

CITY OF BIG SPRING, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2015

CAFR Prepared by the Finance Department

CITY OF BIG SPRING, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2015

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INTRODUCTORY SECTION



March 22, 2016

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

State law requires every general-purpose local government to publish complete audited financial statements within six months of the close of each fiscal year. This report is published to fulfill such requirement for the fiscal year ended September 30, 2015.

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, 2015. The independent auditor’s report is located at the front of the financial section of this report.

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

Profile of the City

The City of Big Spring, Texas, incorporated in 1907, is the county seat and principal city of Howard County. The city is located 39 miles northeast of Midland, Texas at the intersection of Interstate Highway 20 and U.S. Highway 87. The city currently occupies a land area of 19.2 square miles and serves a population of 28,472. The city is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state

statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the city council.

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

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

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

Economic Condition and Outlook

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

Unemployment rates for the last ten years have varied from a low of 4.4% in 2008 to a high of 7.5% in 2009. The City's unemployment rate for 2015 was 4.6%, which was below the 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 2014-15 year from \$5,567 to \$6,172, a 10.9% 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. The 2015 taxable value, used for assessing and collecting property tax in the 2015-16 year saw a large increase from \$714,075,479 to \$880,785,613. This was due to an effort from the State and local Howard County Tax Appraisal District to bring

appraised values to within 95 to 105% of fair market value. The 2015 year increase represents the first 1/3 of new appraisals to bring appraised value up to market value. The remaining 2/3 of property yet to be appraised should be appraised within the next two years.

Sales tax revenue has increased by 57.5% 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 2011 to 2015, reflecting a 93% increase. Hotel occupancy tax, by law, is restricted to uses which should have a direct impact on bringing more overnight visitors to the City of Big Spring. It is not available to meet many of the City's governmental needs.

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. The effective of the price of oil dropping from over \$100 to current \$36 a barrel has stopped most exploration of oil in the area, although production of oil continues. The city realized a significant increase in new business, houses, condominiums, hotel, restaurants, and other business during the 2014-15 year and new construction continues in the 2015-16 year. The construction of the Hwy 87 South Bypass for approximately \$62.7 million has kept many contractors in the City and will continue to as the south portion is concluded during 2016 and work shifts to the north portion for approximate another 2 years. The estimated cost of the north portion is \$80 million. The funding is coming from Texas Department of Transportation

The five year federal tax credit extension for wind energy construction is having a positive economic on Big Spring as wind energy companies look to locate divisions here.

Long-term Financial Planning

Unassigned fund balance in the General Fund (34.7% 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 \$46,572,447 on September 30, 2015.

Relevant Financial Policies

The city anticipates opening a cell in a new landfill (with 100 year useful life) in approximately four 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 30, 2015 the city had \$3,682,989 set aside in investments for anticipated closure and post-closure expenditures.

The City of Big Spring has liability for other post-employment benefits (health and dental insurance) of \$384,614. Employees eligible for retirement are allowed to remain on the City's health insurance plan until age 65, but the retiree pays their own premiums. Premiums for a single employee or retiree have been the same, which in the 2014-15 fiscal year, was \$460. Effective October of 2016 new retirees' premiums will be increased by 20% over current employee rates. Currently there are 25 retirees and 12 dependents of retirees who have elected to participate in this benefit.

The retirees, as a category of plan participants in the City's health insurance plan, claims are higher than the premiums they pay. The current actuary computed single retirees' rate would need to be \$946 to cover their medical expenses paid by the plan. Government Accounting Standard Board, with Standard 45, considers the difference between \$946 and \$460 a post-employment benefit which is to be expensed during the period active employees are employed. Further retiree rate increases are a possibility.

Internal Controls

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

Major Initiatives

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

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 the construction of the historic spring, from which the city derives its name. The Hotel/Motel fund, restricted to this type of expense, hired KDC Associates, a well known Landscape Architect Firm, to develop a plan and oversee the construction. The construction phase should start in the current 2015-16 year.

The Senior Center was relocated from the old air force base officer club building, which the building was in poor shape, to the Dora Roberts Center in Comanche Trail Park. This is expected to save the City thousands of dollars in building maintenance.

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, 2014. This was the seventeenth consecutive year that the city has received this prestigious award. In order to be awarded a Certificate of Achievement, the city had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Todd Darden
City Manager



Donald Moore, CPA
Finance Director

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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

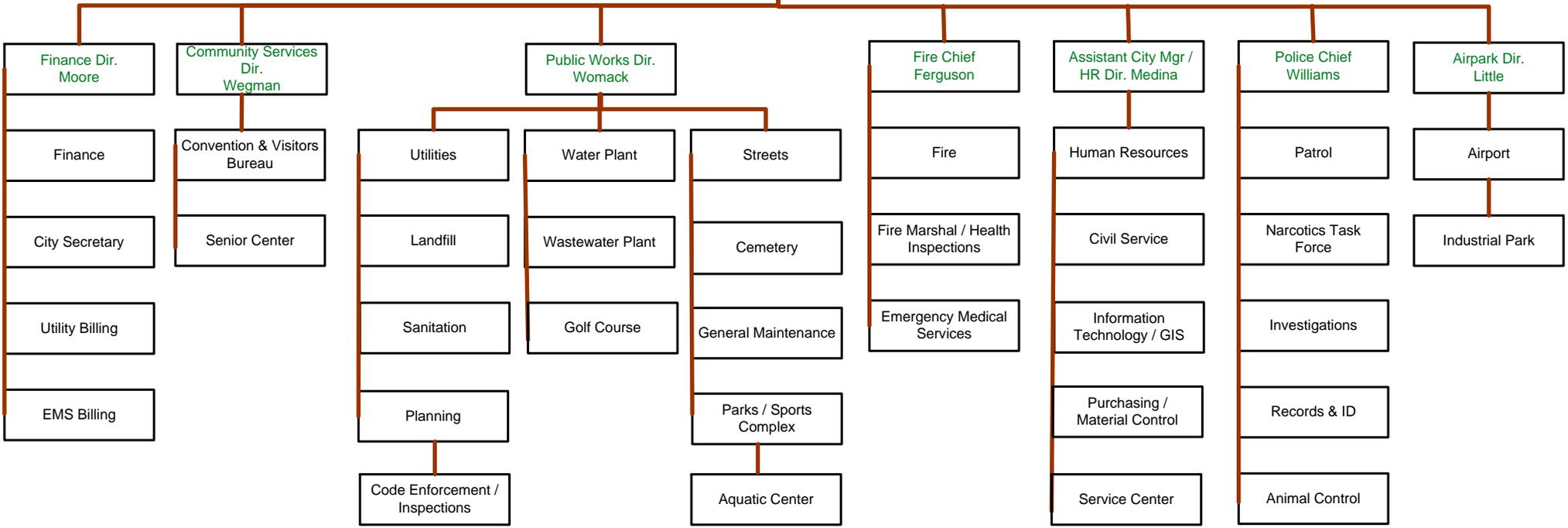
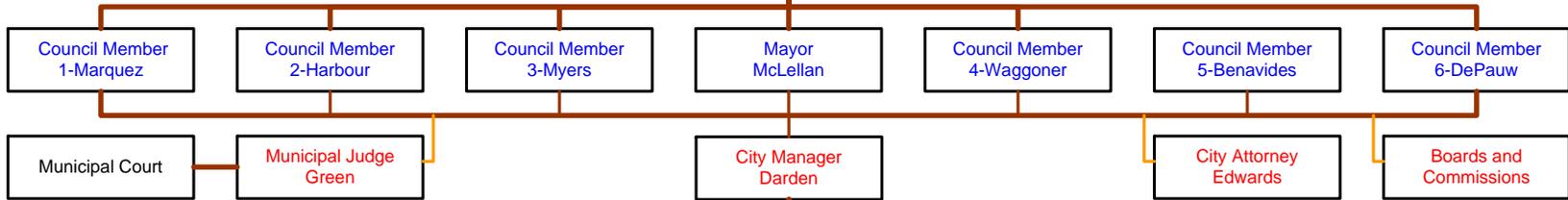
September 30, 2014

Executive Director/CEO



Big Spring, Texas

Citizens of Big Spring



-8-
CITY OF BIG SPRING, TEXAS

LIST OF PRINCIPAL OFFICIALS
SEPTEMBER 30, 2015

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
Steve Waggoner	District 4 Council Member
Jim DePauw	District 6 Council Member

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

FINANCIAL SECTION

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

CERTIFIED PUBLIC ACCOUNTANTS

PHONE: (806) 747-3806

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas (the City), as of and for the fiscal year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of September 30, 2015, 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.

Emphasis of Matter

Change in Accounting Principle

As discussed in Note A.3.i. to the financial statements, in 2015 the City adopted new accounting guidance, GASB Statement No. 45 and 68, *Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions and Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of funding progress, and budgetary information on pages 12 through 24 and 66 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2016 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of the City's internal control over financial reporting and compliance.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 22, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Big Spring, Texas

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Big Spring, Texas (the City) we offer readers of the City's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended September 30, 2015. 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

- Governmental Accounting Standards Board (GASB) Statement number 68, concerning the reporting of pensions, are now effective. Although no change has been made in the City's ability to pay its expenditures, this reporting change resulted in the lowering of net position by \$14,690.
- The assets of the City of Big Spring exceeded its liabilities on September 30, 2015, by \$116,745 (net position). Of this amount, the negative unrestricted net position is (\$2,039).
- The City's total net position decreased by \$11,527. The City would have a \$3,542 increase in net position if not for the prior period recognition of the \$14,690 required by GASB 68 pension reporting, and the \$378 required by GASB 45 other post-employment benefits reporting.
- The City's governmental funds reported combined ending fund balance is \$9,907, of which \$6,094 is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$6,094, or 36.9% of total General Fund revenues and 34.7% of total expenditures.
- Total assets for the primary government increased by \$2,937 during fiscal year 2014-15, mostly as a result of an increase in capital assets.
- Resources available for appropriation in 2014-15 were \$315 less than anticipated in the final revised budget for the General Fund.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

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

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Notes to the Financial Statements

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

Other Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government's financial position. The City of Big Spring's assets and deferred outflows exceeded inflows of resources and liabilities by \$116,745 at September 30, 2015. The largest portion of the City's net position (97.9%) reflects its investment in capital assets (e.g., land, infrastructure, buildings, and equipment) less any related debt used to acquire these assets that is still outstanding. These assets are used to provide services to the citizens and are not available for future appropriation. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Table I
City of Big Spring, Texas

NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Assets:						
Cash and Cash Equivalents	\$ 11,043	\$ 10,571	\$ 12,134	\$ 14,105	\$ 23,177	\$ 24,676
Receivables	880	761	2,516	2,142	3,396	2,903
Internal Balances	1,090	1,873	(1,090)	(1,873)	0	0
Due from Other Governments	780	604			780	604
Capital Assets	88,812	89,581	56,550	51,976	145,362	141,557
Other Assets	24	24	417	455	441	479
Total Assets	\$ 102,629	\$ 103,414	\$ 70,527	\$ 66,805	\$ 173,156	\$ 170,219
Deferred Outflows of Resources - Pensions	\$ 1,608	\$ 0	\$ 586	\$ 0	\$ 1,608	\$ 0
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 2,955	\$ 2,361	\$ 2,357	\$ 2,757	\$ 5,312	\$ 5,118
Current Portion of Long-term Liabilities	4,607	1,573	2,091	1,176	6,698	2,749
Long-term Liabilities	28,349	17,321	18,224	16,760	46,573	34,081
Total Liabilities	\$ 35,911	\$ 21,255	\$ 22,672	\$ 20,693	\$ 58,583	\$ 41,948
Deferred Inflows of Resources - Grants	\$ 22	\$ 0	\$ 0	\$ 0	\$ 22	\$ 0
Net Position:						
Invested in Capital Assets	\$ 72,253	\$ 72,238	\$ 42,006	\$ 40,984	\$ 114,259	\$ 113,222
Restricted	3,390	2,922	1,135		4,525	2,922
Unrestricted	(7,339)	6,999	5,300	5,128	(2,039)	12,127
Total Net Position	\$ 68,304	\$ 82,159	\$ 48,441	\$ 46,112	\$ 116,745	\$ 128,271

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

There was an overall increase of \$1,037 in net investment in capital assets, with net investment in capital assets in governmental activities increasing by \$15 and capital assets in business-type activities increasing by \$1,022. The net investment in capital assets for the primary government has increased due to more capital additions compared to depreciation being taken.

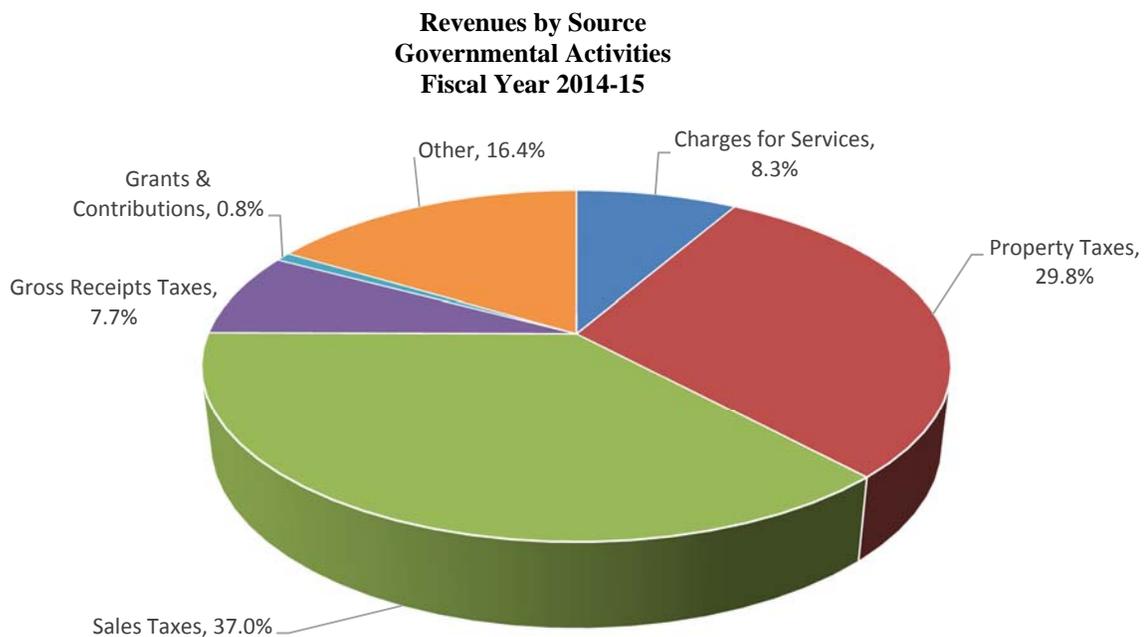
Table II
City of Big Spring, Texas

CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program Revenues						
Charges for Services	\$ 1,720	\$ 1,342	\$ 20,756	\$ 18,693	\$ 22,476	\$ 20,035
Operating Grants and Contributions	162	263	457	966	619	1,229
Capital Grants and Contributions			2,569	2,612	2,569	2,612
General Revenues						
Property Taxes	6,172	5,567			6,172	5,567
Sales Taxes	7,652	6,348			7,652	6,348
Gross Receipts Taxes	1,587	1,632			1,587	1,632
Motel Occupancy Tax	1,413	1,512			1,413	1,512
Grants and Contributions Not						
Restricted to Specific Programs	964	1,200			964	1,200
Unrestricted Investment Earnings	17	18	13	8	30	26
Miscellaneous	1,002	1,805	139	2,081	1,141	3,886
Total Revenues	\$ 20,689	\$ 19,687	\$ 23,934	\$ 24,360	\$ 44,623	\$ 44,047
Expenses:						
Water and Sewer	\$	\$	\$ 11,630	\$ 11,017	\$ 11,630	\$ 11,017
Airport/Industrial Park			1,926	1,872	1,926	1,872
Emergency Medical Services			2,264	2,439	2,264	2,439
Landfill			957	787	957	787
Sanitation			2,604	2,375	2,604	2,375
Malone & Hogan Clinic			333	305	333	305
General Government	2,827	2,949			2,827	2,949
Public Safety	9,793	10,020			9,793	10,020
Highways and Streets	2,753	3,241			2,753	3,241
Recreation and Parks	2,885	2,704			2,885	2,704
Economic Development	1,886	579			1,886	579
Other	1,223	1,357			1,223	1,357
Total Expenses	\$ 21,367	\$ 20,850	\$ 19,714	\$ 18,795	\$ 41,081	\$ 39,645
Increase in Net Position Before Transfers	\$ (678)	\$ (1,163)	\$ 4,220	\$ 5,565	\$ 3,542	\$ 4,402
Transfers	170	302	(170)	(302)		
Increase (Decrease) in Net Position	\$ (508)	\$ (861)	\$ 4,050	\$ 5,263	\$ 3,542	\$ 4,402
Net Position-Beginning	82,159	86,706	46,113	37,163	128,272	123,869
Transfer Fund Balance from General Fund		(4,536)		4,536		
Transfer Net Position from Governmental Activities		850		(850)		
Prior Period Adjustments (Pensions & OPEB)	(13,347)		(1,722)		(15,069)	
Net Position-Ending	\$ 68,304	\$ 82,159	\$ 48,441	\$ 46,112	\$ 116,745	\$ 128,271

Governmental Activities - Governmental activities resulted in a decrease of \$13,855 in the City’s net position. Key elements of this decrease are as follows:

- The Prior Period Adjustment decrease of \$13,347 for new pension recording standard GASB 67 & 68, and Other Post-Employment Benefits (OPEB) GASB 45. The breakdown of these three items are as follows: \$8,210 Firemen’s unfunded pension liability, \$6,480 Texas Mutual Retirement System, and \$378 OPEB.
- Hotel/Motel Occupancy tax decreased \$99 in this year following \$173 increase from the prior year. Property taxes increased by \$605.
- On the expense side General Government, Public Safety, and Highway and Streets expenditures decreased \$837 mainly due to loss of city employees to private enterprise in the favorable local economic climate. Economic Development increased \$1,307 due to increased spending from the Hotel Fund. Some of the individual expenditures were: \$650 for City Auditorium upgrades, \$120 contribution to Howard College for new sound system in the Dorothy Garrett Coliseum, increase of \$58 in local event funding, additional employment and salary increases of \$133, and various other expenditures.
- This year the transfers from Business Activities to Governmental Activities mainly represent administrative overhead paid by the business-type activities to the General Fund.

