u>
Income Before Transfers	\$ 0	\$ 285,662	\$ 278,804	\$ (6,858)
Transfers Out	\$ <u>          </u>	\$ <u>(165,920)</u>	\$ <u>(165,920)</u>	\$ <u>0</u>
Change in Net Position	\$ 0	\$ 119,742	\$ 112,884	\$ (6,858)
Total Net Position - Beginning	0	0	0	
Transfer of Fund Balance and Net Position	<u>464,016</u>	<u>464,016</u>	<u>464,016</u>	
Total Net Position - Ending	\$ <u><u>464,016</u></u>	\$ <u><u>583,758</u></u>	\$ <u><u>576,900</u></u>	\$ <u><u>(6,858)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-24

COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
SEPTEMBER 30, 2014

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-7)</u>
<b>ASSETS:</b>					
Current Assets					
Cash and Cash Equivalents	\$ 64	\$ 508,604	\$ 1,059,828	\$ 120,044	\$ 1,688,540
Due from Other Funds		4,028		1,127	5,155
Total Current Assets	<u>\$ 64</u>	<u>\$ 512,632</u>	<u>\$ 1,059,828</u>	<u>\$ 121,171</u>	<u>\$ 1,693,695</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	3,727				3,727
Total Noncurrent Assets	<u>\$ 13,727</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 13,727</u>
Total Assets	<u>\$ 13,791</u>	<u>\$ 512,632</u>	<u>\$ 1,059,828</u>	<u>\$ 121,171</u>	<u>\$ 1,707,422</u>
<b>LIABILITIES:</b>					
Current Liabilities					
Accounts Payable	\$ 3,098	\$ 1,918	\$ 29,940	\$ 116,617	\$ 151,573
Claims and Judgments Payable		41,429	383,925		425,354
Due to Other Funds	47,176	3,156	835	4,554	55,721
Notes Payable - Current	1,293				1,293
Capital Lease Payable - Current	3,646				3,646
Total Current Liabilities	<u>\$ 55,213</u>	<u>\$ 46,503</u>	<u>\$ 414,700</u>	<u>\$ 121,171</u>	<u>\$ 637,587</u>
Noncurrent Liabilities					
Notes Payable	\$ 8,977	\$	\$	\$	\$ 8,977
Total Noncurrent Liabilities	<u>\$ 8,977</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 8,977</u>
Total Liabilities	<u>\$ 64,190</u>	<u>\$ 46,503</u>	<u>\$ 414,700</u>	<u>\$ 121,171</u>	<u>\$ 646,564</u>
<b>NET POSITION:</b>					
Net Investment in Capital Assets	\$ (189)	\$	\$	\$	\$ (189)
Unrestricted Net Position	<u>(50,210)</u>	<u>466,129</u>	<u>645,128</u>	<u></u>	<u>1,061,047</u>
Total Net Position	<u>\$ (50,399)</u>	<u>\$ 466,129</u>	<u>\$ 645,128</u>	<u>\$ 0</u>	<u>\$ 1,060,858</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-25

COMBINING STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN FUND NET POSITION  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Total Internal Service Funds (See Exhibit A-8)</u>
<b>OPERATING REVENUES:</b>				
Billings to Departments and Employees	\$ 25,000	\$ 1,663,352	\$ 340,000	\$ 2,028,352
Total Operating Revenues	<u>\$ 25,000</u>	<u>\$ 1,663,352</u>	<u>\$ 340,000</u>	<u>\$ 2,028,352</u>
<b>OPERATING EXPENSES:</b>				
Supplies and Materials	\$ 8,158	\$	\$	\$ 8,158
Contractual Services	11,576	1,869,955	121,631	2,003,162
Maintenance	17,169			17,169
Depreciation	13,304			13,304
Other	48,582	386,923	20,486	455,991
Total Operating Expenses	<u>\$ 98,789</u>	<u>\$ 2,256,878</u>	<u>\$ 142,117</u>	<u>\$ 2,497,784</u>
Operating Income (Loss)	<u>\$ (73,789)</u>	<u>\$ (593,526)</u>	<u>\$ 197,883</u>	<u>\$ (469,432)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$	\$ 1,166	\$ 2,133	\$ 3,299
Other Income		118,669		118,669
Interest Expense and Paying Agent Fees	(852)			(852)
Total Non-Operating Revenues (Expenses)	<u>\$ (852)</u>	<u>\$ 119,835</u>	<u>\$ 2,133</u>	<u>\$ 121,116</u>
Income (Loss) Before Transfers	\$ (74,641)	\$ (473,691)	\$ 200,016	\$ (348,316)
Transfers In/(Out)		<u>140,370</u>	<u>(178,798)</u>	<u>(38,428)</u>
Change in Net Position	\$ (74,641)	\$ (333,321)	\$ 21,218	\$ (386,744)
Total Net Position - Beginning	<u>24,242</u>	<u>799,450</u>	<u>623,910</u>	<u>1,447,602</u>
Total Net Position - Ending	<u>\$ (50,399)</u>	<u>\$ 466,129</u>	<u>\$ 645,128</u>	<u>\$ 1,060,858</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-26

**COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2014**

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-9)
Cash Flows from Operating Activities					
Cash Received from Interfund Services Provided	\$ (23,582)	\$ 1,275,557	\$ 320,349	\$ 72,115	\$ 1,572,324
Cash Payments to Suppliers for Goods and Services	63,101	(1,899,527)	(150,089)	72,115	(1,914,400)
Net Cash Provided by (Used in) Operating Activities	\$ 39,519	\$ (623,970)	\$ 170,260	\$ 72,115	\$ (342,076)
Cash Flows from Non-Capital Financing Activities:					
Transfers	\$ 0	\$ 140,370	\$ (178,798)	\$ 0	\$ (38,428)
Insurance Reimbursement		118,669			118,669
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ 0	\$ 259,039	\$ (178,798)	\$ 0	\$ 80,241
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (13,761)				\$ (13,761)
Net Cash Used in Capital and Related Financing Activities	\$ (13,761)	\$ 0	\$ 0	\$ 0	\$ (13,761)
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$ 0	\$ 1,166	\$ 2,133		\$ 3,299
Net Cash Provided by Investing Activities	\$ 0	\$ 1,166	\$ 2,133	\$ 0	\$ 3,299
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 25,758	\$ (363,765)	\$ (6,405)	\$ 72,115	\$ (272,297)
Cash and Cash Equivalents at Beginning of Year	(25,694)	872,369	1,066,233	47,929	1,960,837
Cash and Cash Equivalents at End of Year	\$ 64	\$ 508,604	\$ 1,059,828	\$ 120,044	\$ 1,688,540
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ (73,789)	\$ (593,526)	\$ 197,883	\$ 0	\$ (469,432)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	\$ 13,304				\$ 13,304
Change in Assets and Liabilities					
Decrease in Receivable				176	176
Increase in Interfund Receivable		(4,028)		(1,127)	(5,155)
Decrease in Inventories	49,233				49,233
Increase (Decrease) in Accounts Payable	3,595	(29,572)	(28,458)	68,697	14,262
Increase (Decrease) in Interfund Payables	47,176	3,156	835	4,369	55,536
Total Adjustments	\$ 113,308	\$ (30,444)	\$ (27,623)	\$ 72,115	\$ 127,356
Net Cash Provided by (Used in) Operating Activities	\$ 39,519	\$ (623,970)	\$ 170,260	\$ 72,115	\$ (342,076)