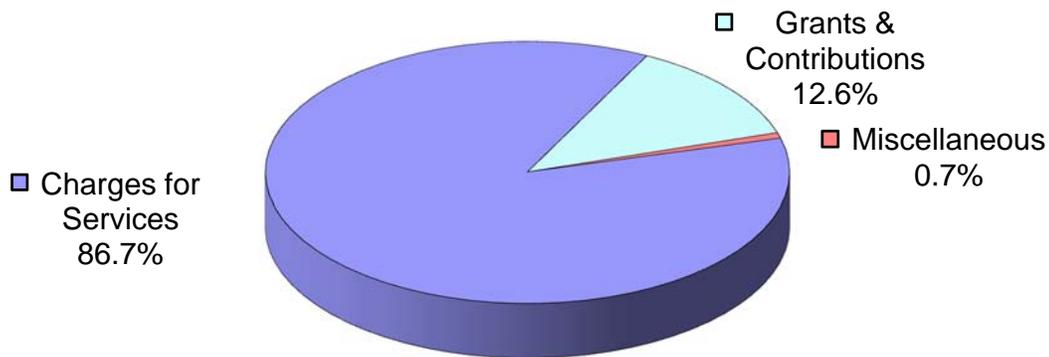


Business-type Activities - Business-type activities increased the City of Big Spring’s total net position by \$2,329 in the current fiscal year. Key elements of this increase are as follows:

- An increase in “Charges for Services” of \$2,063 with only a \$919 increase of total expense.
- Landfill and Sanitation (Garbage Service) revenue increased \$187 and \$693 respectively as City Council increased fees, and demand increased.

- Changes in personnel in the water office billing department, meter reading, and meter repair shop, as well as increased rates to offset increase cost of water to the city. This resulted in an increase of \$870 in water sales to more than offset a \$565 increase in the City purchase of raw water. This increased net has been used for capital assets such as plant upgrades and water and sewer line replacement.
- If it had not been for the new GASB reporting requirements for retirement and OPEB, the Emergency Medical Services enterprise fund would have shown a decrease of their negative fund balance by \$431. Instead it shows a \$132 increase. Individual governmental funds do not show these liabilities and deferred outflows/inflows, due to the use of the current financial resources measurement focus recorded on the modified accrual basis, which in practice is more of a modified cash basis. Emergency Medical Services activity, since the County participates in sharing the cost, needs to be a separate fund, but a special revenue fund, which is a governmental fund, maybe a better choice. This is because it would simplify and make the presentation closer to the budgeting methods used by the City and County. The change to a special revenue fund is planned for the 2017-18 year.
- As mentioned in the 2013-14 MD&A the City switched to a third party billing company for EMS, which took effect toward the end of the 2014-15 fiscal year. The City did this because of the increasing complexity of EMS billing and recommendations of other Texas cities. The early indications look good for increased billing and payments in 2015-16 fiscal year. In addition, both the City and the County have increased their contributions to the EMS Fund in an attempt to reduce its net position deficient.

**Revenues by Source
Business-type Activities
Fiscal Year 2014-15**



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 2014-15 year, its governmental funds reported combined ending fund balances of \$9,907, representing a decrease of \$386 from the prior year's balance of \$10,293. Unassigned fund balance at the end of the current year is \$6,094, as compared to the prior year's unassigned fund balance of \$6,044. Unassigned fund balance that is available for spending at the City's discretion amounts to 61.5% 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 \$6,094, while total fund balance was \$6,137. Unassigned fund balance represents slightly more than 34.7% of total General Fund expenditures.

Total fund balance in the City's General Fund increased by \$69 during fiscal year 2014-15.

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:

	2015	2014	Change
Water and Sewer Fund	\$ 2,630	\$ 3,230	\$ (600)
Airport/Industrial Park	2,663	2,829	(166)
Emergency Medical Services	(1,798)	(1,653)	(145)
Landfill	981	414	567
Sanitation	795	267	528
Malone & Hogan Clinic	30	41	(11)
	<u>\$ 5,301</u>	<u>\$ 5,128</u>	<u>\$ 173</u>

Unrestricted net position decreased by \$600 in the Water and Sewer Fund and decreased by \$166 in the Airport/Industrial Park. The Emergency Medical Services Fund and decreased by \$145, while the Malone & Hogan Clinic Fund decreased by \$11. The new pension recording rules negatively effective unrestricted net position in all proprietary funds, with the exception of Malone and Hogan Clinic, because no employees are paid from this fund. Water and Sewer, and the Airpark/Industrial Fund also funded some capital improvements with unrestricted fund balance during the year. The Landfill and Sanitation fund increased by \$567 and \$528 respectfully as fund balance is growing to pay for the coming new landfill.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there was a \$4 decrease in appropriations between the original and final amended budget. The following details the main components of the increase, which represents a decrease of 0.02 percent over the original budget.

- The IT Department experienced \$21 decrease amended budget to recognize a reduction due to employee vacancy.
- Police Department expenditures were \$201 below original budget due to budgeted positions being vacant and other reduction in supplies cost.
- Fire Department expenditures were \$266 above original budget. Unexpected vehicle maintenance on Fire truck (engine and transmission) accounted for \$60. There were other equipment maintenances and purchases.
- Various department budgets were decreased due to vacant positions and inability to purchase supplies during the fiscal year.

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, 2015, amounts to \$145,361 (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 \$3,804 or 2.7%.

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

- Capital equipment was purchased for various departments in the amount of \$2,484.
- Expenditures on Construction in Progress were \$3,806.
- Annual Depreciation of Assets lowered net carrying value by \$374.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2015
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Land	\$ 72,787	\$ 72,787	\$ 6,355	\$ 6,355	\$ 79,142	\$ 79,142
Infrastructure	1	23			1	23
Buildings and Systems	3,355	3,715	20,748	20,656	24,103	24,371
Improvements Other Than						
Buildings	8,902	10,553	13,701	13,161	22,603	23,714
Machinery and Equipment	2,946	2,410	3,420	2,557	6,366	4,967
Construction in Progress	821	93	12,325	9,247	13,146	9,340
	<u>\$ 88,812</u>	<u>\$ 89,581</u>	<u>\$ 56,549</u>	<u>\$ 51,976</u>	<u>\$ 145,361</u>	<u>\$ 141,557</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+", which was obtained on 2/22/2016.

At the end of the current fiscal year, the City of Big Spring had total bonded debt outstanding of \$24,800. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$13,965 of the total and the remaining \$10,835 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 \$46,572.

On February 24, 2016 \$8,290 of bonds from the General Obligation and Certificate of Obligation 2007 Bond, representing 76% of the outstanding bonds of these issues, were defeased with a new 2016 General Obligation Refunding bond issue at lower interest rates. This refunding has a net present value savings of \$1,195 which will be incurred over the next 12 years.

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, 2015
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2015	2014	2015	2014	2015	2014
Serviced by Tax Revenues						
General Obligation Bonds	\$ 10,190	\$ 10,825	\$	\$	\$ 10,190	\$ 10,825
Certificates of Obligation Bonds	3,775	3,965			3,775	3,965
Serviced by Proprietary Funds						
Certificates of Obligation Bonds			450	480	450	480
Combination Tax and Revenue Bonds			10,385	10,845	10,385	10,845
	<u>\$ 13,965</u>	<u>\$ 14,790</u>	<u>\$ 10,835</u>	<u>\$ 11,325</u>	<u>\$ 24,800</u>	<u>\$ 26,115</u>

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

WHAT NEW PENSION RECORDING RULES MEAN TO THE CITY

GASB 67 and 68 require recognition of unfunded liability of defined benefit pension plans. An analogy of a defined pension plan is a mortgage on a person's home. Although the mortgage is amortized into payments sufficient to pay off the borrowed amount, if a financial statement was made for the individual, the unpaid principal would show as a liability on their balance sheet. Similarly, the difference between total actuary computed pension liability (mortgage) and the set aside investment to fund pension payments to retirees (principal paid) is a liability (Net Pension Liability), which now must be recorded on the City's balance sheet (Statement of Net Position).

Like a home mortgage, defined pension plans also have an amortization period. In pension plans, the amortization period is the number of years needed to pay off the unfunded liability. At year end the amortization period for Texas Retirement Municipal System (TMRS) was 22 years and for Big Spring Fireman's Relief and Retirement Fund (BSFRRF) was 30.85 years.

TMRS unfunded (Net Pension Liability) is \$8,158 with a fund ratio of 83%. BSFRRF Net Pension Liability is \$8,839 and funded ratio is 56%. The amortization period for TMRS is called a fixed amortization. This means TMRS computes the city's portion to pay each year and increases or decreases it as needed to keep the amortization period on schedule. For instance next year it should go from 22.0 to 21.0 years and if it comes to 21.3, TMRS will increase the city's payment to try and make the following year 20.0.

The BSFRRF amortization period is not fixed and varies every year depending on how accurate the assumptions and forecast were to the actual results. The State of Texas Pension Review Board is currently recommending the amortization period to be 25 years or less, and if the plan is not within this recommendation, they recommend the plan's board make no changes which will increase retiree benefits. Over the last 10 years funding ratio has steadily gone down while the amortization period has not risen in proportion.

To summarize, there is an active plan in place and followed to reduce the unfunded liability (net pension liability) of TMRS to zero. Both active and retire firemen make up the majority of the board on BSFRRF. This gives them the ability to control the plan. There is no plan to reduce BSFRRF net pension liability. If BSFRRF funding ratio was higher it would likely increase their plan asset investment returns, which would enable higher retiree benefits or reduced firemen and/or City contributions. The City may not be willing to agree to increasing payments to the BSFRRF without the board adopting a plan to significantly increase their funding ratio.

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 and the most significant local development affecting next year's budget and rates is the drop in oil price from over \$100 barrel to a low of \$26. This has resulted in some people, working in the oil and gas sector, leaving Big Spring. The City, for fiscal year 2015-16, budgeted sales tax of \$6,600 versus the \$7,652 received in the 2014-15 year in which these financial statements are made, is a 15.9% decrease.

Unemployment during 2015 decreased, from 5.4% in 2014 to 4.6%, which compares to the state's unemployment rate of 4.5% and the national rate of 5.1% for September 2015. Per capita income (stated in actual dollars) fell by 3.9%, decreasing from \$37,796 to \$36,313.

The oil and natural gas reserves in Howard County, and the techniques to extract them, are more proven than ever. When oil prices increase above \$50 a barrel the City should see another increase in oil exploration and the related service businesses. In the meantime, the City is benefiting from the many workers and income generated from the production phase of oil and gas from the last exploration.

The City has expanded its industrial employers with the addition of south the north Hwy 87 reliever funded by Texas Department of Transportation. The south reliever route is scheduled to be completed at the end of May, 2016 with has expected construction costs of \$62.7 million. It has brought a larger workforce into the Big Spring area. The north route, which is scheduled to begin construction when the south portion is finished, is projected to cost \$80 million and take an additional two years to complete. With the five year extension of the federal wind energy tax credit for construction of wind energy projects, Big Spring is seeing new business with wind energy companies bringing business here. With the help of the Big Spring Economic Development Corporation, the City is expanding the rail track in its industrial park approximately one mile, at a cost of \$3.53 million which should result in increased business in both current and future companies to come.

Although the economic outlook for oil had dimmed by September 30, 2015, the end of the fiscal year for which these financial statements are made, several new businesses have located within the City, including hotels, condominiums, restaurants, and other retail establishments in fiscal year 2015-16 and more are in the process of obtaining permits. The city also saw significant growth in new homes during the 2014-15 year. The City continues to host 5 prisons, 3 hospitals, a water district, County and ISD entities, Wal-Mart, HEB, a regional bottling company, a railroad, Home Depot, and several other smaller employers. As a result Big Spring is more economically diversified now than it ever has been.

The City experienced a significant increase in appraised property values for 2015, The State of Texas has asked all local tax appraisal districts to appraise within 95% to 105% of fair market value. As a consequence taxable value within the city increased from \$714,075 to \$880,786, a 23% increase. This resulted with approximately 1/3 of the property being appraised in 2014. The other 2/3 of properties should be appraised in the next two years.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, 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, please contact the City's Finance Director, at City of Big Spring, 310 Nolan, Big Spring, Texas 79720-2657.

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BASIC FINANCIAL STATEMENTS

**GOVERNMENT-WIDE - STATEMENT OF NET POSITION
SEPTEMBER 30, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
ASSETS:				
Cash and Cash Equivalents	\$ 11,043,251	\$ 7,633,437	\$ 18,676,688	\$ 4,724,420
Cash and Cash Equivalents - Restricted		4,500,814	4,500,814	
Receivables (Net of Allowances for Uncollectibles)	879,764	2,515,663	3,395,427	407,124
Internal Balances	1,089,509	(1,089,509)		
Due from Other Governments	779,716		779,716	
Inventories		392,345	392,345	
Prepaid Items	23,737	25,037	48,774	7,879
Notes Receivable				1,220,801
Other Assets				85,180
Capital Assets, Not Being Depreciated				
Land	72,786,883	6,355,414	79,142,297	25,000
Construction in Progress	821,151	12,324,941	13,146,092	
Capital Assets, Net of Accumulated Depreciation				
Buildings and Systems	3,355,336	20,747,810	24,103,146	122,768
Improvements Other Than Buildings	8,901,909	13,701,187	22,603,096	
Machinery and Equipment	2,946,228	3,420,158	6,366,386	805
Infrastructure	1,470		1,470	
Total Assets	<u>\$ 102,628,954</u>	<u>\$ 70,527,297</u>	<u>\$ 173,156,251</u>	<u>\$ 6,593,977</u>
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - BSFRRF	\$ 245,346		\$ 245,346	
Deferred Outflows - Pension Plan - TMRS	1,362,383	586,006	1,948,389	21,230
Total Deferred Outflows of Resources	<u>\$ 1,607,729</u>	<u>\$ 586,006</u>	<u>\$ 2,193,735</u>	<u>\$ 21,230</u>
LIABILITIES:				
Accounts Payable	\$ 1,808,467	\$ 1,809,625	\$ 3,618,092	\$ 46,643
Claims and Judgments Payable	482,011		482,011	
Accrued Interest Payable	101,166	90,301	191,467	
Accrued Wages	499,921	174,374	674,295	
Unearned Revenue	48,397		48,397	
Customer Deposits	15,063	253,746	268,809	
Unclaimed Property		29,565	29,565	
Noncurrent Liabilities				
Due Within One Year	4,607,369	2,091,001	6,698,370	27,057
Due In More Than One Year	28,348,662	18,223,785	46,572,447	63,134
Total Liabilities	<u>\$ 35,911,056</u>	<u>\$ 22,672,397</u>	<u>\$ 58,583,453</u>	<u>\$ 136,834</u>
DEFERRED INFLOWS OF RESOURCES:				
Grants Paid in Advance	<u>\$ 22,023</u>		<u>\$ 22,023</u>	
NET POSITION				
Net Investment in Capital Assets	\$ 72,253,394	\$ 42,005,513	\$ 114,258,907	\$ 148,573
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Prepays (Nonexpendable)	23,737	25,037	48,774	
Vehicle and Equipment Purchases		292,290	292,290	
System Improvements		817,825	817,825	
Public, Educational and Governmental Television Access	127,904		127,904	
Grants				1,305,981
Economic Development				5,023,819
Advertising and Promotions	1,794,848		1,794,848	
Debt Service	518,811		518,811	
Capital Projects	542,018		542,018	
Court Technology	19,248		19,248	
Court Security	11,148		11,148	
Unrestricted	<u>(7,339,023)</u>	<u>5,300,241</u>	<u>(2,038,782)</u>	
Total Net Position	<u>\$ 68,303,604</u>	<u>\$ 48,440,906</u>	<u>\$ 116,744,510</u>	<u>\$ 6,478,373</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-2

GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 2,827,225	\$ 321,863	\$ 50,713	\$	\$ (2,505,362)	\$ (2,505,362)	\$	
Public Safety	9,793,329	383,893			(9,358,723)	(9,358,723)		
Highways and Streets	2,752,555				(2,752,555)	(2,752,555)		
Community Service	388,350	20,015	111,192		(257,143)	(257,143)		
Recreation and Parks	2,885,114	896,820			(1,988,294)	(1,988,294)		
Cemetery	112,931	97,334			(15,597)	(15,597)		
Economic Development	1,885,570				(1,885,570)	(1,885,570)		
Interest on Long-Term Debt	721,634				(721,634)	(721,634)		
Total Governmental Activities	\$ 21,366,708	\$ 1,719,925	\$ 161,905	\$ 0	\$ (19,484,878)	\$ (19,484,878)	\$ 0	
Business-Type Activities:								
Water and Sewer	\$ 11,630,379	\$ 12,818,098	\$	\$ 1,260,889	\$	\$ 2,448,608	\$ 2,448,608	\$
Airport/Industrial Park	1,926,139	1,172,073		784,295		30,229	30,229	
Emergency Medical Services	2,263,904	1,488,687	378,701		(396,516)	(396,516)		
Landfill	956,719	1,629,385	78,070	524,000		1,274,736	1,274,736	
Sanitation	2,604,324	3,380,689			776,365	776,365		
Malone & Hogan Clinic	333,196	267,838			(65,358)	(65,358)		
Total Business-Type Activities	\$ 19,714,661	\$ 20,756,770	\$ 456,771	\$ 2,569,184	\$ 0	\$ 4,068,064	\$ 4,068,064	\$ 0
Total Primary Government	\$ 41,081,369	\$ 22,476,695	\$ 618,676	\$ 2,569,184	\$ (19,484,878)	\$ 4,068,064	\$ (15,416,814)	\$ 0
COMPONENT UNIT:								
Economic Development Corporation	\$ 1,899,305	\$ 11,312	\$ 0	\$ 0				\$ (1,887,993)
General Revenues:								
Property Taxes					\$ 6,171,558	\$ 6,171,558		\$
Sales Taxes					7,652,209	7,652,209		2,516,098
Gross Receipts Taxes					1,586,587	1,586,587		
Motel Occupancy Taxes					1,413,372	1,413,372		
Grants and Contributions Not Restricted to Specific Programs					964,370	964,370		
Unrestricted Investment Earnings					16,837	12,614	29,451	151,248
Miscellaneous					1,001,897	138,910	1,140,807	
Transfers					169,605	(169,605)		
Total General Revenue and Transfers					\$ 18,976,435	\$ (18,081)	\$ 18,958,354	\$ 2,667,346
Change in Net Position					\$ (508,443)	\$ 4,049,983	\$ 3,541,540	\$ 779,353
Net Position - Beginning					82,158,837	46,112,513	128,271,350	5,772,503
Prior Period Adjustment - OPEB					(269,855)	(108,491)	(378,346)	
Prior Period Adjustment - Pension Plan - TMRS					(4,867,303)	(1,613,099)	(6,480,402)	(73,483)
Prior Period Adjustment - Pension Plan - BSFRRF					(8,209,632)		(8,209,632)	
Net Position - Ending					\$ 68,303,604	\$ 48,440,906	\$ 116,744,510	\$ 6,478,373

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and Cash Equivalents	\$ 5,186,793	\$ 4,383,397	\$ 9,570,190
Receivables (Net of Allowances for Uncollectibles)	633,308	246,456	879,764
Due from Other Funds	1,147,976		1,147,976
Due from Other Governments	779,716		779,716
Prepaid Items	<u>23,737</u>		<u>23,737</u>
Total Assets	<u>\$ 7,771,530</u>	<u>\$ 4,629,853</u>	<u>\$ 12,401,383</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:			
LIABILITIES:			
Accounts Payable	\$ 1,052,133	\$ 634,298	\$ 1,686,431
Accrued Wages	434,474	65,447	499,921
Unearned Revenue		48,397	48,397
Due to Other Funds	951		951
Customer Deposits	200	14,863	15,063
Total Liabilities	<u>\$ 1,487,758</u>	<u>\$ 763,005</u>	<u>\$ 2,250,763</u>
DEFERRED INFLOWS OF RESOURCES:			
Grants Paid in Advance	\$	\$ 22,023	\$ 22,023
Unavailable Revenue - Property Taxes	146,347	75,022	221,369
	<u>\$ 146,347</u>	<u>\$ 97,045</u>	<u>\$ 243,392</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 23,737		\$ 23,737
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		1,794,848	1,794,848
Restricted for Court Security		11,148	11,148
Restricted for Court Technology	19,248		19,248
Restricted for Public, Educational and Governmental Television Access		127,904	127,904
Restricted for Debt Service		518,811	518,811
Restricted for Capital Projects		542,018	542,018
Committed Fund Balances:			
Committed for Employee Education		47,035	47,035
Committed for Task Force Operations		96,811	96,811
Committed for Cemetery Operations		84,597	84,597
Committed for Senior Center Operations		195,112	195,112
Unassigned Fund Balance	<u>6,094,440</u>		<u>6,094,440</u>
Total Fund Balances	<u>\$ 6,137,425</u>	<u>\$ 3,769,803</u>	<u>\$ 9,907,228</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,771,530</u>	<u>\$ 4,629,853</u>	<u>\$ 12,401,383</u>

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-4

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2015

Total Fund Balances - Governmental Funds Balance Sheet	\$ 9,907,228
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	88,795,738
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	221,369
Deferred outflows of resources related to pensions are not reported in the funds.	1,607,729
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	819,760
Payables for bond principal which are not due in the current period are not reported in the funds.	(13,965,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(1,602,707)
Payables for notes payable which are not due in the current period are not reported in the funds.	(982,899)
Payables for bond interest which are not due in the current period are not reported in the funds.	(101,166)
Net pension liabilities are not reported in the funds.	(14,542,581)
Net OPEB Obligations are not reported in the funds.	(274,325)
Payables for compensated absences which are not reported in the funds.	<u>(1,579,542)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>68,303,604</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, 2015

	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenue:			
Taxes:			
General Property Taxes	\$ 4,237,945	\$ 1,908,582	\$ 6,146,527
General Sales Taxes	7,652,209		7,652,209
Gross Receipts Business Taxes	1,531,938	54,649	1,586,587
Motel Occupancy Taxes		1,413,372	1,413,372
License and Permits	314,981		314,981
Intergovernmental	940,923	166,108	1,107,031
Charges for Services		39,343	39,343
Fines	345,179	7,227	352,406
Recreation	896,820		896,820
Investment Earnings	8,873	6,908	15,781
Rents and Royalties	429,708	239,335	669,043
Miscellaneous	126,326	4,213	130,539
Contributions and Donations	26,824	19,246	46,070
Total Revenues	<u>\$ 16,511,726</u>	<u>\$ 3,858,983</u>	<u>\$ 20,370,709</u>
Expenditures:			
Current:			
General Government	\$ 2,728,991	\$ 13,781	\$ 2,742,772
Public Safety	10,281,144	446,600	10,727,744
Highways and Streets	1,986,967		1,986,967
Community Service		399,761	399,761
Recreation and Parks	1,823,242		1,823,242
Economic Development	1,615	1,704,609	1,706,224
Cemetery		97,332	97,332
Debt Service:			
Principal	663,153	835,182	1,498,335
Interest	71,945	625,484	697,429
Fiscal Agent's Fees		1,525	1,525
Total Expenditures	<u>\$ 17,557,057</u>	<u>\$ 4,124,274</u>	<u>\$ 21,681,331</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1,045,331)</u>	<u>\$ (265,291)</u>	<u>\$ (1,310,622)</u>
Other Financing Sources (Uses):			
Transfers In (Out)	\$ 395,077	\$ (190,263)	\$ 204,814
Issuance of Debt	719,707		719,707
Total Other Financing Sources (Uses)	<u>\$ 1,114,784</u>	<u>\$ (190,263)</u>	<u>\$ 924,521</u>
Net Change in Fund Balances	\$ 69,453	\$ (455,554)	\$ (386,101)
Fund Balances - Beginning	<u>6,067,972</u>	<u>4,225,357</u>	<u>10,293,329</u>
Fund Balances - Ending	<u>\$ 6,137,425</u>	<u>\$ 3,769,803</u>	<u>\$ 9,907,228</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, 2015

Net Change in Fund Balances - Total Governmental Funds	\$ (386,101)
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	1,824,349
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,595,828)
Proceeds of capital leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(719,707)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	25,031
Change in Deferred Outflows related to Pensions is not reported in the funds.	322,087
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	825,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	531,788
Repayment of notes payable principal is an expenditure in the funds but is not an expense in the SOA.	141,547
Change in accrued interest from beginning of period to end of period.	(22,220)
The net revenue of internal service funds is reported with governmental activities.	(241,098)
Change related to pension liabilities is not recorded in the funds.	(180,004)
Change related to Net OPEB Obligations is not recorded in the funds.	(4,470)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(28,817)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>(508,443)</u></u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2015**

	Major Proprietary Funds					Non-Major Proprietary Fund	Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation	Malone & Hogan Clinic		
ASSETS:								
Current Assets								
Cash and Cash Equivalents	\$ 3,857,907	\$ 2,934,654	\$	\$ 69,014	\$ 708,397	\$ 63,465	\$ 7,633,437	\$ 1,473,061
Cash and Cash Equivalents - Restricted	817,825			3,682,989			4,500,814	
Receivables (Net of Allowances for Uncollectibles)	1,841,024	75,069	118,115	81,013	400,442		2,515,663	
Due from Other Funds	4,656						4,656	61,186
Inventories	362,347		29,998				392,345	
Prepaid Items	739		3,614	9,627	11,057		25,037	
Total Current Assets	\$ 6,884,498	\$ 3,009,723	\$ 151,727	\$ 3,842,643	\$ 1,119,896	\$ 63,465	\$ 15,071,952	\$ 1,534,247
Noncurrent Assets								
Capital Assets (Net of Accumulated Depreciation)								
Land	\$ 5,036	\$ 5,590,113	\$	\$ 636,265	\$	\$ 124,000	\$ 6,355,414	\$ 10,000
Buildings and Systems	11,337,597	7,755,621		355,675		1,298,917	20,747,810	
Improvements Other Than Buildings	5,921,202	7,779,985					13,701,187	
Machinery and Equipment	431,245	670,715	373,002	669,124	1,253,470	22,602	3,420,158	7,239
Construction in Progress	8,627,247	699,331		2,998,363			12,324,941	
Total Noncurrent Assets	\$ 26,322,327	\$ 22,495,765	\$ 373,002	\$ 4,659,427	\$ 1,253,470	\$ 1,445,519	\$ 56,549,510	\$ 17,239
Total Assets	\$ 33,206,825	\$ 25,505,488	\$ 524,729	\$ 8,502,070	\$ 2,373,366	\$ 1,508,984	\$ 71,621,462	\$ 1,551,486
DEFERRED OUTFLOWS OF RESOURCES:								
Deferred Outflows - Pension Plan - TMRS	\$ 288,880	\$ 53,507	\$ 149,874	\$ 42,268	\$ 51,477	\$ 0	\$ 586,006	\$
LIABILITIES:								
Current Liabilities								
Accounts Payable	\$ 1,514,648	\$ 48,893	\$ 37,417	\$ 77,404	\$ 98,289	\$ 32,974	\$ 1,809,625	\$ 122,036
Claims and Judgments Payable								482,011
Retainage Payable							0	
Accrued Wages	84,908	14,089	49,633	11,919	13,825		174,374	
Due to Other Funds			1,094,165				1,094,165	118,702
Customer Deposits	209,261	44,485					253,746	
Unclaimed Property	29,565						29,565	
Accrued Interest Payable	90,301						90,301	
Accrued Compensated Absences - Current	10,846	3,707	13,393	742	1,041		29,728	
Net Pension Liability - TMRS - Current	375,652	63,502	187,450	52,624	68,173		747,401	
Long Term Debt - Current	856,193	5,136	86,177	64,797	301,569		1,313,872	1,347
Total Current Liabilities	\$ 3,171,374	\$ 179,812	\$ 1,468,235	\$ 207,486	\$ 482,897	\$ 32,974	\$ 5,542,777	\$ 724,096
Noncurrent Liabilities								
Accrued Compensated Absences	\$ 206,066	\$ 70,424	\$ 254,463	\$ 14,098	\$ 19,782	\$	\$ 564,834	\$
Net Pension Liability - TMRS	858,084	145,053	428,184	120,206	155,724		1,707,251	
Long Term Debt	12,346,574	28,676	164,201	101,945	588,729		13,230,125	7,630
Other Post Employment Benefit Obligation	53,559	10,288	31,569	5,954	8,919		110,289	
Closure/Post-closure Landfill Obligation				2,611,286			2,611,286	
Total Noncurrent Liabilities	\$ 13,464,283	\$ 254,441	\$ 878,417	\$ 2,853,489	\$ 773,154	\$ 0	\$ 18,223,785	\$ 7,630
Total Liabilities	\$ 16,635,657	\$ 434,253	\$ 2,346,652	\$ 3,060,975	\$ 1,256,051	\$ 32,974	\$ 23,766,562	\$ 731,726
NET POSITION:								
Net Investment in Capital Assets	\$ 13,119,560	\$ 22,461,953	\$ 122,624	\$ 4,492,685	\$ 363,172	\$ 1,445,519	\$ 42,005,513	\$ 8,262
Restricted for:								
Prepays - Nonexpendable	739		3,614	9,627	11,057		25,037	
Vehicle and Equipment Purchases	292,290						292,290	
System Improvements	817,825						817,825	
Unrestricted	2,629,634	2,662,789	(1,798,287)	981,051	794,563	30,491	5,300,241	811,498
Total Net Position	\$ 16,860,048	\$ 25,124,742	\$ (1,672,049)	\$ 5,483,363	\$ 1,168,792	\$ 1,476,010	\$ 48,440,906	\$ 819,760

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, 2015**

	Major Proprietary Funds					Non-Major Proprietary Fund	Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Malone & Hogan Clinic		
OPERATING REVENUES:								
Charges for Services:								
Water Sales	\$ 9,663,019	\$	\$	\$	\$	\$	\$ 9,663,019	\$
Sewer Charges	2,759,542						2,759,542	
Landfill Fees				1,621,385			1,621,385	
Sanitation Revenue					3,330,694		3,330,694	
Emergency Medical Services			1,488,687				1,488,687	
Commercial Rentals and Fees		1,172,073				267,838	1,439,911	
Billings to Departments and Employees							0	2,504,187
Other Services	395,537			8,000	49,995		453,532	
Total Operating Revenues	\$ 12,818,098	\$ 1,172,073	\$ 1,488,687	\$ 1,629,385	\$ 3,380,689	\$ 267,838	\$ 20,756,770	\$ 2,504,187
OPERATING EXPENSES:								
Personnel Services	\$ 2,569,610	\$ 464,638	\$ 1,419,410	\$ 456,841	\$ 603,176	\$	\$ 5,513,675	\$
Supplies and Materials	4,912,399	57,628	127,065	58,855	333,842	28,066	5,517,855	4,517
Contractual Services	960,285	134,031	95,230	136,360	1,038,142	176,515	2,540,563	2,503,984
Maintenance	1,017,806	208,085	40,330	90,112	325,263	73,994	1,755,590	16,114
Depreciation	1,537,690	1,017,031	72,110	122,093	226,509	54,621	3,030,054	7,951
Other	141,183	43,089	505,682	90,028	62,605		842,587	469,970
Total Operating Expenses	\$ 11,138,973	\$ 1,924,502	\$ 2,259,827	\$ 954,289	\$ 2,589,537	\$ 333,196	\$ 19,200,324	\$ 3,002,536
Operating Income (Loss)	\$ 1,679,125	\$ (752,429)	\$ (771,140)	\$ 675,096	\$ 791,152	\$ (65,358)	\$ 1,556,446	\$ (498,349)
NON-OPERATING REVENUES (EXPENSES)								
Intergovernmental Revenue	\$	\$	\$ 378,701	\$ 78,070	\$	\$	\$ 456,771	\$
Interest Revenue	5,545	3,539		2,963	567		12,614	1,056
Other	123,335	12,117	1,560	1,059	894	(55)	138,910	291,864
Interest Expense and Paying Agent Fees	(491,406)	(1,637)	(4,077)	(2,430)	(14,787)		(514,337)	(460)
Total Non-Operating Revenues (Expenses)	\$ (362,526)	\$ 14,019	\$ 376,184	\$ 79,662	\$ (13,326)	\$ (55)	\$ 93,958	\$ 292,460
Income (Loss) Before Capital Contributions and Transfers	\$ 1,316,599	\$ (738,410)	\$ (394,956)	\$ 754,758	\$ 777,826	\$ (65,413)	\$ 1,650,404	\$ (205,889)
Capital Contributions	1,260,889	784,295		524,000			2,569,184	
Transfers In (Out)	(540,920)	(129,638)	826,460	(152,520)	(172,987)		(169,605)	(35,209)
Change in Net Position	\$ 2,036,568	\$ (83,753)	\$ 431,504	\$ 1,126,238	\$ 604,839	\$ (65,413)	\$ 4,049,983	\$ (241,098)
Total Net Position - Beginning	15,784,219	25,372,800	(1,539,728)	4,376,899	576,900	1,541,423	46,112,513	1,060,858
Prior Period Adjustment - OPEB	(52,686)	(10,120)	(31,054)	(5,857)	(8,774)		(108,491)	
Prior Period Adjustment - Pension Plan - TMRS	(908,053)	(154,185)	(532,771)	(13,917)	(4,173)		(1,613,099)	
Total Net Position - Ending	\$ 16,860,048	\$ 25,124,742	\$ (1,672,049)	\$ 5,483,363	\$ 1,168,792	\$ 1,476,010	\$ 48,440,906	\$ 819,760

The accompanying notes are an integral part of this statement.