CITY OF BIG SPRING, TEXAS

EXHIBIT C-27

GARAGE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>OPERATING REVENUES:</b>				
Billings to Departments and Employees	\$	\$	\$ 25,000	\$ 25,000
Total Operating Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 25,000</u>	<u>\$ 25,000</u>
<b>OPERATING EXPENSES:</b>				
Supplies and Materials	\$ 3,000	\$ 8,280	\$ 8,158	\$ (122)
Contractual Services	12,275	10,976	11,576	600
Maintenance	4,000	12,172	17,169	4,997
Depreciation			13,304	13,304
Other		176	48,582	48,406
Total Operating Expenses	<u>\$ 19,275</u>	<u>\$ 31,604</u>	<u>\$ 98,789</u>	<u>\$ 67,185</u>
Operating Loss	<u>\$ (19,275)</u>	<u>\$ (31,604)</u>	<u>\$ (73,789)</u>	<u>\$ (42,185)</u>
<b>NON-OPERATING REVENUES (EXPENSES):</b>				
Interest Revenue	\$	\$	\$	\$ 0
Other Income				0
Interest Expense and Paying Agent Fees	<u>(13,762)</u>	<u>(13,762)</u>	<u>(852)</u>	<u>12,910</u>
Total Non-Operating Expenses	<u>\$ (13,762)</u>	<u>\$ (13,762)</u>	<u>\$ (852)</u>	<u>\$ 12,910</u>
Income Before Transfers	\$ (33,037)	\$ (45,366)	\$ (74,641)	\$ (29,275)
Transfers In		<u>25,000</u>		<u>(25,000)</u>
Change in Net Position	\$ (33,037)	\$ (20,366)	\$ (74,641)	\$ (54,275)
Total Net Position - Beginning	<u>24,242</u>	<u>24,242</u>	<u>24,242</u>	
Total Net Position - Ending	<u>\$ (8,795)</u>	<u>\$ 3,876</u>	<u>\$ (50,399)</u>	<u>\$ (54,275)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-28

HEALTH INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 1,750,000	\$ 1,892,400	\$ 1,663,352	\$ (229,048)
Total Operating Revenues	<u>\$ 1,750,000</u>	<u>\$ 1,892,400</u>	<u>\$ 1,663,352</u>	<u>\$ (229,048)</u>
OPERATING EXPENSES:				
Contractual Services	\$ 1,315,000	\$ 1,865,000	\$ 1,869,955	\$ (4,955)
Other	460,000	400,000	386,923	13,077
Total Operating Expenses	<u>\$ 1,775,000</u>	<u>\$ 2,265,000</u>	<u>\$ 2,256,878</u>	<u>\$ 8,122</u>
Operating Loss	<u>\$ (25,000)</u>	<u>\$ (372,600)</u>	<u>\$ (593,526)</u>	<u>\$ (220,926)</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 2,000	\$ 2,000	\$ 1,166	\$ (834)
Other Income		118,669	118,669	
Total Non-Operating Revenues	<u>\$ 2,000</u>	<u>\$ 120,669</u>	<u>\$ 119,835</u>	<u>\$ (834)</u>
Loss Before Transfers	\$ (23,000)	\$ (251,931)	\$ (473,691)	\$ (221,760)
Transfers In/(Out)	<u>(34,630)</u>	<u>140,400</u>	<u>140,370</u>	<u>0</u>
Change in Net Position	\$ (57,630)	\$ (111,531)	\$ (333,321)	\$ (221,760)
Total Net Position - Beginning	<u>799,450</u>	<u>799,450</u>	<u>799,450</u>	
Total Net Position - Ending	<u>\$ 741,820</u>	<u>\$ 687,919</u>	<u>\$ 466,129</u>	<u>\$ (221,760)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-29

OCCUPATIONAL ACCIDENT INSURANCE FUND  
INTERNAL SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 340,000	\$ 340,000	\$ 340,000	\$ 0
Total Operating Revenues	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 0</u>
OPERATING EXPENSES:				
Contractual Services	\$ 175,000	\$ 140,000	\$ 121,631	\$ 18,369
Other	30,000	20,486	20,486	0
Total Operating Expenses	<u>\$ 205,000</u>	<u>\$ 160,486</u>	<u>\$ 142,117</u>	<u>\$ 18,369</u>
Operating Income	<u>\$ 135,000</u>	<u>\$ 179,514</u>	<u>\$ 197,883</u>	<u>\$ 18,369</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 2,500	\$ 2,500	\$ 2,133	\$ (367)
Total Non-Operating Revenues	<u>\$ 2,500</u>	<u>\$ 2,500</u>	<u>\$ 2,133</u>	<u>\$ (367)</u>
Income Before Transfers	\$ 137,500	\$ 182,014	\$ 200,016	\$ 18,002
Transfers Out	<u>(3,798)</u>	<u>(178,798)</u>	<u>(178,798)</u>	<u>0</u>
Change in Net Position	\$ 133,702	\$ 3,216	\$ 21,218	\$ 18,002
Total Net Position - Beginning	<u>623,910</u>	<u>623,910</u>	<u>623,910</u>	
Total Net Position - Ending	<u>\$ 757,612</u>	<u>\$ 627,126</u>	<u>\$ 645,128</u>	<u>\$ 18,002</u>



**STATISTICAL SECTION  
(Unaudited)**



## STATISTICAL SECTION

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

### CONTENTS

<b>Financial Trends</b>	<b>Pages</b>
This segment contains information to help the reader understand how the City's financial performance and well-being have changed over time.	93-97
<b>Revenue Capacity</b>	
This segment contains information to help the reader assess the City's most significant local revenue sources which are sales tax followed closely by property tax.	98-103
<b>Debt Capacity</b>	
This segment contains information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	104-107
<b>Economic and Demographic Information</b>	
This segment contains demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	108-109
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	110-112

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



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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 1,741,763	\$ 2,292,138	\$ 1,553,112	\$ 1,793,992	\$ 1,824,360	\$ 2,036,771	\$ 2,208,403	\$ 1,465,600	\$ 2,271,190	\$ 2,949,162
Public Safety	63,357,979	64,737,117	34,574,020	7,500,329	8,224,479	8,959,484	8,858,090	10,206,784	9,169,573	10,019,614
Highways and Streets	2,005,424	2,382,964	1,539,111	1,851,028	2,142,249	2,004,963	2,166,500	2,818,290	2,856,428	3,241,167
Sanitation	1,440,393	1,886,843	1,739,329	1,776,428	2,260,078	1,843,457	1,971,841	1,917,764	2,245,954	
Community Service	75,926	82,963	85,350	367,619	498,303	518,615	541,643	488,382	544,265	445,156
Recreation and Parks	986,783	1,119,815	923,075	1,420,690	1,404,752	1,616,841	2,249,772	2,141,638	2,576,760	2,704,295
Cemetery	133,495	141,936	143,459	149,141	190,062	146,107	138,837	136,214	197,462	178,970
Economic Development	1,316,261	1,568,429	1,626,113	1,862,701	1,867,545	1,816,715	1,997,635	2,597,377	2,653,925	579,099
Interest on Long-Term Debt	82,235	75,692	505,857	796,014	771,681	814,498	864,355	820,539	775,200	731,792
<b>Total Governmental Activities Expenses</b>	<b>\$ 71,140,259</b>	<b>\$ 74,287,897</b>	<b>\$ 42,689,426</b>	<b>\$ 17,517,942</b>	<b>\$ 19,183,509</b>	<b>\$ 19,757,451</b>	<b>\$ 20,997,076</b>	<b>\$ 22,592,588</b>	<b>\$ 23,290,757</b>	<b>\$ 20,849,255</b>
<b>Business-Type Activities</b>										
Water and Sewer	\$ 8,467,850	\$ 8,837,666	\$ 8,736,468	\$ 9,133,088	\$ 9,959,780	\$ 10,851,962	\$ 10,285,767	\$ 10,276,144	\$ 10,619,316	\$ 11,017,032
Airport/Industrial Park	1,891,731	1,950,574	1,787,590	1,473,504	1,536,701	1,516,681	1,713,690	1,703,282	1,865,245	1,871,990
Emergency Medical Services	1,584,557	1,625,902	1,537,351	2,047,764	1,991,905	2,183,830	2,293,215	2,316,840	2,732,967	2,439,037
Landfill										786,699
Sanitation										2,375,412
Molone & Hogan Clinic									196,300	304,504
<b>Total Business-Type Activities Expenses</b>	<b>\$ 11,944,138</b>	<b>\$ 12,414,142</b>	<b>\$ 12,061,409</b>	<b>\$ 12,654,356</b>	<b>\$ 13,488,386</b>	<b>\$ 14,552,473</b>	<b>\$ 14,292,672</b>	<b>\$ 14,296,266</b>	<b>\$ 15,413,828</b>	<b>\$ 18,794,674</b>
<b>Total Primary Government Expenses</b>	<b>\$ 83,084,397</b>	<b>\$ 86,702,039</b>	<b>\$ 54,750,835</b>	<b>\$ 30,172,298</b>	<b>\$ 32,671,895</b>	<b>\$ 34,309,924</b>	<b>\$ 35,289,748</b>	<b>\$ 36,888,854</b>	<b>\$ 38,704,585</b>	<b>\$ 39,643,929</b>
<b>Program Revenues</b>										
<b>Governmental Activities</b>										
Charges for Services										
Public Safety	\$ 55,843,075	\$ 56,146,480	\$ 27,965,372	\$	\$	\$	\$	\$	\$	\$
Sanitation	2,177,773	2,241,759	2,284,695	2,408,181	2,789,526	2,735,430	2,860,676	2,914,021	2,905,146	
Community Service	321,379	306,525	91,453	95,691	53,727	50,740	37,848	40,464	26,867	25,095
Recreation and Parks	190,868	202,275	218,268	364,201	421,657	407,605	731,107	850,840	977,787	934,612
General Government	63,020	50,849	50,173	318,536	194,274	223,348	238,024	233,895	287,084	381,874
Operating Grants and Contributions	232,439	390,121	140,642	442,151	257,142	227,973	241,571	200,736	280,323	263,453
Capital Grants and Contributions			37,364	16,207	52,370	135,368	99,993			
<b>Total Governmental Activities Program Revenues</b>	<b>\$ 58,828,554</b>	<b>\$ 59,338,009</b>	<b>\$ 30,787,967</b>	<b>\$ 3,644,967</b>	<b>\$ 3,768,696</b>	<b>\$ 3,780,464</b>	<b>\$ 4,209,219</b>	<b>\$ 4,239,956</b>	<b>\$ 4,477,207</b>	<b>\$ 1,605,034</b>
<b>Business-Type Activities</b>										
Charges for Services										
Water and Sewer	\$ 8,031,772	\$ 9,076,991	\$ 8,259,517	\$ 9,313,289	\$ 9,594,378	\$ 9,702,905	\$ 10,399,803	\$ 12,510,503	\$ 12,139,757	\$ 11,887,981
Airport/Industrial Park	604,809	687,081	722,052	834,312	806,400	847,816	864,539	942,427	1,134,065	1,099,100
Emergency Medical Services	1,182,332	1,207,937	1,357,381	1,350,445	1,808,569	1,747,596	1,732,690	1,729,411	1,728,680	1,325,358
Landfill										1,437,172
Sanitation										2,653,868
Molone & Hogan Clinic									198,983	289,171
Operating Grants and Contributions					203,042	163,875	181,052	156,348	173,337	966,157
Capital Grants and Contributions					4,584,321			1,243,346	2,304,000	2,612,347
<b>Total Business-Type Activities Program Revenues</b>	<b>\$ 9,818,913</b>	<b>\$ 10,972,009</b>	<b>\$ 10,338,950</b>	<b>\$ 11,498,046</b>	<b>\$ 16,996,710</b>	<b>\$ 12,462,192</b>	<b>\$ 13,178,084</b>	<b>\$ 16,582,035</b>	<b>\$ 17,678,822</b>	<b>\$ 22,271,154</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 68,647,467</b>	<b>\$ 70,310,018</b>	<b>\$ 41,126,917</b>	<b>\$ 15,143,013</b>	<b>\$ 20,765,406</b>	<b>\$ 16,242,656</b>	<b>\$ 17,387,303</b>	<b>\$ 20,821,991</b>	<b>\$ 22,156,029</b>	<b>\$ 23,876,188</b>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (12,311,705)	\$ (14,949,888)	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)
Business-Type Activities	(2,125,225)	(1,442,133)	(1,722,459)	(1,156,310)	3,508,324	(2,090,281)	(1,114,588)	2,285,769	2,264,994	3,476,480
<b>Total Primary Government Net Expense</b>	<b>\$ (14,436,930)</b>	<b>\$ (16,392,021)</b>	<b>\$ (13,623,918)</b>	<b>\$ (15,029,285)</b>	<b>\$ (11,906,489)</b>	<b>\$ (18,067,268)</b>	<b>\$ (17,902,445)</b>	<b>\$ (16,066,863)</b>	<b>\$ (16,548,556)</b>	<b>\$ (15,767,741)</b>