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	Major Proprietary Funds					Non-Major Proprietary Fund	Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation	Malone & Hogan Clinic		
Cash Flows from Operating Activities:								
Cash Received from Customers	\$ 12,725,959	\$ 1,181,212	\$ 1,462,867	\$ 1,592,731	\$ 3,282,844	\$ 267,838	\$ 20,513,451	\$
Cash Receipts from Interfund Services Provided								\$ 2,504,187
Cash Payments to Employees for Services	(2,510,019)	(452,259)	(1,505,090)	(359,830)	(428,682)		(5,255,880)	
Cash Payments to Other Suppliers for Goods and Services	(7,332,091)	(508,762)	(1,077,334)	(762,218)	(1,809,860)	(273,251)	(11,763,516)	(2,960,515)
Net Cash Provided by (Used in) Operating Activities	\$ 2,883,849	\$ 220,191	\$ (1,119,557)	\$ 470,683	\$ 1,044,302	\$ (5,413)	\$ 3,494,055	\$ (456,328)
Cash Flows from Non-Capital Financing Activities:								
Cash Received from Intergovernmental Grants	\$	\$	\$ 378,701	\$ 78,070	\$ 0	\$	\$ 456,771	\$
Cash Received from Mineral Lease/Bonus Various Reimbursements		5,889					5,889	
Cash Transfers from (to) Other Funds	(564,028)	(129,638)	826,460	(129,412)	(167,412)		(164,030)	291,864
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ (564,028)	\$ (123,749)	\$ 1,205,161	\$ (51,342)	\$ (167,412)	\$ 0	\$ 298,630	\$ 245,192
Cash Flows from Capital and Related Financing Activities:								
Principal and Interest Paid	\$ (1,280,358)	\$ (8,477)	\$ (83,269)	\$ (65,666)	\$ (300,252)	\$	\$ (1,738,022)	\$ (5,399)
Issuance of Debt	292,290						292,290	
Paying Agent Fees	(1,140)						(1,140)	
Cash Received from Capital Contributions	1,260,889	784,295		524,000			2,569,184	
Acquisition or Construction of Capital Assets	(5,356,680)	(927,906)	(2,500)	(611,688)			(6,898,774)	
Net Cash (Used in) Capital and Related Financing Activities	\$ (5,084,999)	\$ (152,088)	\$ (85,769)	\$ (153,354)	\$ (300,252)	\$ 0	\$ (5,776,462)	\$ (5,399)
Cash Flows from Investing Activities:								
Interest and Dividends on Investments	\$ 5,545	\$ 3,539	\$	\$ 2,963	\$ 567	\$	\$ 12,614	\$ 1,056
Net Cash Provided by Investing Activities	\$ 5,545	\$ 3,539	\$ 0	\$ 2,963	\$ 567	\$ 0	\$ 12,614	\$ 1,056
Increase (Decrease) in Cash and Cash Equivalents	\$ (2,759,633)	\$ (52,107)	\$ (165)	\$ 268,950	\$ 577,205	\$ (5,413)	\$ (1,971,163)	\$ (215,479)
Cash and Cash Equivalents - Beginning of Year	7,435,365	2,986,761	165	3,483,053	131,192	68,878	14,105,414	1,688,540
Cash and Cash Equivalents - End of Year	\$ 4,675,732	\$ 2,934,654	\$ 0	\$ 3,752,003	\$ 708,397	\$ 63,465	\$ 12,134,251	\$ 1,473,061
Reconciliation of Operating Income to Net Cash								
Provided by (Used in) Operating Activities:								
Operating Income (Loss)	\$ 1,679,125	\$ (752,429)	\$ (771,140)	\$ 675,096	\$ 791,152	\$ (65,358)	\$ 1,556,446	\$ (498,349)
Adjustments to Reconcile Operating Income to Net Cash								
Provided by Operating Activities								
Depreciation	\$ 1,537,690	\$ 1,017,031	\$ 72,110	\$ 122,093	\$ 226,509	\$ 54,621	\$ 3,030,054	\$ 7,951
Other	123,335	6,228	1,560	1,059	894	(55)	133,021	
Change in Assets and Liabilities:								
Decrease (Increase) in Receivables	(211,706)	2,242	(27,380)	(37,713)	(98,739)		(373,296)	
Decrease (Increase) in Interfund Receivables	(1,500)						(1,500)	(56,031)
Decrease (Increase) in Inventories	(13,796)						(13,796)	
Decrease (Increase) in Prepaid Expenses	976	6,280		43,792			51,048	
Decrease (Increase) in Deferred Outflows - Pension Plan - TMRS	(49,731)	(13,424)	(39,984)	(7,299)	(7,562)		(118,000)	
Increase (Decrease) in Accounts Payable	(181,325)	(72,209)	9,308	(74,857)	(50,008)	5,379	(363,712)	27,120
Increase (Decrease) in Accrued Wages	5,562	1,541	(5,720)	2,920	(88)		4,215	
Increase (Decrease) in Interfund Payables	(26,384)		(318,335)	(437,500)			(782,219)	62,981
Increase (Decrease) in Customer Deposits	(3,768)	669					(3,099)	
Increase (Decrease) in Unclaimed Property	(78,389)						(78,389)	
Increase (Decrease) in Accrued Compensated Absences	16,352	9,808	(13,464)	(22,651)	6,190		(3,765)	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				81,702			81,702	
Increase (Decrease) in Net Pension Liability - TMRS	86,534	14,286	(27,027)	123,944	175,808		373,545	
Increase (Decrease) in Other Post Employment Benefit Obligation	874	168	515	97	146		1,800	
Total Adjustments	\$ 1,204,724	\$ 972,620	\$ (348,417)	\$ (204,413)	\$ 253,150	\$ 59,945	\$ 1,937,609	\$ 42,021
Net Cash Provided by (Used in) Operating Activities	\$ 2,883,849	\$ 220,191	\$ (1,119,557)	\$ 470,683	\$ 1,044,302	\$ (5,413)	\$ 3,494,055	\$ (456,328)
Supplemental Cash Flow Information:								
Non-Cash Related Financing Activities:								
Capital Lease Proceeds and Capital Assets of \$179,880 - Water and Sewer Fund								
Capital Lease Proceeds and Capital Assets of \$104,965 - EMS Fund								
Capital Lease Proceeds and Capital Assets of \$425,657 - Sanitation Fund								

CITY OF BIG SPRING, TEXAS

Exhibit A-10

STATEMENT OF FIDUCIARY NET POSITION
SEPTEMBER 30, 2015

	<u>Defined Benefit Pension Plan</u>
ASSETS	
Cash and Cash Equivalents	\$ 170,511
Investment Funds, at fair value:	
Mutual Funds:	
Equity	1,829,522
Fixed Income	1,095,470
Trust Funds	
Equity	4,338,912
Fixed Income	1,840,975
Other	<u>1,881,632</u>
Total Assets	<u>\$ 11,157,022</u>
NET POSITION	
Assets Held in Trust For Pension Benefits	\$ 11,157,022
Total Net Position	<u>\$ 11,157,022</u>

Note: This statement presents information as of December 31, 2014.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

Exhibit A-11

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Defined Benefit Pension Fund</u>
ADDITIONS	
Employer Contributions	\$ 495,869
Employee Contributions	495,869
Total Contributions	<u>\$ 991,738</u>
Interest Income	\$
Dividends	280,664
Gain on Sale of Investments	113,178
Unrealized Gain on Investments	265,651
Total Investment Earnings	<u>\$ 659,493</u>
Other Income	<u>\$ 80</u>
Total Additions	<u>\$ 1,651,311</u>
DEDUCTIONS	
Pension Benefit Payments	\$ 1,193,000
Contributions Refunded	83,858
Administration Costs	144,765
Total Deductions	<u>\$ 1,421,623</u>
NET POSITION HELD IN TRUST	
Change in Net Position	\$ 229,688
Net Position - Beginning	<u>10,927,334</u>
Net Position - Ending	<u><u>\$ 11,157,022</u></u>

Note: This statement presents information for the year ended December 31, 2014.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

A. Summary of Significant Accounting Policies

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

1. Reporting Entity

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

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

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

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

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

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

The City reports the following major governmental funds:

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

The City reports the following non-major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

The City reports the following nonmajor proprietary funds:

Malone & Hogan Clinic Fund: This fund is used to account for leasing space at the clinic and also the repairs and maintenance on the clinic. During the year ended September 30, 2015, the clinic was contributed to the City.

The City reports the following fiduciary fund:

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds, of the water and sewer, airport/industrial park, EMS, landfill, sanitation and Malone and Hogan Clinic funds, and of the government's internal service funds are charges to customers for sales and services. The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

c. Fund Balances

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

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

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

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

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

Restricted Cash and Cash Equivalents consist of the following:

Purpose	Fund	Amount
Landfill Closure and Post-Closure	Landfill	\$ 3,682,989
Water and Sewer Improvements	Water and Sewer	817,825
		\$ 4,500,814

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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

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

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

e. Receivable Balances

Receivables as of year-end for the City's individual major funds, non-major funds, and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds	Water and Sewer	Airport/Industrial Park	Emergency Medical Services	Landfill	Sanitation	Total
Receivables:							
Taxes	\$ 581,886						\$ 581,886
Municipal Court	1,389,846						1,389,846
Other	15,501	338,257			60,887	37,045	451,690
Accounts	472,257	1,602,607	160,779	818,030	20,126	405,240	3,479,039
Gross Receivables	\$ 2,459,490	\$ 1,940,864	\$ 160,779	\$ 818,030	\$ 81,013	\$ 442,285	\$ 5,902,461
Less: Allowance for Uncollectibles	(1,579,726)	(99,840)	(85,710)	(699,915)		(41,843)	(2,507,034)
Net Total Receivables	<u>\$ 879,764</u>	<u>\$ 1,841,024</u>	<u>\$ 75,069</u>	<u>\$ 118,115</u>	<u>\$ 81,013</u>	<u>\$ 400,442</u>	<u>\$ 3,395,427</u>

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

g. Deferred Inflows of Resources – Governmental Funds:

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

h. Use of Estimates

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

i. Prior Period Adjustments

Effective September 30, 2015, the City implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions* to improve the usefulness of financial reports of employer governments whose employees are provided with pensions by reporting the effects of pension-related transactions and events on the financial statements of employers and providing information about the City's pension obligations and the assets available to satisfy the obligations.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Effective September 30, 2015, the City implemented GASB Statement 45, Accounting and Financial Reporting by Employers for Postemployment Benefits other Than Pensions, to improve the usefulness of financial reports of employer governments whose employees are provided with other postemployment benefits (OPEB) by reporting the effects of postemployment benefit-related transactions and events on the financial statements of employers and providing information about the City's net OPEB obligations and unfunded actuarially accrued liability and if available the assets available to satisfy the obligation.

Prior to implementation of GASB Statements No. 45 and 68 these transactions were not reported by the City. As a result of implementation of GASB 68 a restatement in previously reported net position was required as follows:

	Governmental Activities	Business-Type Activities	Total
Net Pension Liabilities	\$ (14,362,577)	\$ (2,081,106)	\$ (16,443,683)
Employer Contribution Deferrals	1,285,642	468,007	1,753,649
Other Post Employment Benefit	(269,855)	(108,491)	(378,346)
Total Prior Period Adjustment	<u>\$ (13,346,790)</u>	<u>\$ (1,721,590)</u>	<u>\$ (15,068,380)</u>

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	\$ (1,672,049)	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, 2015, the carrying amount of the City's deposits, escrow, and cash on hand was \$17,523,989. At year end the City had \$353,603 in an escrow account for lease proceeds, \$25,466 in escrow for loss deposits, and \$338 in escrow related to debt issuances. At year end the City had \$8,700 in cash on hand. The City's cash in bank deposits at year end were \$17,135,882 with a bank balance of \$17,382,122. The City's cash in bank deposits at September 30, 2015, 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.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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, 2015 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Ratings</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	49 Days Average	AAAm	\$ 4,835,688
TexStar	56 Days Average	AAAm	\$ 817,825

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, 2015, the City's investments in TexStar and TexPool were both rated AAAm by Standard and Poor's.
- b. Custodial Credit Risk – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. The City's demand deposits at year end are entirely covered by FDIC insurance and pledged collateral held in the City's name by the City's agent.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

- 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, 2015, TexPool's portfolio maintained a weighted average maturity of approximately 49 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, 2015, TexStar's portfolio maintained a weighted average maturity of approximately 56 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.

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

CITY OF BIG SPRING, TEXAS

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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, 2015, were as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,786,883	\$	\$	\$	\$ 72,786,883
Construction in Progress	93,079	728,072			821,151
Total Capital Assets Not Being Depreciated	\$ 72,879,962	\$ 728,072	\$ 0	\$ 0	\$ 73,608,034
Capital Assets Being Depreciated					
Infrastructure	\$ 5,711,462	\$	\$	\$	\$ 5,711,462
Buildings and Systems	31,613,802	1,175			31,614,977
Improvements Other Than Buildings	17,852,611	20,713			17,873,324
Machinery and Equipment	8,912,561	1,080,277	336,986	172,535	10,157,289
Total Capital Assets Being Depreciated	\$ 64,090,436	\$ 1,102,165	\$ 336,986	\$ 172,535	\$ 65,357,052
Less Accumulated Depreciation for:					
Infrastructure	\$ 5,688,216	\$ 21,776	\$	\$	\$ 5,709,992
Buildings and Systems	27,898,633	361,008			28,259,641
Improvements Other Than Buildings	7,300,275	1,671,140			8,971,415
Machinery and Equipment	6,502,330	549,855	331,411	172,535	7,211,061
Total Accumulated Depreciation	\$ 47,389,454	\$ 2,603,779	\$ 331,411	\$ 172,535	\$ 50,152,109
Total Capital Assets Being Depreciated, Net	\$ 16,700,982	\$ (1,501,614)	\$ 5,575	\$ 0	\$ 15,204,943
Governmental Activities Capital Assets, Net	\$ 89,580,944	\$ (773,542)	\$ 5,575	\$ 0	\$ 88,812,977

Depreciation was charged to governmental activities as follows:

General Government	\$ 37,921
Public Safety	380,876
Highways and Streets	988,679
Community Service	1,349
Recreation and Parks	1,119,571
Cemetery	16,336
Economic Development	51,096
	\$ 2,595,828
Depreciation Charged to Internal Service Funds	7,951
Total Depreciation Charged to Governmental Activities	\$ 2,603,779

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	<u>Beginning Balances</u>	<u>Increases</u>	<u>Net Transfers</u>	<u>Decreases</u>	<u>Ending Balances</u>
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 6,355,414				\$ 6,355,414
Construction in Progress	9,247,232	3,077,709			12,324,941
Total Capital Assets Not Being Depreciated	<u>\$ 15,602,646</u>	<u>\$ 3,077,709</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 18,680,355</u>
Capital Assets Being Depreciated					
Buildings and Systems	\$ 73,549,156	\$ 1,903,347			\$ 75,452,503
Improvements Other Than Buildings	37,992,012	1,224,568			39,216,580
Machinery and Equipment	7,617,006	1,403,652	(336,986)	201,931	8,481,741
Total Capital Assets Being Depreciated	<u>\$ 119,158,174</u>	<u>\$ 4,531,567</u>	<u>\$ (336,986)</u>	<u>\$ 201,931</u>	<u>\$ 123,150,824</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 52,893,536	\$ 1,811,157			\$ 54,704,693
Improvements Other Than Buildings	24,831,215	684,178			25,515,393
Machinery and Equipment	5,060,206	534,719	(331,411)	201,931	5,061,583
Total Accumulated Depreciation	<u>\$ 82,784,957</u>	<u>\$ 3,030,054</u>	<u>\$ (331,411)</u>	<u>\$ 201,931</u>	<u>\$ 85,281,669</u>
Total Capital Assets Being Depreciated, Net	<u>\$ 36,373,217</u>	<u>\$ 1,501,513</u>	<u>\$ (5,575)</u>	<u>\$ 0</u>	<u>\$ 37,869,155</u>
Business-Type Activities Capital Assets, Net	<u>\$ 51,975,863</u>	<u>\$ 4,579,222</u>	<u>\$ (5,575)</u>	<u>\$ 0</u>	<u>\$ 56,549,510</u>
Depreciation Expense		<u>\$ 3,030,054</u>			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2015, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Proprietary Funds	\$ 1,147,025	Short-Term Loans
Proprietary Funds	Internal Service Funds	(57,516)	Short-Term Loans
Total Internal Balances		<u>\$ 1,089,509</u>	

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

CITY OF BIG SPRING, TEXAS

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2. Transfers To and From Other Funds

Transfers at September 30, 2015, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	EMS Fund	\$ (950,000)	Annual Subsidy
General Fund	Senior Center Fund	(265,000)	Annual Subsidy
Landfill Fund	General Fund	129,412	Administrative Fees
Sanitation Fund	General Fund	167,412	Administrative Fees
Water and Sewer Fund	General Fund	564,028	Administrative Fees
Airport/Industrial Park Fund	General Fund	129,638	Administrative Fees
EMS Fund	General Fund	123,540	Administrative Fees
Internal Service Funds	General Fund	40,784	Administrative Fees
Proprietary Funds	Internal Service Funds	(5,575)	Asset Transfer
Nonmajor Governmental Funds	Proprietary Funds	(219,897)	Operating Contributions
Nonmajor Governmental Funds	General Fund	455,263	Administrative Fees
		<u>\$ 169,605</u>	