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2012	2014
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (12,311,705)	\$ (14,949,888)	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)
Business-Type Activities	<u>(2,125,225)</u>	<u>(1,442,133)</u>	<u>(1,722,459)</u>	<u>(1,156,310)</u>	<u>3,508,324</u>	<u>(2,090,281)</u>	<u>(1,114,588)</u>	<u>2,285,769</u>	<u>2,264,994</u>	<u>3,476,480</u>
<b>Total Primary Government Net Expense</b>	<u>\$ (14,436,930)</u>	<u>\$ (16,392,021)</u>	<u>\$ (13,623,918)</u>	<u>\$ (15,029,285)</u>	<u>\$ (11,906,489)</u>	<u>\$ (18,067,268)</u>	<u>\$ (17,902,445)</u>	<u>\$ (16,066,863)</u>	<u>\$ (16,548,556)</u>	<u>\$ (15,767,741)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities										
Taxes										
Property Taxes	\$ 3,001,978	\$ 3,075,336	\$ 3,252,311	\$ 5,068,566	\$ 5,400,654	\$ 5,558,497	\$ 5,542,990	\$ 5,261,553	\$ 5,161,268	\$ 5,566,502
Sales Taxes	4,258,228	4,969,337	5,369,792	6,047,491	5,778,812	5,734,386	6,479,539	7,721,480	8,915,307	6,347,971
Gross Receipts Taxes	1,386,769	1,864,360	1,477,481	1,522,960	1,414,058	1,428,017	1,468,738	1,530,152	1,553,002	1,631,818
Motel Occupancy Taxes	301,660	369,762	478,512	694,339	505,456	499,279	732,252	1,145,353	1,339,310	1,512,024
Unrestricted Grants and Contributions	2,172,243	1,769,263	942,137	1,053,729	1,182,689	1,126,704	1,144,321	1,077,560	992,900	1,200,350
Investment Earnings	247,938	390,416	1,023,253	844,532	186,464	71,567	51,606	38,154	33,510	17,681
Other	1,257,385	1,017,673	1,236,171	1,364,251	1,450,330	1,265,495	1,383,766	1,469,698	1,284,148	1,805,292
Transfers	<u>(585,747)</u>	<u>(250,000)</u>	<u>570,670</u>	<u>(296,038)</u>	<u>(215,821)</u>	<u>687,099</u>	<u>593,937</u>	<u>(1,447,344)</u>	<u>598,536</u>	<u>301,970</u>
<b>Total Governmental Activities</b>	<u>\$ 12,040,454</u>	<u>\$ 13,206,147</u>	<u>\$ 14,350,327</u>	<u>\$ 16,299,830</u>	<u>\$ 15,702,642</u>	<u>\$ 16,371,044</u>	<u>\$ 17,397,149</u>	<u>\$ 16,796,606</u>	<u>\$ 19,877,981</u>	<u>\$ 18,383,608</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$ 130,000	\$ 208,557	\$ 217,009	\$ 1,036,216	\$	\$	\$	\$	\$	\$
Investment Earnings	78,221	142,904	276,256	106,972	20,005	1,646	1,252	2,374	12,897	7,819
Other	2,167	15,865	450	3,711	6,737	24,814	20,272	24,989	(5,816)	2,081,058
Transfers	<u>585,747</u>	<u>250,000</u>	<u>(570,670)</u>	<u>296,038</u>	<u>215,821</u>	<u>(687,099)</u>	<u>(593,937)</u>	<u>1,447,344</u>	<u>(598,536)</u>	<u>(301,970)</u>
<b>Total Business-Type Activities</b>	<u>\$ 796,135</u>	<u>\$ 617,326</u>	<u>\$ (76,955)</u>	<u>\$ 1,442,937</u>	<u>\$ 242,563</u>	<u>\$ (660,639)</u>	<u>\$ (572,413)</u>	<u>\$ 1,474,707</u>	<u>\$ (591,455)</u>	<u>\$ 1,786,907</u>
<b>Total Primary Government</b>	<u>\$ 12,836,589</u>	<u>\$ 13,823,473</u>	<u>\$ 14,273,372</u>	<u>\$ 17,742,767</u>	<u>\$ 15,945,205</u>	<u>\$ 15,710,405</u>	<u>\$ 16,824,736</u>	<u>\$ 18,271,313</u>	<u>\$ 19,286,526</u>	<u>\$ 20,170,515</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ (271,251)	\$ (1,743,741)	\$ 2,448,868	\$ 2,426,855	\$ 287,829	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 1,064,431	\$ (860,613)
Business-Type Activities	<u>(1,329,090)</u>	<u>(824,807)</u>	<u>(1,799,414)</u>	<u>286,627</u>	<u>3,750,887</u>	<u>(2,750,920)</u>	<u>(1,687,001)</u>	<u>3,760,476</u>	<u>1,673,539</u>	<u>5,263,387</u>
<b>Total Primary Government</b>	<u>\$ (1,600,341)</u>	<u>\$ (2,568,548)</u>	<u>\$ 649,454</u>	<u>\$ 2,713,482</u>	<u>\$ 4,038,716</u>	<u>\$ (2,356,863)</u>	<u>\$ (1,077,709)</u>	<u>\$ 2,204,450</u>	<u>\$ 2,737,970</u>	<u>\$ 4,402,774</u>