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, landfill obligation, and accrued compensated absences. Changes in long-term obligations for the year ended September 30, 2015, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$ 10,825,000	\$	\$ 635,000	\$ 10,190,000	\$ 660,000
Certificate of Obligation Bonds	3,965,000		190,000	3,775,000	195,000
Capital Leases	1,418,435	719,707	535,435	1,602,707	510,915
Economic Conservation	1,134,715		142,839	991,876	148,824
Compensated Absences	1,550,725	28,817		1,579,542	78,977
Net OPEB Obligation	269,855	4,470		274,325	
Net Pension Liability - TMRS	5,917,531		214,360	5,703,171	1,736,522
Net Pension Liability - BSFRRF	8,445,046	394,364		8,839,410	1,277,131
Total Governmental Activities	<u>\$ 33,526,307</u>	<u>\$ 1,147,358</u>	<u>\$ 1,717,634</u>	<u>\$ 32,956,031</u>	<u>\$ 4,607,369</u>

CITY OF BIG SPRING, TEXAS

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	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 480,000	\$	\$ 30,000	\$ 450,000	\$ 30,000
Combination Tax and Revenue Bonds	10,845,000		460,000	10,385,000	470,000
Capital Leases	1,282,096	1,002,793	519,319	1,765,570	562,832
Economic Conservation	1,914,056		240,944	1,673,112	251,040
Compensated Absences	598,327		3,765	594,562	29,728
Closure/Postclosure Landfill	2,529,584	81,702		2,611,286	
Unamortized Bond Premiums	286,820		16,505	270,315	
Net OPEB Obligation	108,491	1,798		110,289	
Net Pension Liability - TMRS	2,081,107	373,545		2,454,652	747,401
Total Business-Type Activities	\$ 20,125,481	\$ 1,459,838	\$ 1,270,533	\$ 20,314,786	\$ 2,091,001

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

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2015, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
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	1,000,000	448,850	1,448,850
2021-2025	5,770,000	1,479,894	7,249,894
2026-2030	3,565,000	252,652	3,817,652
Totals	\$ 13,965,000	\$ 4,347,523	\$ 18,312,523

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	\$ 10,190,000	Streets & Sports Complex
C.O. Bonds	2/1/2007	460,000	4.0% - 4.375%	2/15/2027	325,000	Animal Shelter
Tax and Surplus Revenue C.O. Bonds	3/3/2010	4,200,000	2.0% - 4.125%	2/15/2030	3,450,000	Family Aquatic Center
		<u>\$ 18,945,000</u>			<u>\$ 13,965,000</u>	

CITY OF BIG SPRING, TEXAS

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Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
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	565,000	299,357	864,357
2021-2025	3,115,000	1,219,510	4,334,510
2026-2030	3,500,000	688,829	4,188,829
2031-2032	1,560,000	79,000	1,639,000
Totals	\$ 10,835,000	\$ 3,649,646	\$ 14,484,646

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	\$ 10,385,000	Water Improvements
2007 C.O. Bonds	2/1/2007	640,000	4.0% - 4.375%	2/15/2027	450,000	Elevated Reservoir Repair
		<u>\$ 12,365,000</u>			<u>\$ 10,835,000</u>	

Economic Conservation debt requirements at September 30, 2015, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 148,824	\$ 41,560	\$ 190,384
2017	155,061	35,325	190,386
2018	161,557	28,828	190,385
2019	168,327	22,058	190,385
2020	175,379	15,005	190,384
2021	182,728	7,656	190,384
Totals	\$ 991,876	\$ 150,432	\$ 1,142,308

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2016	\$ 251,040	\$ 70,104	\$ 321,144
2017	261,558	59,585	321,143
2018	272,517	48,626	321,143
2019	283,936	37,207	321,143
2020	295,833	25,310	321,143
2021	308,228	12,915	321,143
Totals	\$ 1,673,112	\$ 253,747	\$ 1,926,859

CITY OF BIG SPRING, TEXAS

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

3. Capital Leases

The assets acquired through capital leases are as follows:

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

Commitments under capitalized lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2015, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2016	\$ 510,915	\$ 21,247	\$ 532,162
2017	454,594	13,736	468,330
2018	361,151	7,452	368,603
2019	233,382	2,589	235,971
2020	42,665	122	42,787
Total Minimum Rentals	<u>\$ 1,602,707</u>	<u>\$ 45,146</u>	<u>\$ 1,647,853</u>

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

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2016	\$ 562,832	\$ 23,406	\$ 586,238
2017	500,789	15,132	515,921
2018	397,850	8,210	406,060
2019	257,098	2,852	259,950
2020	47,001	134	47,135
Total Minimum Rentals	<u>\$ 1,765,570</u>	<u>\$ 49,734</u>	<u>\$ 1,815,304</u>

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

CITY OF BIG SPRING, TEXAS

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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 2015, the City obtained general liability coverage at a cost that is considered to be economically justifiable by joining together with other governmental entities in the State as a member of the Texas Municipal League Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program. The City pays an annual premium to TML for its above insurance coverage. The agreement for the formation of TML provides that TML will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of acceptable risk levels; however, each category of coverage has its own level of reinsurance. The City continues to carry commercial insurance for other risks of loss. There were no significant reductions in commercial insurance coverage in the past fiscal year and settled claims resulting from these risks have not exceeded coverage in any of the past three fiscal years.

H. Pension Plans

Texas Municipal Retirement System (TMRS)

Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Benefits Provided

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

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

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

	<u>December 31, 2014</u>
Employee Deposit Rate	7.00%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	0% of CPI

Employees Covered by Benefit Terms

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	134
Inactive Employees Entitled to but not Yet Receiving Benefits	111
Active Employees	182
Total Plan Employees	<u>427</u>

Contributions

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

Employees for the City were required to contribute 5.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.76% and 16.50% in calendar years 2014 and 2015, respectively. The City's contributions to TMRS for the year ended September 30, 2015, were \$1,508,017, and were equal to the required contributions.

CITY OF BIG SPRING, TEXAS

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Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation	3.00% per year
Overall Payroll Growth	3.00% per year
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation
Amortization Period	22 years

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

Actuarial assumptions used in the December 31, 2014, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to EAN actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.00%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.80%
International Equity	17.50%	6.05%
Core Fixed Income	30.00%	1.50%
Non-Core Fixed Income	10.00%	3.50%
Real Return	5.00%	1.75%
Real Estate	10.00%	5.25%
Absolute Return	5.00%	4.25%
Private Equity	5.00%	8.50%

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2013	\$ 44,944,061	\$ 36,945,424	\$ (7,998,637)
Service Cost	1,070,609		(1,070,609)
Interest (on the Total Pension Liability)	3,098,627		(3,098,627)
Difference Between Expected and Actual Experience	212,542		(212,542)
Changes of Assumptions			
Contributions - Employer		1,513,350	1,513,350
Contributions - Employee		621,774	621,774
Net Investment Income		2,114,041	2,114,041
Benefit Payments	(2,456,762)	(2,456,762)	
Administrative Expense		(22,073)	(22,073)
Other	15,116	10,616	(4,500)
Balance 12/31/2014	<u>\$ 46,884,193</u>	<u>\$ 38,726,370</u>	<u>\$ (8,157,823)</u>

CITY OF BIG SPRING, TEXAS

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

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

1% Decrease	Current Rate Assumption	1% Increase
\$ 14,869,237	\$ 8,157,823	\$ 2,694,079

Pension Plan Fiduciary Net Position

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

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

For the year ended September 30, 2015, the City recognized pension expense of \$1,148,950 and calculated as shown below:

Total Service Cost	\$ 1,070,609
Interest on the Total Pension Liability	3,098,627
Employee Contributions (Reduction of Expense)	(621,774)
Projected Earnings on Plan Investments (Reduction of Expense)	(2,587,140)
Administrative Expense	22,073
Other Changes in Fiduciary Net Position	4,500
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	67,451
Recognition of Current Year Outflow (Inflow) of Resources-Assets	94,604
Total Pension Expense	<u>\$ 1,148,950</u>

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows of Resources - Pension Plan	Amount	Amortization Period
Employer Contribution Deferrals	\$ 1,424,889	1.000
Differences Between Projected and Actual Investment Earnings	145,094	5.000
Differences Between Expected and Actual Economic Experience	378,406	3.151
Total Deferred Outflows of Resources	<u>\$ 1,948,389</u>	

Plan Year	Amortization of Deferred Outflows
2015	\$ 1,586,944
2016	162,055
2017	104,802
2018	94,588
	<u>\$ 1,948,389</u>

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

Plan Description

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

Benefits Provided

The City now provides a defined contribution to the fund of 13% of the firemen's salary and the firemen contribute 13%. Upon reaching the age of 50 with 20 years of service, the fireman is eligible for full retirement benefits. Vesting begins in the plan after 10 years of service, when the fireman is eligible for a deferred benefit (commencing at the end of the month in which his normal retirement date would have occurred). City contributions and interest forfeited by firemen who leave employment before full vesting remain in the plan.

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

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

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

	<u>December 31, 2014</u>
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	1 to 1
Years Required for Vesting	10/50% + 5%/year to 20
Service Requirement Eligibility (Expressed as Age / Years of Service)	50/20

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

	<u>Number of Employees</u>
Retirees and Beneficiaries	45
Active Employees	<u>61</u>
Total Plan Employees - Pension Liability	<u><u>106</u></u>

Contributions

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

Employees were required to contribute 13.00% of their annual gross earnings during the fiscal year. The contribution rate for the City was 13.00% in calendar years 2014. The City's contributions to BSFRRF for the year ended September 30, 2015 were \$496,046 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuary valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2014 actuarial valuation was determined using the following assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30.85
Asset Valuation Method	Ten Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	8.00%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

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

Discount Rate

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

Changes in Net Pension Liability

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance 12/31/2013	\$ 19,372,325	\$ 10,927,280	\$ (8,445,045)
Service Cost	453,334		(453,334)
Interest (on the Total Pension Liability)	1,447,905		(1,447,905)
Contributions - Employee		496,045	496,045
Contributions - Employer		496,046	496,046
Net Investment Income		594,840	594,840
Benefit Payments	(1,277,131)	(1,277,131)	
Administrative Expense		(80,057)	(80,057)
Balance 12/31/2014	<u>\$ 19,996,433</u>	<u>\$ 11,157,023</u>	<u>\$ (8,839,410)</u>

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

<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
\$ 11,202,110	\$ 8,839,410	\$ 6,866,789

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Pension Expense and Deferred Outflows of Resources

Pension Expense for the year ended September 30, 2015 is as follows:

Total Service Cost	\$	453,334
Interest on the Total Pension Liability		1,447,905
Employee Contributions (Reduction of Expense)		(496,045)
Projected Earnings on Plan Investments (Reduction of Expense)		(594,840)
Administrative Expense		80,057
Total Pension Expense	\$	<u>890,411</u>

Deferred Outflows of Resources related to the pension plan at September 30, 2015 were made up of employer contributions subsequent to the measurement date of \$245,346 and will be fully amortized in 2016.

Pension Plan Fiduciary Net Position

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

I. Self-Insurance

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

	Liability Balance at 10-01	Current Year Claims and Changes in Estimates	Claim Payments	Liability Balance at 9-30	Total Internal Service Funds
Year Ending 09-30-14					
Health Insurance Claims	\$ 65,934	\$ 1,869,955	\$ 1,894,460	\$ 41,429	\$
Workers' Compensation Claims	434,930	121,631	172,636	383,925	500,864
Year Ending 09-30-15					
Health Insurance Claims	\$ 41,429	\$ 1,597,393	\$ 1,562,080	\$ 76,742	\$
Workers' Compensation Claims	383,925	309,850	288,506	405,269	482,011

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Health Insurance

Effective October 1, 2001, the City changed from a fully-insured to a self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Employee Benefits Administrators (EBA). EBA reviews and processes all health insurance claims. The City has acquired stop-loss coverage, which limits the City's possible liability exposure to \$90,000 per claim. The City informally budgets for current claims based on actuarial and historical data. The City incurred \$2,668,654 in health insurance expense and administrative and other charges for the year ended September 30, 2015. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$76,742 at September 30, 2015.

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 \$294,982 in workers' compensation expense and administrative and other charges for the year ended September 30, 2015. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$405,269 at September 30, 2015.

J. Other Post-Employment Benefits (OPEB)

Plan Description

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

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Funding Policy

The contribution requirements of plan members are established by the City and may be amended as needed. Retiree medical/dental coverage levels for retirees are the same as coverage provided to active City employees in accordance with the terms and conditions of the current City Benefit Plan. Plan members may purchase retiree health/dental care coverage for eligible spouses and dependents at their own expense. Effective in the fiscal year 2016-17 premium for retirees will be 20% above the current benefit rate. The City is not required to make contributions to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-go financing method. The plan had 25 active participants who paid monthly premiums of \$460/\$22 (medical/dental) for single coverage and \$900/\$72 (medical/dental) for family coverage in the 2014-15 fiscal year.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB expense is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The annual OPEB cost for the fiscal year ended September 30, 2015 is as follows:

Annual Required Contribution (ARC)	\$	283,580
Interest on Net OPEB Obligation		17,025
Adjustment to ARC		(38,220)
Annual OPEB Cost	\$	<u>262,385</u>
Total Annual Employer Contribution, Pay-As-You-Go		<u>256,115</u>
Increase in Net OPEB Obligation	\$	<u>6,270</u>
Net OPEB Obligation - Beginning of Year		<u>378,344</u>
Net OPEB Obligation - End of Year	\$	<u><u>384,614</u></u>

Three Year Trend Information

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Costs Contributed	Net OPEB Obligation
9/30/2013	\$ 268,653	78.58%	\$ 324,014
9/30/2014	265,429	79.53%	378,344
9/30/2015	262,385	97.61%	384,614

Funded Status and Funding Progress

As of December 31, 2014, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits was \$2,140,168; and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,140,168. The covered payroll was \$8,616,222, and the ratio of the UAAL to the covered payroll was 24.84%.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Actuarial Methods and Assumptions

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

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

Actuarial Methods and Assumptions

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

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

K. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by two trustees; the International City Management Association Retirement Corporation (ICMARC) and the Nationwide Retirement Solutions. In 1997, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended their trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries. Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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.

L. Commitments, Contingencies, Litigation, and Subsequent Events

1. Contingencies

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

2. Litigation

Chapman v. City of Big Spring, Texas

The Plaintiff filed this lawsuit for amounts owed related to a minority equity interest in the Malone and Hogan Clinic which is owned and operated by the City. Both parties agreed to a settlement in the amount of \$187,500 and it was finalized in January 2016. The settlement will be paid from the Malone and Hogan Clinic Fund in 2016 and was not covered by insurance. In 2016, the City transferred approximately \$160,000 from the general fund to cover part of the settlement cost.

2. Subsequent Events

On February 24, 2016, \$8,290,000 of bonds from the General Obligation and Certificate of Obligation 2007 Bonds, representing 76% of the outstanding bonds of these issues, were refunded with Series 2016 General Obligation Refunding Bonds which have maturity dates through 2027 and carry interest rates from 2.00% to 3.00%.

The City has evaluated subsequent events through March 22, 2016, the date which the financial statements were available to be issued.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

M. Closure and Post-closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 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 \$2,611,286 reported as landfill closure and post-closure care liability at September 30, 2015, represents the cumulative amount reported to date based on the use of 80.33% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$639,276 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 2015. 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, 2015 the City has designated an investment in the amount of \$3,682,989 for this purpose.

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REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BIG SPRING, TEXAS

EXHIBIT B-1

GENERAL FUND
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2014</u>
	<u>Total Pension Liability</u>
Service Cost	\$ 1,070,609
Interest	3,098,627
Benefit Payments	(2,456,762)
Differences between Expected and Actual Experience	212,542
Other	<u>15,116</u>
Net Change	\$ 1,940,132
Beginning Balance	44,944,061
Ending Balance	<u>\$ 46,884,193</u>
	<u>Fiduciary Net Position</u>
Employee Contributions	\$ 621,774
Employer Contributions	1,513,350
Net Investment Income	2,114,041
Benefit Payments	(2,456,762)
Administration Expenses	(22,073)
Other	<u>10,616</u>
Net Change	\$ 1,780,946
Beginning Balance	36,945,424
Ending Balance	<u>\$ 38,726,370</u>
Net Pension Liability	<u>\$ 8,157,823</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%
Covered Payroll	\$ 8,616,222
Net Pension Liability as a Percentage of Covered Payroll	94.68%

Note: Only one year of GASB 68 data available as of 12/31/2014. The remaining ten years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-2

GENERAL FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

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

Note: Only one year of GASB 68 data available as of 09/30/2015. The remaining ten years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-3

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

REQUIRED SUPPLEMENTARY INFORMATION

	<u>12/31/2014</u>
	<u>Total Pension Liability</u>
Service Cost	\$ 453,334
Interest	1,447,905
Benefit Payments	<u>(1,277,131)</u>
Net Change	\$ 624,108
Beginning Balance	19,372,325
Ending Balance	<u>\$ 19,996,433</u>
	<u>Fiduciary Net Position</u>
Employee Contributions	\$ 496,045
Employer Contributions	496,046
Net Investment Income	594,840
Benefit Payments	(1,277,131)
Administration Expenses	<u>(80,057)</u>
Net Change	\$ 229,743
Beginning Balance	10,927,280
Ending Balance	<u>\$ 11,157,023</u>
Net Pension Liability	<u>\$ 8,839,410</u>
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%
Covered Payroll	\$ 3,634,001
Net Pension Liability as a Percentage of Covered Payroll	243.24%

Note: Only one year of GASB 68 data available as of 12/31/2014. The remaining ten years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-4

GENERAL FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

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

Note: Only one year of GASB 68 data available as of 09/30/2015. The remaining ten years of data will be built on a go forward basis.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-5

GENERAL FUND
SCHEDULE OF FUNDING PROGRESS
FOR THE YEAR ENDED SEPTEMBER 30, 2015

REQUIRED SUPPLEMENTARY INFORMATION

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

Notes:

As of September 30, 2015 only one valuation report was available.