CITY OF BIG SPRING, TEXAS

TABLE E-4

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

		Pre-GASB 54					
		Fiscal Year					
		2005	2006	2007	2008	2009	2010
General Fund							
Reserved	\$	32,247	24,307	21,675	12,770	17,894	8,818
Unreserved		<u>3,898,842</u>	<u>6,356,196</u>	<u>6,426,470</u>	<u>7,764,191</u>	<u>8,607,986</u>	<u>7,314,099</u>
Total General Fund	\$	<u><u>3,931,089</u></u>	<u><u>6,380,503</u></u>	<u><u>6,448,145</u></u>	<u><u>7,776,961</u></u>	<u><u>8,625,880</u></u>	<u><u>7,322,917</u></u>
All Other Governmental Funds							
Reserved for Cemetery Care	\$	351,661	351,511	351,511	351,511	351,511	351,511
Reserved for Debit Service Funds		5,593	10,462	81,581	225,862	263,432	236,291
Reserved for Capital Projects				15,065,374	12,221,769	2,579,548	5,484,028
Unreserved, Reported in:							
Special Revenue Funds		2,772,513	2,649,383	2,815,706	3,137,862	3,045,361	1,717,260
Capital Projects Funds		<u>1,578,401</u>	<u>1,650,957</u>	<u>1,717,025</u>	<u>1,781,662</u>	<u>1,829,311</u>	<u>1,919,549</u>
Total All Other Governmental Funds	\$	<u><u>4,708,168</u></u>	<u><u>4,662,313</u></u>	<u><u>20,031,197</u></u>	<u><u>17,718,666</u></u>	<u><u>8,069,163</u></u>	<u><u>9,708,639</u></u>
		Post-GASB 54					
		Fiscal Year					
		2011	2012	2013	2014		
General Fund							
Nonspendable	\$	30,344	40,815	48,631	24,125		
Committed		2,759,003	3,004,648	3,254,712			
Unassigned		<u>5,553,475</u>	<u>6,899,206</u>	<u>7,455,110</u>	<u>6,043,847</u>		
Total General Fund	\$	<u><u>8,342,822</u></u>	<u><u>9,944,669</u></u>	<u><u>10,758,453</u></u>	<u><u>6,067,972</u></u>		
All Other Governmental Funds							
Nonspendable	\$	353,324	353,370	351,511	351,519		
Restricted		5,466,336	2,425,192	2,957,202	2,992,841		
Committed		<u>591,464</u>	<u>322,535</u>	<u>184,558</u>	<u>880,997</u>		
Total All Other Governmental Funds	\$	<u><u>6,411,124</u></u>	<u><u>3,101,097</u></u>	<u><u>3,493,271</u></u>	<u><u>4,225,357</u></u>		

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
<b>Revenues</b>										
Taxes	\$ 8,998,104	\$ 10,301,113	\$ 10,579,730	\$ 13,321,348	\$ 13,059,530	\$ 13,203,041	\$ 14,228,655	\$ 15,689,578	\$ 16,976,475	\$ 14,999,605
Licenses, Fees, and Permits	192,618	204,021	220,018	311,572	186,062	213,509	229,314	225,050	279,026	373,964
Fines and Penalties	441,079	258,458	295,996	317,535	361,425	451,300	464,054	485,534	402,604	402,282
Charges for Services	2,407,456	2,476,170	2,567,774	2,860,629	3,267,596	3,002,540	3,179,692	3,204,314	3,210,841	62,451
Recreation				364,201	421,657	407,605	731,107	850,840	977,787	934,612
Intergovernmental	58,236,015	58,298,013	29,078,145	1,512,088	1,492,201	1,492,007	1,386,686	1,278,297	1,273,084	1,462,302
Investment Earnings	247,938	390,416	1,023,253	844,532	186,464	71,567	49,298	35,385	28,833	14,382
Other Revenues	981,014	888,283	804,341	783,474	683,754	682,384	761,982	743,179	897,198	1,274,850
<b>Total Revenues</b>	<b>\$ 71,504,224</b>	<b>\$ 72,816,474</b>	<b>\$ 44,569,257</b>	<b>\$ 20,315,379</b>	<b>\$ 19,658,689</b>	<b>\$ 19,523,953</b>	<b>\$ 21,030,788</b>	<b>\$ 22,512,177</b>	<b>\$ 24,045,848</b>	<b>\$ 19,524,448</b>
<b>Expenditures</b>										
General Government	\$ 1,563,355	\$ 1,901,122	\$ 1,509,104	\$ 1,943,501	\$ 1,754,193	\$ 1,861,001	\$ 1,968,659	\$ 1,869,559	\$ 2,028,809	\$ 2,558,536
Public Safety	62,728,675	63,303,421	34,835,688	7,964,371	8,416,171	9,257,095	8,718,705	10,572,874	9,591,341	9,878,175
Highways and Streets	1,664,960	1,878,575	1,834,063	2,593,080	6,927,490	4,820,334	2,052,702	2,054,093	2,070,155	2,390,778
Sanitation	1,816,743	1,802,870	1,675,718	1,986,031	1,766,181	2,210,220	1,604,844	2,251,328	3,368,138	
Community Service	75,926	82,963	85,350	409,001	489,450	528,189	529,711	476,450	534,888	440,099
Recreation and Parks	1,049,187	1,152,060	2,425,815	2,815,726	5,141,208	2,216,615	4,559,619	1,412,645	1,738,664	1,812,530
Economic Development	1,316,261	1,568,429	1,617,966	1,931,752	1,825,613	1,832,712	2,047,073	2,583,829	2,611,025	575,969
Cemetery	167,995	141,936	139,369	166,209	215,888	125,424	116,176	115,531	195,940	189,728
Capital Outlay										
Debt Service										
Interest and Fees	85,776	74,755	189,148	1,058,840	774,219	750,003	908,500	816,451	777,180	734,474
Principal	820,956	723,009	843,754	1,062,767	1,511,564	1,349,565	1,432,358	1,513,830	1,562,698	1,410,909
<b>Total Expenditures</b>	<b>\$ 71,289,834</b>	<b>\$ 72,629,140</b>	<b>\$ 45,155,975</b>	<b>\$ 21,931,278</b>	<b>\$ 28,821,977</b>	<b>\$ 24,951,158</b>	<b>\$ 23,938,347</b>	<b>\$ 23,666,590</b>	<b>\$ 24,478,838</b>	<b>\$ 19,991,198</b>
<b>Excess of Revenues Under Expenditures</b>	<b>\$ 214,390</b>	<b>\$ 187,334</b>	<b>\$ (586,718)</b>	<b>\$ (1,615,899)</b>	<b>\$ (9,163,288)</b>	<b>\$ (5,427,205)</b>	<b>\$ (2,907,559)</b>	<b>\$ (1,154,413)</b>	<b>\$ (432,990)</b>	<b>\$ (466,750)</b>
<b>Other Financing Sources (Uses)</b>										
Capital Leases	\$ 734,809	\$ 2,466,226	\$ 707,574	\$ 928,222	\$ 578,525	\$ 955,949	\$	\$ 862,139	\$ 1,243,129	\$ 693,436
Issuance of Debt			14,745,000			4,120,670				
Transfers In	647,766	439,839	1,226,448	907,813	1,266,966	3,616,590	1,794,636	1,711,697	1,673,387	2,132,601
Transfers Out	(1,233,513)	(689,839)	(655,778)	(1,203,851)	(1,482,787)	(2,929,491)	(1,164,687)	(3,127,603)	(1,266,568)	(1,792,202)
<b>Total Other Financing Sources</b>	<b>\$ 149,062</b>	<b>\$ 2,216,226</b>	<b>\$ 16,023,244</b>	<b>\$ 632,184</b>	<b>\$ 362,704</b>	<b>\$ 5,763,718</b>	<b>\$ 629,949</b>	<b>\$ (553,767)</b>	<b>\$ 1,649,948</b>	<b>\$ 1,033,835</b>
<b>Net Change in Fund Balances</b>	<b>\$ 363,452</b>	<b>\$ 2,403,560</b>	<b>\$ 15,436,526</b>	<b>\$ (983,715)</b>	<b>\$ (8,800,584)</b>	<b>\$ 336,513</b>	<b>\$ (2,277,610)</b>	<b>\$ (1,708,180)</b>	<b>\$ 1,216,958</b>	<b>\$ 567,085</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>1.3%</b>	<b>1.1%</b>	<b>2.4%</b>	<b>11.8%</b>	<b>12.0%</b>	<b>10.8%</b>	<b>11.6%</b>	<b>10.4%</b>	<b>10.8%</b>	<b>11.2%</b>
<b>Capital Outlay</b>	<b>1,343,183</b>	<b>776,366</b>	<b>2,709,518</b>	<b>3,986,263</b>	<b>9,778,973</b>	<b>5,423,093</b>	<b>3,687,953</b>	<b>1,287,045</b>	<b>2,798,369</b>	<b>889,527</b>

CITY OF BIG SPRING, TEXAS

TABLE E-6

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Business Gross Receipts Tax</u>	<u>Motel Occupancy Tax</u>	<u>Total</u>
2010	\$ 5,541,359	4,300,790	1,428,017	499,279	\$ 11,769,445
2011	5,548,126	4,859,654	1,468,738	732,252	12,608,770
2012	5,292,592	5,791,110	1,530,153	1,145,353	13,759,208
2013	5,168,855	6,686,480	1,476,216	1,339,310	14,670,861
2014	5,510,582	6,101,137	1,554,189	1,512,024	14,677,932
Percent Change 2010 - 2014	-0.6%	41.9%	8.8%	202.8%	

**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>
2004-05	1.50%	0.50%	2.00%	6.25%	8.25%
2005-06	1.50%	0.50%	2.00%	6.25%	8.25%
2006-07	1.50%	0.50%	2.00%	6.25%	8.25%
2007-08	1.50%	0.50%	2.00%	6.25%	8.25%
2008-09	1.50%	0.50%	2.00%	6.25%	8.25%
2009-10	1.50%	0.50%	2.00%	6.25%	8.25%
2010-11	1.50%	0.50%	2.00%	6.25%	8.25%
2011-12	1.50%	0.50%	2.00%	6.25%	8.25%
2012-13	1.50%	0.50%	2.00%	6.25%	8.25%
2013-14	1.50%	0.50%	2.00%	6.25%	8.25%

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

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CITY OF BIG SPRING, TEXAS

TABLE E-8

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

Fiscal Year	Real Property		Personal Property		All Property		Total Direct Tax Rate	Value as a Percentage of Actual Taxable Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2005	\$ 316,094,505	\$ 316,094,505	\$ 97,391,125	\$ 97,391,125	\$ 413,485,630	\$ 413,485,630	0.7163	100.00%
2006	363,664,736	363,664,736	55,909,450	55,909,450	419,574,186	419,574,186	0.7163	100.00%
2007	319,327,683	319,327,683	125,210,676	125,210,676	444,538,359	444,538,359	0.7163	100.00%
2008	350,680,525	350,680,525	131,006,987	131,006,987	481,687,512	481,687,512	1.0228	100.00%
2009	456,352,869	456,352,869	67,359,290	67,359,290	523,712,159	523,712,159	1.0132	100.00%
2010	480,480,335	480,480,335	59,928,374	59,928,374	540,408,709	540,408,709	0.9995	100.00%
2011	486,149,592	486,149,592	59,926,475	59,926,475	546,076,067	546,076,067	0.9495	100.00%
2012	485,739,452	485,739,452	61,267,318	61,267,318	547,006,770	547,006,770	0.8650	100.00%
2013	515,418,056	515,418,056	59,925,347	59,925,347	575,343,403	575,343,403	0.8566	100.00%
2014	593,152,094	593,152,094	60,893,323	60,893,323	654,045,417	654,045,417	0.8566	100.00%

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	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Western Container	\$ 18,911,950	1	2.89%	\$ 24,615,190	1	5.95%
Scenic Mountain Medical Center	13,121,370	2	2.01%	1,003,246	2	0.24%
Kerr Management Inc.	10,133,847	3	1.55%			
Oncor Electric Delivery	9,704,710	4	1.48%			
Payal Hotel Enterprises Inc.	8,580,383	5	1.31%			
Basic Energy Services	7,912,220	6	1.21%			
BRP Leasing L.L.C.	7,867,690	7	1.20%			
Wal-Mart Real Estate	7,004,984	8	1.07%	6,370,000	5	1.54%
Wal-Mart Stores Texas L.P.	6,722,298	9	1.03%	6,304,592	6	1.52%
John Crane Production Sol Inc.	6,639,960	10	1.02%			
TXU Electric Delivery Co.				9,067,820	3	2.19%
Southwestern Bell Telephone L.P.				6,892,420	4	1.67%
Scenic Mountain Med Ctr. Clinic				3,419,334	7	0.83%
TA Operating Corporation				3,236,568	8	0.78%
Atmos Energy Corporation				3,143,510	9	0.76%
Parker Hannifan Corp.				2,426,890	10	0.59%
Total	\$ <u>96,599,412</u>		<u>14.77%</u>	\$ <u>66,479,570</u>		<u>16.08%</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>
2005	\$ 2,830,926	\$ 2,687,521	\$ 94.93%	\$ 92,805	\$ 2,780,326	98.21%
2006	3,005,417	2,815,327	93.68%	128,267	2,943,594	97.94%
2007	3,186,071	2,876,799	90.29%	135,280	3,012,079	94.54%
2008	4,932,103	4,772,535	96.76%	132,889	4,905,424	99.46%
2009	5,319,488	5,124,334	96.33%	103,582	5,227,916	98.28%
2010	5,481,753	5,275,275	96.23%	118,517	5,393,792	98.40%
2011	5,461,889	5,271,162	96.51%	138,433	5,409,595	99.04%
2012	5,198,600	5,013,337	96.44%	147,470	5,160,807	99.27%
2013	4,983,657	4,903,121	98.38%	141,296	5,044,417	101.22%
2014	5,602,553	5,261,038	93.90%	125,421	5,386,459	96.14%