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

The detailed discussion of the actuarial assumptions used for the City of Big Spring Retiree Health Care Plan Actuarial Valuation Report as of December 31, 2014 can be obtained from the City.

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CITY OF BIG SPRING, TEXAS

EXHIBIT B-6

**GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

REQUIRED SUPPLEMENTARY INFORMATION

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
Revenue:				
Taxes:				
General Property Taxes	\$ 4,737,400	\$ 4,220,000	\$ 4,237,945	\$ 17,945
General Sales Taxes	7,200,000	7,200,000	7,652,209	452,209
Gross Receipts Business Taxes	1,467,500	1,473,200	1,531,938	58,738
License and Permits	298,325	383,980	314,981	(68,999)
Intergovernmental	937,750	913,500	940,923	27,423
Fines	408,900	333,269	345,179	11,910
Recreation	917,000	969,200	896,820	(72,380)
Investment Earnings	4,500	7,000	8,873	1,873
Rents and Royalties	2,242,018	439,050	429,708	(9,342)
Miscellaneous	23,578	42,078	126,326	84,248
Contributions and Donations	3,000	20,000	26,824	6,824
Total Revenues	<u>\$ 18,240,221</u>	<u>\$ 16,001,527</u>	<u>\$ 16,511,726</u>	<u>\$ 510,199</u>
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 238,386	\$ 234,978	\$ 193,367	\$ 41,611
City Council (110)	282,821	275,061	285,375	(10,314)
Finance (120)	556,081	549,193	561,895	(12,702)
City Manager (130)	295,601	302,928	304,108	(1,180)
Information Technology (140)	394,220	373,050	366,636	6,414
Legal (150)	354,172	357,068	371,464	(14,396)
Human Resources (160)	423,981	422,433	454,909	(32,476)
Planning Department (190)	169,185	194,188	191,237	2,951
Public Safety				
Police (200)	5,124,365	4,892,481	4,923,571	(31,090)
Fire (210)	4,291,552	4,574,659	4,557,145	17,514
Municipal Court (220)	307,981	297,653	289,603	8,050
Fire Marshal (230)	230,884	250,640	246,896	3,744
Animal Control (240)	323,779	271,421	263,929	7,492
Highways and Streets				
Code Enforcement (300)	342,808	339,561	333,763	5,798
General Maintenance (310)	113,402	137,971	137,365	606
Streets (320)	1,885,833	1,903,351	1,515,839	387,512
Recreation and Parks				
Parks (370)	398,204	414,768	409,700	5,068
Sports Complex (375)	274,016	270,791	270,244	547
Swimming Pool (380)	251,915	247,820	281,602	(33,782)
Golf Course (390)	752,459	744,540	745,746	(1,206)
Lake (410)	41,745	33,789	29,249	4,540
City Hall (420)	103,720	108,524	86,701	21,823
Economic Development (180)			1,615	(1,615)
Debt Service:				
Principal	693,799	650,365	663,153	(12,788)
Interest	71,945	71,945	71,945	
Total Expenditures	<u>\$ 17,922,854</u>	<u>\$ 17,919,178</u>	<u>\$ 17,557,057</u>	<u>\$ 362,121</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 317,367</u>	<u>\$ (1,917,651)</u>	<u>\$ (1,045,331)</u>	<u>\$ 872,320</u>
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 334,941	\$ 395,077	\$ 395,077	\$
Proceeds from Capital Lease Financing	650,000	670,000	719,707	49,707
Total Other Financing Sources	<u>\$ 984,941</u>	<u>\$ 1,065,077</u>	<u>\$ 1,114,784</u>	<u>\$ 49,707</u>
Net Change in Fund Balances	\$ 1,302,308	\$ (852,574)	\$ 69,453	\$ 922,027
Fund Balances - Beginning	<u>6,067,972</u>	<u>6,067,972</u>	<u>6,067,972</u>	
Fund Balances - Ending	<u>\$ 7,370,280</u>	<u>\$ 5,215,398</u>	<u>\$ 6,137,425</u>	

The accompanying notes are an integral part of this statement.

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years
Asset Valuation Method	Ten Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005 - 2009.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Other Information:

Notes There were no benefit changes during the year.

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

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar
Remaining Amortization Period	30.85
Asset Valuation Method	Ten Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	5.00%
Investment Rate of Return	8.00%
Retirement Age	Age and Service - Related
Mortality	RP2000 Projected

Other Information:

Notes There were no benefit changes during the year.

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CITY OF BIG SPRING, TEXAS
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
SEPTEMBER 30, 2015

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).

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

CITY OF BIG SPRING, TEXAS

EXHIBIT C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2015

	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	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS							
Assets:							
Cash and Cash Equivalents	\$ 2,972,823	\$ 400,086	\$ 23,946	\$ 93,005	\$ 542,018	\$ 351,519	\$ 4,383,397
Receivables (Net of Allowance for Uncollectibles)	190,864	42,534	1,323	11,735			246,456
Total Assets	\$ 3,163,687	\$ 442,620	\$ 25,269	\$ 104,740	\$ 542,018	\$ 351,519	\$ 4,629,853
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:							
Liabilities:							
Accounts Payable	\$ 634,298	\$	\$	\$	\$	\$	\$ 634,298
Accrued Wages	65,447						65,447
Unearned Revenue	48,397						48,397
Customer Deposits	14,863						14,863
Total Liabilities	\$ 763,005	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 763,005
DEFERRED INFLOWS OF RESOURCES:							
Grants Paid in Advance	\$ 22,023	\$	\$	\$	\$	\$	\$ 22,023
Unavailable Revenue - Property Taxes	21,204	41,204	1,279	11,335			75,022
	\$ 43,227	\$ 41,204	\$ 1,279	\$ 11,335	\$ 0	\$ 0	\$ 97,045
Fund Balances:							
Nonspendable Fund Balances:							
Cemetery Permanent Care	\$	\$	\$	\$	\$	\$ 351,519	\$ 351,519
Restricted Fund Balances:							
Restricted for Advertising and Promotions	1,794,848						1,794,848
Restricted for Court Security	11,148						11,148
Restricted for Public, Educational and Governmental Television Access	127,904						127,904
Restricted for Debt Service		401,416	23,990	93,405			518,811
Restricted for Capital Projects					542,018		542,018
Committed Fund Balances:							
Committed for Employee Education	47,035						47,035
Committed for Task Force Operations	96,811						96,811
Committed for Cemetery Operations	84,597						84,597
Committed for Senior Center Operations	195,112						195,112
Total Fund Balances	\$ 2,357,455	\$ 401,416	\$ 23,990	\$ 93,405	\$ 542,018	\$ 351,519	\$ 3,769,803
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,163,687	\$ 442,620	\$ 25,269	\$ 104,740	\$ 542,018	\$ 351,519	\$ 4,629,853

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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, 2015**

	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	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:							
Taxes							
General Property Taxes	\$ 362,928	\$ 1,184,164	\$ 36,823	\$ 324,667	\$	\$	\$ 1,908,582
Gross Receipts Business Tax	54,649						54,649
Motel Occupancy Taxes	1,413,372						1,413,372
Intergovernmental	166,108						166,108
Charges for Services	39,343						39,343
Fines	7,227						7,227
Investment Earnings	4,604	784	40	201	1,097	182	6,908
Rents and Royalties	233,387				5,948		239,335
Miscellaneous	4,213						4,213
Contributions and Donations	19,246						19,246
Total Revenue	\$ 2,305,077	\$ 1,184,948	\$ 36,863	\$ 324,868	\$ 7,045	\$ 182	\$ 3,858,983
Expenditures:							
Current							
General Government	\$ 13,781	\$	\$	\$	\$	\$	\$ 13,781
Public Safety	446,600						446,600
Community Service	399,761						399,761
Economic Development	1,704,609						1,704,609
Cemetery	97,332						97,332
Debt Service							
Principal	10,182	635,000	20,000	170,000			835,182
Interest	1,104	475,356	14,112	134,912			625,484
Fiscal Agent's Fees		750	375	400			1,525
Total Expenditures	\$ 2,673,369	\$ 1,111,106	\$ 34,487	\$ 305,312	\$ 0	\$ 0	\$ 4,124,274
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (368,292)	\$ 73,842	\$ 2,376	\$ 19,556	\$ 7,045	\$ 182	\$ (265,291)
Other Financing Sources (Uses):							
Transfers In (Out)	\$ (190,081)	\$	\$	\$	\$	\$ (182)	\$ (190,263)
Total Other Financing Sources (Uses)	\$ (190,081)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (182)	\$ (190,263)
Net Change in Fund Balances	\$ (558,373)	\$ 73,842	\$ 2,376	\$ 19,556	\$ 7,045	\$ 0	\$ (455,554)
Fund Balances - Beginning	2,915,828	327,574	21,614	73,849	534,973	351,519	4,225,357
Fund Balances - Ending	\$ 2,357,455	\$ 401,416	\$ 23,990	\$ 93,405	\$ 542,018	\$ 351,519	\$ 3,769,803

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-3

**COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2015**

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 Revenue Funds (See Exhibit C-1)
Assets:										
Cash and Cash Equivalents	\$ 2,295,538	\$ 22,023	\$ 47,035	\$ 8,229	\$	\$ 117,966	\$ 125,598	\$ 241,632	\$ 114,802	\$ 2,972,823
Receivables (Net of Allowance for Uncollectibles)	<u>122,315</u>			<u>2,919</u>		<u>21,660</u>	<u>30,868</u>		<u>13,102</u>	<u>190,864</u>
Total Assets	<u>\$ 2,417,853</u>	<u>\$ 22,023</u>	<u>\$ 47,035</u>	<u>\$ 11,148</u>	<u>\$ 0</u>	<u>\$ 139,626</u>	<u>\$ 156,466</u>	<u>\$ 241,632</u>	<u>\$ 127,904</u>	<u>\$ 3,163,687</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:										
Liabilities:										
Accounts Payable	\$ 598,040	\$	\$	\$	\$	\$ 9,357	\$ 4,114	\$ 22,787	\$	\$ 634,298
Accrued Wages	10,102					12,254	19,358	23,733		65,447
Unearned Revenue							48,397			48,397
Customer Deposits	<u>14,863</u>									<u>14,863</u>
Total Liabilities	<u>\$ 623,005</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,611</u>	<u>\$ 71,869</u>	<u>\$ 46,520</u>	<u>\$ 0</u>	<u>\$ 763,005</u>
DEFERRED INFLOWS OF RESOURCES:										
Grants Paid in Advance	\$	\$ 22,023	\$	\$	\$	\$	\$	\$	\$	\$ 22,023
Unavailable Revenue - Property Taxes						<u>21,204</u>				<u>21,204</u>
	<u>\$ 0</u>	<u>\$ 22,023</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 21,204</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43,227</u>
Fund Balances:										
Restricted Fund Balances:										
Restricted for Advertising and Promotions	\$ 1,794,848	\$	\$	\$	\$	\$	\$	\$	\$	\$ 1,794,848
Restricted for Court Security				11,148						11,148
Restricted for Public, Educational and Governmental Television Access									127,904	127,904
Committed Fund Balances:										
Committed for Employee Education			47,035							47,035
Committed for Task Force Operations						96,811				96,811
Committed for Cemetery Operations							84,597			84,597
Committed for Senior Center Operations								195,112		195,112
Total Fund Balances	<u>\$ 1,794,848</u>	<u>\$ 0</u>	<u>\$ 47,035</u>	<u>\$ 11,148</u>	<u>\$ 0</u>	<u>\$ 96,811</u>	<u>\$ 84,597</u>	<u>\$ 195,112</u>	<u>\$ 127,904</u>	<u>\$ 2,357,455</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,417,853</u>	<u>\$ 22,023</u>	<u>\$ 47,035</u>	<u>\$ 11,148</u>	<u>\$ 0</u>	<u>\$ 139,626</u>	<u>\$ 156,466</u>	<u>\$ 241,632</u>	<u>\$ 127,904</u>	<u>\$ 3,163,687</u>

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CITY OF BIG SPRING, TEXAS

EXHIBIT C-4

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	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 Revenue Funds (See Exhibit C-1)
Revenue:										
Taxes										
General Property Taxes	\$	\$	\$	\$	\$	\$ 362,928	\$	\$	\$	\$ 362,928
Gross Receipts Business Tax									54,649	54,649
Motel Occupancy Taxes	1,413,372									1,413,372
Intergovernmental										
Charges for Services			19,328			38,244		127,864		166,108
Fines				7,227				20,015		27,242
Investment Earnings	3,258		55	6		287	555	319	124	4,604
Rents and Royalties	49,694						183,693			233,387
Miscellaneous	1,526							2,687		4,213
Contributions and Donations								19,246		19,246
Total Revenue	<u>\$ 1,467,850</u>	<u>\$ 0</u>	<u>\$ 19,383</u>	<u>\$ 7,233</u>	<u>\$ 0</u>	<u>\$ 401,459</u>	<u>\$ 184,248</u>	<u>\$ 170,131</u>	<u>\$ 54,773</u>	<u>\$ 2,305,077</u>
Expenditures:										
Current										
General Government	\$	\$	\$ 13,781	\$	\$	\$	\$	\$	\$	\$ 13,781
Public Safety						446,600				446,600
Community Service								399,761		399,761
Economic Development	1,704,609									1,704,609
Cemetery							97,332			97,332
Debt Service										
Principal	5,312					1,966	2,904			10,182
Interest	576					213	315			1,104
Total Expenditures	<u>\$ 1,710,497</u>	<u>\$ 0</u>	<u>\$ 13,781</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 448,779</u>	<u>\$ 100,551</u>	<u>\$ 399,761</u>	<u>\$ 0</u>	<u>\$ 2,673,369</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (242,647)</u>	<u>\$ 0</u>	<u>\$ 5,602</u>	<u>\$ 7,233</u>	<u>\$ 0</u>	<u>\$ (47,320)</u>	<u>\$ 83,697</u>	<u>\$ (229,630)</u>	<u>\$ 54,773</u>	<u>\$ (368,292)</u>
Other Financing Sources (Uses):										
Transfers In (Out)	\$ (455,263)	\$	\$	\$	\$ (23,266)	\$	\$ 182	\$ 288,266	\$	\$ (190,081)
Total Other Financing Sources (Uses)	<u>\$ (455,263)</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (23,266)</u>	<u>\$ 0</u>	<u>\$ 182</u>	<u>\$ 288,266</u>	<u>\$ 0</u>	<u>\$ (190,081)</u>
Net Change in Fund Balances	\$ (697,910)	\$ 0	\$ 5,602	\$ 7,233	\$ (23,266)	\$ (47,320)	\$ 83,879	\$ 58,636	\$ 54,773	\$ (558,373)
Fund Balances - Beginning	<u>2,492,758</u>	<u></u>	<u>41,433</u>	<u>3,915</u>	<u>23,266</u>	<u>144,131</u>	<u>718</u>	<u>136,476</u>	<u>73,131</u>	<u>2,915,828</u>
Fund Balances - Ending	<u>\$ 1,794,848</u>	<u>\$ 0</u>	<u>\$ 47,035</u>	<u>\$ 11,148</u>	<u>\$ 0</u>	<u>\$ 96,811</u>	<u>\$ 84,597</u>	<u>\$ 195,112</u>	<u>\$ 127,904</u>	<u>\$ 2,357,455</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-5

HOTEL/MOTEL OCCUPANCY TAX FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenue:				
Taxes:				
Motel Occupancy Taxes	\$ 1,480,000	\$ 1,550,000	\$ 1,413,372	\$ (136,628)
Investment Earnings	14,000	2,800	3,258	458
Rents and Royalties	49,600	47,900	49,694	1,794
Miscellaneous	825	825	1,526	701
Total Revenues	<u>\$ 1,543,600</u>	<u>\$ 1,601,525</u>	<u>\$ 1,467,850</u>	<u>\$ (133,675)</u>
Expenditures:				
Economic Development	\$ 1,703,175	\$ 1,917,039	\$ 1,704,609	\$ 212,430
Debt Service:				
Principal	5,312	5,312	5,312	
Interest	576	576	576	
Total Expenditures	<u>\$ 1,709,063</u>	<u>\$ 1,922,927</u>	<u>\$ 1,710,497</u>	<u>\$ 212,430</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (165,463)</u>	<u>\$ (321,402)</u>	<u>\$ (242,647)</u>	<u>\$ 78,755</u>
Other Financing Uses:				
Transfers Out (Use)	<u>\$ 455,263</u>	<u>\$ 455,263</u>	<u>\$ (455,263)</u>	<u>\$ (910,526)</u>
Total Other Financing Uses	<u>\$ 455,263</u>	<u>\$ 455,263</u>	<u>\$ (455,263)</u>	<u>\$ (910,526)</u>
Net Change in Fund Balances	\$ 289,800	\$ 133,861	\$ (697,910)	\$ (831,771)
Fund Balances - Beginning	<u>2,492,758</u>	<u>2,492,758</u>	<u>2,492,758</u>	
Fund Balances - Ending	<u><u>\$ 2,782,558</u></u>	<u><u>\$ 2,626,619</u></u>	<u><u>\$ 1,794,848</u></u>	<u><u>\$ (831,771)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-6