Source: Howard County

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2014			2005		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Discount Department Stores	\$ 1,203,012	1	21.47%	\$		
Limited Service Restaurants	515,136	2	9.19%	134,154	7	4.46%
Support Activities for Oil and Gas Operations	460,543	3	8.22%			0.00%
Gasoline Stations with Convenience Stores	421,817	4	7.53%	140,375	6	4.67%
All other General Miscellaneous MFG	285,677	5	5.10%	100,685	11	3.35%
Wireless Telecommunication Carriers (except Satellite)	221,961	6	3.96%	118,610	8	3.95%
Electric Power Distribution	219,622	7	3.92%	80,738	12	2.69%
Gasoline Service Stations	195,605	8	3.49%	112,917	9	3.76%
Wired Telecommunications Carriers	194,100	9	3.46%	156,779	4	5.22%
Plumbing, Heating and Air-Conditioning	191,167	10	3.41%			
Other Building Material Dealers	182,513	11	3.26%			
Full Service Restaurants	173,687	12	3.10%	169,885	3	5.65%
Hydroelectric Power Generation				205,897	1	6.85%
Supermarkets and Other Grocery (except Convenience Stores)				173,779	2	5.78%
Eating Places				143,968	5	4.79%
Department Stores (except discount Department Stores)				106,869	10	3.56%
Total	\$ <u>4,264,840</u>		<u>76.12%</u>	\$ <u>1,644,656</u>		<u>54.72%</u>

Source: Texas State Comptroller

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CITY OF BIG SPRING, TEXAS

TABLE E-12

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

Fiscal Year	Governmental Activities				Business-Type Activities				Total Primary Government	Percentage Of Personal Income	Per Capita
	General Obligation Bonds	Certificate Of Obligation	Capital Leases	Energy Conservation Loan	General Obligation Bonds	Certificate Of Obligation	Capital Leases	Energy Conservation Loan			
2014	\$ 10,825,000	\$ 3,965,000	\$ 1,418,435	\$ 1,134,715	\$	\$ 11,611,820	\$ 1,282,096	\$ 1,914,056	\$ 32,151,122	2.71%	1,057
2013	12,015,000	4,335,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2012	12,015,000	4,335,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2011	12,575,000	4,515,000	1,259,896	1,529,683	1,555,000	555,000	314,117	2,580,293	24,883,989	2.91%	799
2010	13,115,000	4,625,000	1,934,431	1,650,895	2,000,000	580,000	486,063	2,784,755	27,176,144	3.66%	1,075
2009	13,635,000	440,000	1,573,741	1,767,233	2,450,000	605,000	568,551	2,980,993	24,020,518	3.37%	952
2008	14,335,000	455,000	1,711,579	1,861,886	2,885,000	630,000	295,732	3,169,341	25,363,538	3.77%	1,005
2007	14,725,000	460,000	1,364,927		3,305,000	640,000	333,377		20,828,304	3.46%	825
2006	665,000		1,211,763		3,705,000		308,080		5,889,843	1.01%	233
2005	895,000		1,270,973		4,095,000		497,681		6,758,654	1.22%	268

CITY OF BIG SPRING, TEXAS

TABLE E-13

RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST FIVE FISCAL YEARS

<u>Fiscal Year</u>	<u>General Obligation Bonds (1)</u>	<u>Less: Amounts Available in Debt Service Funds (2)</u>	<u>Total</u>	<u>Percentage of Estimated Actual Taxable Value of Property (3)</u>	<u>Net Debt Per Capita (4)</u>
2010	\$ 20,320,000	\$ 256,109	\$ 20,063,891	3.83%	\$ 795
2011	19,200,000	327,764	18,872,236	3.49%	692
2012	29,650,000	235,261	29,414,739	5.38%	1,078
2013	27,900,000	563,025	27,336,975	4.75%	1,002
2014	26,401,820	424,448	25,977,372	3.97%	952

(1) This is the general bonded debt of both governmental and business-type activities, including unamortized issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payment.

(3) See the Schedule of Assessed Value and the Estimated Actual Value of Taxable Property on page 97 for property value data.

(4) Population data can be found in the Schedule of Demographic and Economic Statistics on page 104.

**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*	\$ 59,840,000	*	37.47%	\$ 22,422,048
Forsan Independent School District*	23,375,000	*	0.55%	128,563
Coahoma Independent School District*	13,020,000		0.43%	55,986
Howard County*	10,165,000	*	16.10%	1,636,565
Howard College*	16,540,000	*	16.12%	2,666,248
Subtotal, Overlapping Debt				<u>\$ 26,909,410</u>
City of Big Spring Direct Debt	\$ 17,902,746		100%	<u>\$ 17,902,746</u>
Total Direct and Overlapping Debt				<u><u>\$ 44,812,156</u></u>

Sources: Debt outstanding data provided by each governmental unit.

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

\* Gross debt

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CITY OF BIG SPRING, TEXAS

TABLE E-15

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

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$ 6,202,284	\$ 6,293,613	\$ 6,668,075	\$ 7,225,313	\$ 7,855,682	\$ 8,106,131	\$ 8,191,141	\$ 8,205,102	\$ 8,630,151	\$ 9,810,681
Total Net Debt Applicable to Limit	<u>(224,408)</u>	<u>(219,538)</u>	<u>(146,016)</u>	<u>(144,137)</u>	<u>(435,167)</u>	<u>(290,975)</u>	<u>(355,151)</u>	<u>(227,024)</u>	<u>(306,144)</u>	<u>(358,296)</u>
Legal Debt Margin	<u>\$ 5,977,876</u>	<u>\$ 6,074,075</u>	<u>\$ 6,522,059</u>	<u>\$ 7,081,176</u>	<u>\$ 7,420,515</u>	<u>\$ 7,815,156</u>	<u>\$ 7,835,990</u>	<u>\$ 7,978,078</u>	<u>\$ 8,324,007</u>	<u>\$ 9,452,385</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.62%	3.49%	2.19%	1.99%	5.54%	3.59%	4.34%	2.77%	3.55%	3.65%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 654,045,417
Debt Limit (1.5% Assessed Value) Assessed Value	\$ 9,810,681
Debt Applicable to Limit:	
General Obligation Bonds	\$ 782,744
Less: Amount Set Aside for Repayment	<u>(424,448)</u>
Net Debt Applicable to Limit	<u>\$ 358,296</u>
Legal Debt Margin	<u>\$ 9,452,385</u>