EMPLOYEE'S COLLEGE EDUCATION FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Charges for Services	\$ 30,000	\$ 24,000	\$ 19,328	\$ (4,672)
Investment Earnings	27	40	55	15
Total Revenues	<u>\$ 30,027</u>	<u>\$ 24,040</u>	<u>\$ 19,383</u>	<u>\$ (4,657)</u>
Expenditures:				
Current				
General Government	\$ 20,000	\$ 18,000	\$ 13,781	\$ 4,219
Total Expenditures	<u>\$ 20,000</u>	<u>\$ 18,000</u>	<u>\$ 13,781</u>	<u>\$ 4,219</u>
Excess of Revenues Over Expenditures	<u>\$ 10,027</u>	<u>\$ 6,040</u>	<u>\$ 5,602</u>	<u>\$ (438)</u>
Net Change in Fund Balances	\$ 10,027	\$ 6,040	\$ 5,602	\$ (438)
Fund Balances - Beginning	<u>41,433</u>	<u>41,433</u>	<u>41,433</u>	
Fund Balances - Ending	<u>\$ 51,460</u>	<u>\$ 47,473</u>	<u>\$ 47,035</u>	<u>\$ (438)</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Fines	\$ 8,200	\$ 6,878	\$ 7,227	\$ 349
Investment Earnings	1	4	6	2
Total Revenues	<u>\$ 8,201</u>	<u>\$ 6,882</u>	<u>\$ 7,233</u>	<u>\$ 351</u>
Expenditures:				
Current				
Public Safety	\$ 400	\$ 400	\$	\$ 400
Total Expenditures	<u>\$ 400</u>	<u>\$ 400</u>	<u>\$ 0</u>	<u>\$ 400</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 7,801</u>	<u>\$ 6,482</u>	<u>\$ 7,233</u>	<u>\$ 751</u>
Net Change in Fund Balances	\$ 7,801	\$ 6,482	\$ 7,233	\$ 751
Fund Balances - Beginning	<u>3,915</u>	<u>3,915</u>	<u>3,915</u>	
Fund Balances - Ending	<u>\$ 11,716</u>	<u>\$ 10,397</u>	<u>\$ 11,148</u>	<u>\$ 751</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses):				
Transfers In	\$ <u> </u>	\$ <u> </u>	\$ <u>(23,266)</u>	\$ <u>(23,266)</u>
Total Other Financing Sources	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>(23,266)</u>	\$ <u>(23,266)</u>
Net Change in Fund Balances	\$ <u> 0</u>	\$ <u> 0</u>	\$ <u>(23,266)</u>	\$ <u>(23,266)</u>
Fund Balances - Beginning	<u>23,266</u>	<u>23,266</u>	<u>23,266</u>	<u> </u>
Fund Balances - Ending	\$ <u><u>23,266</u></u>	\$ <u><u>23,266</u></u>	\$ <u><u>0</u></u>	\$ <u><u>(23,266)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-9

NARCOTICS TASK FORCE
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
General Property Taxes	\$ 399,200	\$ 364,500	\$ 362,928	\$ (1,572)
Intergovernmental	9,000	14,183	38,244	24,061
Investment Earnings	150	300	287	(13)
Total Revenues	<u>\$ 408,350</u>	<u>\$ 378,983</u>	<u>\$ 401,459</u>	<u>\$ 22,476</u>
Expenditures:				
Current				
Public Safety	\$ 514,482	\$ 439,852	\$ 446,600	\$ (6,748)
Debt Service:				
Principal Payments	1,966	1,966	1,966	
Interest	213	213	213	
Total Expenditures	<u>\$ 516,661</u>	<u>\$ 442,031</u>	<u>\$ 448,779</u>	<u>\$ (6,748)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (108,311)</u>	<u>\$ (63,048)</u>	<u>\$ (47,320)</u>	<u>\$ 15,728</u>
Net Change in Fund Balances	\$ (108,311)	\$ (63,048)	\$ (47,320)	\$ 15,728
Fund Balances - Beginning	<u>144,131</u>	<u>144,131</u>	<u>144,131</u>	
Fund Balances - Ending	<u>\$ 35,820</u>	<u>\$ 81,083</u>	<u>\$ 96,811</u>	<u>\$ 15,728</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-10

CEMETERY FUND
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ 2,200	\$ 2,200	\$ 555	\$ (1,645)
Rents and Royalties	110,750	180,609	183,693	3,084
Total Revenues	<u>\$ 112,950</u>	<u>\$ 182,809</u>	<u>\$ 184,248</u>	<u>\$ 1,439</u>
Expenditures:				
Cemetery	\$ 162,372	\$ 164,929	\$ 97,332	\$ 67,597
Debt Service:				
Principal Payments	2,905	6,037	2,904	3,133
Interest	315	315	315	
Total Expenditures	<u>\$ 165,592</u>	<u>\$ 171,281</u>	<u>\$ 100,551</u>	<u>\$ 70,730</u>
Deficiency of Revenues Under Expenditures	<u>\$ (52,642)</u>	<u>\$ 11,528</u>	<u>\$ 83,697</u>	<u>\$ 72,169</u>
Other Financing Sources:				
Transfers In	\$ 62,100	\$ 140	\$ 182	\$ 42
Debt Proceeds	20,000			
Total Other Financing Sources	<u>\$ 82,100</u>	<u>\$ 140</u>	<u>\$ 182</u>	<u>\$ 42</u>
Net Change in Fund Balances	\$ 29,458	\$ 11,668	\$ 83,879	\$ 72,211
Fund Balances - Beginning	<u>718</u>	<u>718</u>	<u>718</u>	
Fund Balances - Ending	<u>\$ 30,176</u>	<u>\$ 12,386</u>	<u>\$ 84,597</u>	<u>\$ 72,211</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-11

SENIOR CENTER
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Intergovernmental	\$ 127,000	\$ 128,171	\$ 127,864	\$ (307)
Charges for Services	23,920	20,690	20,015	(675)
Investment Earnings	45	150	319	169
Miscellaneous		1,164	2,687	1,523
Contributions and Donations		19,426	19,246	(180)
Total Revenues	<u>\$ 150,965</u>	<u>\$ 169,601</u>	<u>\$ 170,131</u>	<u>\$ 530</u>
Expenditures:				
Community Service	<u>\$ 415,353</u>	<u>\$ 402,142</u>	<u>\$ 399,761</u>	<u>\$ 2,381</u>
Total Expenditures	<u>\$ 415,353</u>	<u>\$ 402,142</u>	<u>\$ 399,761</u>	<u>\$ 2,381</u>
Deficiency of Revenues Under Expenditures	<u>\$ (264,388)</u>	<u>\$ (232,541)</u>	<u>\$ (229,630)</u>	<u>\$ 2,911</u>
Other Financing Sources:				
Transfers In	<u>\$ 265,000</u>	<u>\$ 265,000</u>	<u>\$ 288,266</u>	<u>\$ 23,266</u>
Total Other Financing Sources	<u>\$ 265,000</u>	<u>\$ 265,000</u>	<u>\$ 288,266</u>	<u>\$ 23,266</u>
Net Change in Fund Balances	\$ 612	\$ 32,459	\$ 58,636	\$ 26,177
Fund Balances - Beginning	<u>136,476</u>	<u>136,476</u>	<u>136,476</u>	
Fund Balances - Ending	<u><u>\$ 137,088</u></u>	<u><u>\$ 168,935</u></u>	<u><u>\$ 195,112</u></u>	<u><u>\$ 26,177</u></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, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenue:				
Gross Receipts Business Tax	\$ 50,000	\$ 52,000	\$ 54,649	\$ 2,649
Investment Earnings	47	80	124	44
Total Revenues	<u>\$ 50,047</u>	<u>\$ 52,080</u>	<u>\$ 54,773</u>	<u>\$ 2,693</u>
Expenditures:				
General Governmental	\$ 35,438	\$	\$	\$
Total Expenditures	<u>\$ 35,438</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Deficiency of Revenues Under Expenditures	\$ 14,609	\$ 52,080	\$ 54,773	\$ 2,693
Net Change in Fund Balances	\$ 14,609	\$ 52,080	\$ 54,773	\$ 2,693
Fund Balances - Beginning	<u>73,131</u>	<u>73,131</u>	<u>73,131</u>	
Fund Balances - Ending	<u>\$ 87,740</u>	<u>\$ 125,211</u>	<u>\$ 127,904</u>	<u>\$ 2,693</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 760,910	\$ 1,182,000	\$ 1,184,164	\$ 2,164
Investment Earnings	400	850	784	(66)
Total Revenues	<u>\$ 761,310</u>	<u>\$ 1,182,850</u>	<u>\$ 1,184,948</u>	<u>\$ 2,098</u>
Expenditures:				
Debt Service:				
Principal	\$ 635,000	\$ 635,000	\$ 635,000	\$
Interest	475,356	475,356	475,356	
Fiscal Agent's Fees	750	750	750	
Total Expenditures	<u>\$ 1,111,106</u>	<u>\$ 1,111,106</u>	<u>\$ 1,111,106</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ (349,796)</u>	<u>\$ 71,744</u>	<u>\$ 73,842</u>	<u>\$ 2,098</u>
Net Change in Fund Balances	\$ (349,796)	\$ 71,744	\$ 73,842	\$ 2,098
Fund Balances - Beginning	<u>327,574</u>	<u>327,574</u>	<u>327,574</u>	
Fund Balances - Ending	<u><u>\$ (22,222)</u></u>	<u><u>\$ 399,318</u></u>	<u><u>\$ 401,416</u></u>	<u><u>\$ 2,098</u></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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 20,760	\$ 36,815	\$ 36,823	\$ 8
Investment Earnings	18	40	40	
Total Revenues	<u>\$ 20,778</u>	<u>\$ 36,855</u>	<u>\$ 36,863</u>	<u>\$ 8</u>
Expenditures:				
Debt Service:				
Principal	\$ 20,000	\$ 20,000	\$ 20,000	\$
Interest and Fiscal Charges	13,313	14,113	14,112	1
Fiscal Agent's Fees	375	375	375	
Total Expenditures	<u>\$ 33,688</u>	<u>\$ 34,488</u>	<u>\$ 34,487</u>	<u>\$ 1</u>
Excess of Revenues Over Expenditures	<u>\$ (12,910)</u>	<u>\$ 2,367</u>	<u>\$ 2,376</u>	<u>\$ 9</u>
Net Change in Fund Balances	\$ (12,910)	\$ 2,367	\$ 2,376	\$ 9
Fund Balances - Beginning	<u>21,614</u>	<u>21,614</u>	<u>21,614</u>	
Fund Balances - Ending	<u>\$ 8,704</u>	<u>\$ 23,981</u>	<u>\$ 23,990</u>	<u>\$ 9</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, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Taxes				
General Property Taxes	\$ 283,800	\$ 329,754	\$ 324,667	\$ (5,087)
Investment Earnings	85	210	201	(9)
Total Revenues	<u>\$ 283,885</u>	<u>\$ 329,964</u>	<u>\$ 324,868</u>	<u>\$ (5,096)</u>
Expenditures:				
Debt Service:				
Principal	\$ 170,000	\$ 170,000	\$ 170,000	\$
Interest and Fiscal Charges	134,913	134,913	134,912	1
Fiscal Agent's Fees	750	750	400	350
Total Expenditures	<u>\$ 305,663</u>	<u>\$ 305,663</u>	<u>\$ 305,312</u>	<u>\$ 351</u>
Excess of Revenues Over Expenditures	<u>\$ (21,778)</u>	<u>\$ 24,301</u>	<u>\$ 19,556</u>	<u>\$ (4,745)</u>
Net Change in Fund Balances	\$ (21,778)	\$ 24,301	\$ 19,556	\$ (4,745)
Fund Balances - Beginning	<u>73,849</u>	<u>73,849</u>	<u>73,849</u>	
Fund Balances - Ending	<u><u>\$ 52,071</u></u>	<u><u>\$ 98,150</u></u>	<u><u>\$ 93,405</u></u>	<u><u>\$ (4,745)</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-16

CAPITAL REPLACEMENT FUND
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ 5,500	\$ 1,300	\$ 1,097	\$ (203)
Rents and Royalties	6,000		5,948	5,948
Total Revenues	<u>\$ 11,500</u>	<u>\$ 1,300</u>	<u>\$ 7,045</u>	<u>\$ 5,745</u>
Expenditures:				
Total Expenditures	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Excess of Revenues Over Expenditures	<u>\$ 11,500</u>	<u>\$ 1,300</u>	<u>\$ 7,045</u>	<u>\$ 5,745</u>
Net Change in Fund Balances	\$ 11,500	\$ 1,300	\$ 7,045	\$ 5,745
Fund Balances - Beginning	<u>534,973</u>	<u>534,973</u>	<u>534,973</u>	
Fund Balances - Ending	<u>\$ 546,473</u>	<u>\$ 536,273</u>	<u>\$ 542,018</u>	<u>\$ 5,745</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-17

CEMETERY PERMANENT CARE FUND
PERMANENT FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Investment Earnings	\$ <u>130</u>	\$ <u>140</u>	\$ <u>182</u>	\$ <u>42</u>
Total Revenues	\$ <u>130</u>	\$ <u>140</u>	\$ <u>182</u>	\$ <u>42</u>
Expenditures:				
Total Expenditures	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Excess of Revenues Over Expenditures	\$ <u>130</u>	\$ <u>140</u>	\$ <u>182</u>	\$ <u>42</u>
Other Financing Uses:				
Transfers Out	\$ <u>(115)</u>	\$ <u>(140)</u>	\$ <u>(182)</u>	\$ <u>(42)</u>
Total Other Financing Uses	\$ <u>(115)</u>	\$ <u>(140)</u>	\$ <u>(182)</u>	\$ <u>(42)</u>
Net Change in Fund Balances	\$ 15	\$ 0	\$ 0	\$ 0
Fund Balances - Beginning	<u>351,519</u>	<u>351,519</u>	<u>351,519</u>	<u> </u>
Fund Balances - Ending	<u><u>351,534</u></u>	<u><u>351,519</u></u>	<u><u>351,519</u></u>	<u><u>0</u></u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-18

WATER AND SEWER FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Water Sales	\$ 9,710,500	\$ 8,700,200	\$ 9,663,019	\$ 962,819
Sewer Charges	2,800,000	2,500,000	2,759,542	259,542
Other Services	383,350	346,350	395,537	49,187
Total Operating Revenues	<u>\$ 12,893,850</u>	<u>\$ 11,546,550</u>	<u>\$ 12,818,098</u>	<u>\$ 1,271,548</u>
OPERATING EXPENSES:				
Personnel Services	\$ 2,740,672	\$ 2,474,492	\$ 2,569,610	\$ (95,118)
Supplies and Materials	4,409,570	3,948,980	4,912,399	(963,419)
Contractual Services	958,943	938,891	960,285	(21,394)
Maintenance	958,982	1,185,013	1,017,806	167,207
Depreciation			1,537,690	(1,537,690)
Other	10,000	148,600	141,183	7,417
Total Operating Expenses	<u>\$ 9,078,167</u>	<u>\$ 8,695,976</u>	<u>\$ 11,138,973</u>	<u>\$ (2,442,997)</u>
Operating Income	<u>\$ 3,815,683</u>	<u>\$ 2,850,574</u>	<u>\$ 1,679,125</u>	<u>\$ (1,171,449)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 2,476	\$ 5,040	\$ 5,545	\$ 505
Other	213,500	37,206	123,335	86,129
Interest Expense and Paying Agent Fees	(857,341)	(828,851)	(491,406)	337,445
Total Non-Operating Expenses	<u>\$ (641,365)</u>	<u>\$ (786,605)</u>	<u>\$ (362,526)</u>	<u>\$ 424,079</u>
Income Before Transfers	<u>\$ 3,174,318</u>	<u>\$ 2,063,969</u>	<u>\$ 1,316,599</u>	<u>\$ (747,370)</u>
Capital Contributions	1,100,000	989,259	1,260,889	271,630
Transfers Out	<u>(564,028)</u>	<u>(564,028)</u>	<u>(540,920)</u>	<u>23,108</u>
Change in Net Position	<u>\$ 3,710,290</u>	<u>\$ 2,489,200</u>	<u>\$ 2,036,568</u>	<u>\$ (452,632)</u>
Total Net Position - Beginning	15,784,219	15,784,219	15,784,219	
Prior Period Adjustment - OPEB	(52,686)	(52,686)	(52,686)	
Prior Period Adjustment - Pension Plan - TMRS	<u>(908,053)</u>	<u>(908,053)</u>	<u>(908,053)</u>	
Total Net Position - Ending	<u>\$ 18,533,770</u>	<u>\$ 17,312,680</u>	<u>\$ 16,860,048</u>	<u>\$ (452,632)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-19