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CITY OF BIG SPRING, TEXAS

TABLE E-16

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Population (1)	25,233	25,233	25,233	25,233	25,233	27,282	27,282	27,282	27,282	28,125
Total Personal Income	\$ 553,233,525	\$ 585,052,338	\$ 602,008,914	\$ 673,579,236	\$ 713,135,046	\$ 742,607,190	\$ 854,990,598	\$ 867,049,242	\$ 1,284,854,000	\$ 1,063,012,500
Per Capita Personal Income (2)	\$ 21,925	\$ 23,186	\$ 23,858	\$ 26,692	\$ 28,262	\$ 29,430	\$ 31,339	\$ 31,781	\$ 36,287	\$ 37,796
Median Age (2)	36	36	36	37	37	37	37	36	37	37
Unemployment (3)	5.6%	5.2%	4.4%	4.4%	7.5%	7.3%	6.9%	5.7%	5.3%	5.4%

Data Sources:

- (1) Bureau of Census
- (2) Texas Workforce Commission
- (3) Bureau of Labor Statistics

TABLE E-17

**PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO**

Employer	2014			2005		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Big Spring ISD	626	1	4.44%	616	1	4.75%
Big Spring State Hospital	577	2	4.10%	530	2	4.08%
Veterans Administration Hospital	547	3	3.88%	471	4	3.63%
GEO Group	490	4	3.48%			
Wal-Mart	360	5	2.56%	350	7	2.70%
Robinson Drilling of Texas	353	6	2.51%			
Scenic Mountain Medical Center	322	7	2.29%	359	6	2.77%
Price Construction	322	8	2.29%	450	5	3.47%
Howard College & SWICD	268	9	1.90%	296	8	2.28%
City of Big Spring	262	10	1.86%	268	9	2.07%
Federal Bureau of Prisons	235	11	1.67%			0.00%
Alon USA	178	12	1.26%	204	11	1.57%
Cornell Corrections, Inc.				485	3	3.74%
U. S. Justice Department				250	10	1.93%
West Texas Center for MHMR				165	12	1.27%
Western Container				141		1.09%
<b>Total</b>	<b>4,540</b>		<b>32.22%</b>	<b>4,585</b>		<b>35.33%</b>

Source: Oncor community profiles

CITY OF BIG SPRING, TEXAS

TABLE E-18

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

Function/Program	Full-Time-Equivalent Employees as of Year End									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Management Services	7	7	8	8	8	8	9	9	9	9
Finance	6	6	5	5	5	5	5	5	5	5
Other	5	5	9	9	9	8.5	8.5	8.5	8	11
Information Technology	1	1	2	2	2	2	2	2	2	2
Convention and Visitors Bureau	1	1	1	1	1	2	2	2	2	1
Police										
Officers	56	56	49	54	58	54	54	49	48	52
Civilians	8	8	13	13	10	15	15	12	7	8
Fire										
Firefighters and Officers	46	46	45	45	45	45	45	45	44	44
Civilians	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5
EMS										
EMS and Officers	16	16	16	16	16	16	16	16	16	16
Civilians	2	2	2	2	2	2	2	2	2	2
Refuse Collection (Landfill)	7	7	6	6	6	6	7	7	7	7
Other Public Works	9	9	17	17	21	21.5	17	18	18	17.5
Parks and Recreation	9	9	11	11	15	14	19	19	22	20.2
Service Center	8	8	8	8	8	8	8	8		
Streets	14	14	14	14	14	14	14	14	14	14
Sanitation	8	8	8	8	8	8	7	7	7	7
Airpark	7	7	7	7	5	7	7	6	6	7
Water	41	41	40	40	40	41	40	40	40	37
Wastewater	9	9	9	9	9	9	9	9	9	7
Total	<u>261</u>	<u>261</u>	<u>271</u>	<u>276</u>	<u>283</u>	<u>287</u>	<u>287</u>	<u>279</u>	<u>267</u>	<u>267</u>

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									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government										
Building Permits Issued	966	1,351	1,460	1,482	1,196	1,267	1,262	1,386	1,616	1,444
Police										
Physical Arrests	1,730	1,904	1,704	2,225	1,320	2,743	2,466	2,158	1,984	1,984
Number of Calls for Service	26,961	19,431	19,200	29,412	26,576	35,661	37,700	33,028	30,281	32,438
Alarm Responses	1,132	1,057	647	688	742	1143	1001	1522	1616	1402
Fire										
Emergency Responses	281	431	427	411	442	409	424	607	1952	1971
EMS Service										
Number of Runs	2,546	3,265	3,164	3,660	3,088	3,275	4,057	4,272	4,815	4,732
Refuse Collection										
Collected (Tons per Day)	120	120	115	110	120	156	130	130	128	118
Water										
Active Accounts	8,311	8,626	8,677	8,727	8,600	8,579	8,687	8,693	8,754	8,847
Water Main Breaks	200	199	206	168	250	580	210	167	131	212
Average Daily Consumption (Thousands of Gallons)	4,919	4,919	4,412	5,091	5,317	5,320	4,991	3,467	4,967	5,034
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,054	2,205	2,730	2,646	2,629	2,576	2,176	2,176	3,282	2,945

Data Sources: Various City Departments

CITY OF BIG SPRING, TEXAS

TABLE E-20

CAPITAL ASSETS STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	34	34	34	35	39	43	38	41	41	41
Unmarked	17	17	17	21	19	19	17	12	12	11
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	6	6	6	6	6	6	8
Other Public Works										
Streets										
Paved (Miles)	158	158	189	189	189	189	189	189	189	189
Unpaved (Miles)	12	12	5	0.5	0.5	0.05	0.05	0.05	0.05	0.05
Street Lights	1,812	1,812	1,810	1,808	1,808	1,784	1,779	1,873	1,873	1,862
Parks and Recreation										
Acreage	1,069	1,069	1,069	1,069	1,069	1,069	1,211	1,211	1,211	1,211
Parks	5	5	5	8	8	8	8	8	8	8
Lakes	2	2	5	2	2	2	2	2	2	2
Baseball/Softball Fields	6	6	6	6	14	14	14	14	14	14
Soccer/Football Fields					6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	177	177	177	177	177	177	177	177	177	177
Fire Hydrants	722	722	722	722	722	722	722	722	722	722
System Capacity (Thousands of Gallons)	12,500	12,500	12,500	13,450	13,450	13,450	13,450	13,450	13,450	13,450
Wastewater										
Sanitary Sewers (Miles)	125	125	125	125	125	125	125	125	125	125
Treatment Capacity (Thousands of Gallons)	2,054	2,205	2,205	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various City Departments



**OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION**



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

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**LUBBOCK, TEXAS 79423-1954**

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

**Independent Auditor's Report**

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Big Spring, Texas, as of and for the year ended September 30, 2014, 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 10, 2015. Our report includes a reference to other auditors who audited the financial statements of Big Spring Economic Development Corporation, as described in our report on the City of Big Spring, Texas' basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

**Internal Control Over Financial Reporting**

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

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

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

### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

*Balinger, Segars, Gilbert & Moss LLP*

Certified Public Accountants

Lubbock, Texas

March 10, 2015