AIRPORT/INDUSTRIAL PARK
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Commercial Rentals and Fees	\$ 1,125,612	\$ 1,155,112	\$ 1,172,073	\$ 16,961
Total Operating Revenues	<u>\$ 1,125,612</u>	<u>\$ 1,155,112</u>	<u>\$ 1,172,073</u>	<u>\$ 16,961</u>
OPERATING EXPENSES:				
Personnel Services	\$ 486,342	\$ 460,480	\$ 464,638	\$ (4,158)
Supplies and Materials	69,650	72,650	57,628	15,022
Contractual Services	264,500	167,484	134,031	33,453
Maintenance	342,200	387,640	208,085	179,555
Depreciation			1,017,031	(1,017,031)
Other	2,000	1	43,089	(43,088)
Total Operating Expenses	<u>\$ 1,164,692</u>	<u>\$ 1,088,255</u>	<u>\$ 1,924,502</u>	<u>\$ (836,247)</u>
Operating Income (Expense)	<u>\$ (39,080)</u>	<u>\$ 66,857</u>	<u>\$ (752,429)</u>	<u>\$ (819,286)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 800	\$ 2,900	\$ 3,539	\$ 639
Other	12,000	11,401	12,117	716
Interest Expense and Paying Agent Fees	(8,476)	(8,476)	(1,637)	6,839
Total Non-Operating Revenues	<u>\$ 4,324</u>	<u>\$ 5,825</u>	<u>\$ 14,019</u>	<u>\$ 8,194</u>
Income (Loss) Before Transfers	<u>\$ (34,756)</u>	<u>\$ 72,682</u>	<u>\$ (738,410)</u>	<u>\$ (811,092)</u>
Capital Contributions	796,445	797,346	784,295	(13,051)
Transfers Out	<u>(129,638)</u>	<u>(129,638)</u>	<u>(129,638)</u>	<u></u>
Change in Net Position	<u>\$ 632,051</u>	<u>\$ 740,390</u>	<u>\$ (83,753)</u>	<u>\$ (824,143)</u>
Total Net Position - Beginning	25,372,800	25,372,800	25,372,800	
Prior Period Adjustment - OPEB	(10,120)	(10,120)	(10,120)	
Prior Period Adjustment - Pension Plan - TMRS	<u>(154,185)</u>	<u>(154,185)</u>	<u>(154,185)</u>	<u></u>
Total Net Position - Ending	<u>\$ 25,840,546</u>	<u>\$ 25,948,885</u>	<u>\$ 25,124,742</u>	<u>\$ (824,143)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-20

EMERGENCY MEDICAL SERVICES FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Emergency Medical Services	\$ 1,277,800	\$ 1,268,300	\$ 1,488,687	\$ 220,387
Total Operating Revenues	<u>\$ 1,277,800</u>	<u>\$ 1,268,300</u>	<u>\$ 1,488,687</u>	<u>\$ 220,387</u>
OPERATING EXPENSES:				
Personnel Services	\$ 1,572,346	\$ 1,513,044	\$ 1,419,410	\$ 93,634
Supplies and Materials	144,900	129,689	127,065	2,624
Contractual Services	82,010	78,120	95,230	(17,110)
Maintenance	56,200	46,029	40,330	5,699
Depreciation			72,110	(72,110)
Other	600,000	600,000	505,682	94,318
Total Operating Expenses	<u>\$ 2,455,456</u>	<u>\$ 2,366,882</u>	<u>\$ 2,259,827</u>	<u>\$ 107,055</u>
Operating Loss	<u>\$ (1,177,656)</u>	<u>\$ (1,098,582)</u>	<u>\$ (771,140)</u>	<u>\$ 327,442</u>
NON-OPERATING REVENUES (EXPENSES):				
Intergovernmental Revenue	\$ 370,387	\$ 370,387	\$ 378,701	\$ 8,314
Other	3,640	3,640	1,560	(2,080)
Interest Expense and Paying Agent Fees	(66,831)	(84,059)	(4,077)	79,982
Total Non-Operating Revenues (Expenses)	<u>\$ 307,196</u>	<u>\$ 289,968</u>	<u>\$ 376,184</u>	<u>\$ 86,216</u>
Loss Before Transfers	<u>\$ (870,460)</u>	<u>\$ (808,614)</u>	<u>\$ (394,956)</u>	<u>\$ 413,658</u>
Transfers In	<u>826,460</u>	<u>826,460</u>	<u>826,460</u>	
Change in Net Position	<u>\$ (44,000)</u>	<u>\$ 17,846</u>	<u>\$ 431,504</u>	<u>\$ 413,658</u>
Total Net Position - Beginning	(1,539,728)	(1,539,728)	(1,539,728)	
Prior Period Adjustment - OPEB	(31,054)	(31,054)	(31,054)	
Prior Period Adjustment - Pension Plan - TMRS	<u>(532,771)</u>	<u>(532,771)</u>	<u>(532,771)</u>	
Total Net Position - Ending	<u>\$ (2,147,553)</u>	<u>\$ (2,085,707)</u>	<u>\$ (1,672,049)</u>	<u>\$ 413,658</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-21

MALONE & HOGAN CLINIC
PROPRIETARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Commercial Rentals and Fees	\$ 290,000	\$ 260,000	\$ 267,838	\$ 7,838
Total Operating Revenues	<u>\$ 290,000</u>	<u>\$ 260,000</u>	<u>\$ 267,838</u>	<u>\$ 7,838</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 24,500	\$ 27,800	\$ 28,066	\$ (266)
Contractual Services	172,200	180,305	176,515	3,790
Maintenance			73,994	(73,994)
Depreciation	45,000	57,000	54,621	2,379
Total Operating Expenses	<u>\$ 241,700</u>	<u>\$ 265,105</u>	<u>\$ 333,196</u>	<u>\$ (68,091)</u>
Operating Loss	<u>\$ 48,300</u>	<u>\$ (5,105)</u>	<u>\$ (65,358)</u>	<u>\$ (60,253)</u>
NON-OPERATING REVENUES (EXPENSES):				
Other	\$ 40	\$ 10	\$ (55)	\$ (65)
Total Non-Operating Revenues (Expenses)	<u>\$ 40</u>	<u>\$ 10</u>	<u>\$ (55)</u>	<u>\$ (65)</u>
Change in Net Position	\$ 48,340	\$ (5,095)	\$ (65,413)	\$ (60,318)
Total Net Position - Beginning	<u>1,541,423</u>	<u>1,541,423</u>	<u>1,541,423</u>	<u></u>
Total Net Position - Ending	<u>\$ 1,589,763</u>	<u>\$ 1,536,328</u>	<u>\$ 1,476,010</u>	<u>\$ (60,318)</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-22

LANDFILL FUND
 PROPRIETARY FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED SEPTEMBER 30, 2015

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES:				
Landfill Fees	\$ 1,532,500	\$ 1,558,500	\$ 1,621,385	\$ 62,885
Other Services	3,000	5,000	8,000	3,000
Total Operating Revenues	<u>\$ 1,535,500</u>	<u>\$ 1,563,500</u>	<u>\$ 1,629,385</u>	<u>\$ 65,885</u>
OPERATING EXPENSES:				
Personnel Services	\$ 394,909	\$ 348,586	\$ 456,841	\$ (108,255)
Supplies and Materials	75,145	51,874	58,855	(6,981)
Contractual Services	181,560	214,243	136,360	77,883
Maintenance	59,100	98,900	90,112	8,788
Depreciation			122,093	(122,093)
Other	150,000	150,000	90,028	59,972
Total Operating Expenses	<u>\$ 860,714</u>	<u>\$ 863,603</u>	<u>\$ 954,289</u>	<u>\$ (90,686)</u>
Operating Income	<u>\$ 674,786</u>	<u>\$ 699,897</u>	<u>\$ 675,096</u>	<u>\$ (24,801)</u>
NON-OPERATING REVENUES (EXPENSES):				
Intergovernmental Revenue	\$ 55,000	\$ 78,070	\$ 78,070	\$
Interest Revenue	1,800	2,700	2,963	263
Other			1,059	1,059
Interest Expense and Paying Agent Fees	(65,666)	(65,666)	(2,430)	63,236
Total Non-Operating Expenses	<u>\$ (8,866)</u>	<u>\$ 15,104</u>	<u>\$ 79,662</u>	<u>\$ 64,558</u>
Income Before Transfers	\$ 665,920	\$ 715,001	\$ 754,758	\$ 39,757
Capital Contributions	500,000	500,000	524,000	24,000
Transfers Out	<u>(129,412)</u>	<u>(129,412)</u>	<u>(152,520)</u>	<u>(23,108)</u>
Change in Net Position	\$ 1,036,508	\$ 1,085,589	\$ 1,126,238	\$ 40,649
Total Net Position - Beginning	4,376,899	4,376,899	4,376,899	
Prior Period Adjustment - OPEB	(5,857)	(5,857)	(5,857)	
Prior Period Adjustment - Pension Plan - TMRS	<u>(13,917)</u>	<u>(13,917)</u>	<u>(13,917)</u>	
Total Net Position - Ending	<u>\$ 5,393,633</u>	<u>\$ 5,442,714</u>	<u>\$ 5,483,363</u>	<u>\$ 40,649</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-23

SANITATION FUND
PROPRIETARY FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Sanitation Revenue	\$ 2,697,968	\$ 3,067,000	\$ 3,330,694	\$ 263,694
Other Services	5,000	47,500	49,995	2,495
Total Operating Revenues	<u>\$ 2,702,968</u>	<u>\$ 3,114,500</u>	<u>\$ 3,380,689</u>	<u>\$ 266,189</u>
OPERATING EXPENSES:				
Personnel Services	\$ 467,472	\$ 450,422	\$ 603,176	\$ (152,754)
Supplies and Materials	355,250	328,740	333,842	(5,102)
Contractual Services	959,830	994,203	1,038,142	(43,939)
Maintenance	293,650	304,350	325,263	(20,913)
Depreciation			226,509	(226,509)
Other	35,000	35,000	62,605	(27,605)
Total Operating Expenses	<u>\$ 2,111,202</u>	<u>\$ 2,112,715</u>	<u>\$ 2,589,537</u>	<u>\$ (476,822)</u>
Operating Income	<u>\$ 591,766</u>	<u>\$ 1,001,785</u>	<u>\$ 791,152</u>	<u>\$ (210,633)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$ 120	\$ 380	\$ 567	\$ 187
Other	450	800	894	94
Interest Expense and Paying Agent Fees	(255,803)	(289,241)	(14,787)	274,454
Total Non-Operating Expenses	<u>\$ (255,233)</u>	<u>\$ (288,061)</u>	<u>\$ (13,326)</u>	<u>\$ 274,735</u>
Income Before Transfers	\$ 336,533	\$ 713,724	\$ 777,826	\$ 64,102
Transfers Out	<u>\$ (167,249)</u>	<u>\$ (167,412)</u>	<u>\$ (172,987)</u>	<u>\$ (5,575)</u>
Change in Net Position	\$ 169,284	\$ 546,312	\$ 604,839	\$ 58,527
Total Net Position - Beginning	576,900	576,900	576,900	
Prior Period Adjustment - OPEB	(8,774)	(8,774)	(8,774)	
Prior Period Adjustment - Pension Plan - TMRS	<u>(4,173)</u>	<u>(4,173)</u>	<u>(4,173)</u>	
Total Net Position - Ending	<u>\$ 733,237</u>	<u>\$ 1,110,265</u>	<u>\$ 1,168,792</u>	<u>\$ 58,527</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-24

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2015

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Payroll Fund</u>	<u>Total Internal Service Funds (See Exhibit A-7)</u>
ASSETS:					
Current Assets					
Cash and Cash Equivalents	\$ 9,847	\$ 137,707	\$ 1,131,337	\$ 194,170	\$ 1,473,061
Due from Other Funds		60,063		1,123	61,186
Total Current Assets	<u>\$ 9,847</u>	<u>\$ 197,770</u>	<u>\$ 1,131,337</u>	<u>\$ 195,293</u>	<u>\$ 1,534,247</u>
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Machinery and Equipment	7,239				7,239
Total Noncurrent Assets	<u>\$ 17,239</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 17,239</u>
Total Assets	<u>\$ 27,086</u>	<u>\$ 197,770</u>	<u>\$ 1,131,337</u>	<u>\$ 195,293</u>	<u>\$ 1,551,486</u>
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 2,172	\$	\$ 38,919	\$ 80,945	\$ 122,036
Claims and Judgments Payable		76,742	405,269		482,011
Due to Other Funds	176	3,156	1,022	114,348	118,702
Long Term Debt - Current	1,347				1,347
Total Current Liabilities	<u>\$ 3,695</u>	<u>\$ 79,898</u>	<u>\$ 445,210</u>	<u>\$ 195,293</u>	<u>\$ 724,096</u>
Noncurrent Liabilities					
Long Term Debt	\$ 7,630	\$	\$	\$	\$ 7,630
Total Noncurrent Liabilities	<u>\$ 7,630</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,630</u>
Total Liabilities	<u>\$ 11,325</u>	<u>\$ 79,898</u>	<u>\$ 445,210</u>	<u>\$ 195,293</u>	<u>\$ 731,726</u>
NET POSITION:					
Net Investment in Capital Assets	\$ 8,262	\$	\$	\$	\$ 8,262
Unrestricted Net Position	7,499	117,872	686,127		811,498
Total Net Position	<u>\$ 15,761</u>	<u>\$ 117,872</u>	<u>\$ 686,127</u>	<u>\$ 0</u>	<u>\$ 819,760</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, 2015

	<u>Garage</u>	<u>Health Insurance</u>	<u>Occupational Accident Insurance</u>	<u>Total Internal Service Funds (See Exhibit A-8)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 84,164	\$ 2,080,023	\$ 340,000	\$ 2,504,187
Total Operating Revenues	<u>\$ 84,164</u>	<u>\$ 2,080,023</u>	<u>\$ 340,000</u>	<u>\$ 2,504,187</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 4,517	\$	\$	\$ 4,517
Contractual Services	10,318	2,221,874	271,792	2,503,984
Maintenance	16,114			16,114
Depreciation	7,951			7,951
Other		446,781	23,189	469,970
Total Operating Expenses	<u>\$ 38,900</u>	<u>\$ 2,668,655</u>	<u>\$ 294,981</u>	<u>\$ 3,002,536</u>
Operating Income (Loss)	<u>\$ 45,264</u>	<u>\$ (588,632)</u>	<u>\$ 45,019</u>	<u>\$ (498,349)</u>
NON-OPERATING REVENUES (EXPENSES):				
Interest Revenue	\$	\$ 286	\$ 770	\$ 1,056
Other Income	15,781	276,083		291,864
Interest Expense and Paying Agent Fees	(460)			(460)
Total Non-Operating Revenues (Expenses)	<u>\$ 15,321</u>	<u>\$ 276,369</u>	<u>\$ 770</u>	<u>\$ 292,460</u>
Income (Loss) Before Transfers	\$ 60,585	\$ (312,263)	\$ 45,789	\$ (205,889)
Transfers In (Out)	<u>5,575</u>	<u>(35,994)</u>	<u>(4,790)</u>	<u>(35,209)</u>
Change in Net Position	\$ 66,160	\$ (348,257)	\$ 40,999	\$ (241,098)
Total Net Position - Beginning	<u>(50,399)</u>	<u>466,129</u>	<u>645,128</u>	<u>1,060,858</u>
Total Net Position - Ending	<u>\$ 15,761</u>	<u>\$ 117,872</u>	<u>\$ 686,127</u>	<u>\$ 819,760</u>

CITY OF BIG SPRING, TEXAS

EXHIBIT C-27

**GARAGE FUND
INTERNAL SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$	\$	\$ 84,164	\$ 84,164
Total Operating Revenues	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 84,164</u>	<u>\$ 84,164</u>
OPERATING EXPENSES:				
Supplies and Materials	\$ 8,900	\$ 6,335	\$ 4,517	\$ (1,818)
Contractual Services	11,675	10,661	10,318	(343)
Maintenance	8,500	15,400	16,114	714
Depreciation			7,951	7,951
Total Operating Expenses	<u>\$ 29,075</u>	<u>\$ 32,396</u>	<u>\$ 38,900</u>	<u>\$ 6,504</u>
Operating Loss	<u>\$ (29,075)</u>	<u>\$ (32,396)</u>	<u>\$ 45,264</u>	<u>\$ 77,660</u>
NON-OPERATING REVENUES (EXPENSES):				
Other Income	\$	\$ 15,781	\$ 15,781	\$
Interest Expense and Paying Agent Fees	<u>(5,399)</u>	<u>(14,308)</u>	<u>(460)</u>	<u>13,848</u>
Total Non-Operating Expenses	<u>\$ (5,399)</u>	<u>\$ 1,473</u>	<u>\$ 15,321</u>	<u>\$ 13,848</u>
Income Before Transfers	\$ (34,474)	\$ (30,923)	\$ 60,585	\$ 91,508
Transfers In	<u>35,000</u>		<u>5,575</u>	<u>5,575</u>
Change in Net Position	\$ 526	\$ (30,923)	\$ 66,160	\$ 97,083
Total Net Position - Beginning	<u>(50,399)</u>	<u>(50,399)</u>	<u>(50,399)</u>	
Total Net Position - Ending	<u>\$ (49,873)</u>	<u>\$ (81,322)</u>	<u>\$ 15,761</u>	<u>\$ 97,083</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, 2015**

	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	\$ 84,164	\$ 2,080,023	\$ 340,000	\$	\$ 2,504,187
Cash Payments to Suppliers for Goods and Services	(78,875)	(2,691,295)	(264,471)	74,126	(2,960,515)
Net Cash Provided by (Used in) Operating Activities	\$ 5,289	\$ (611,272)	\$ 75,529	\$ 74,126	\$ (456,328)
Cash Flows from Non-Capital Financing Activities:					
Cash Transfers	\$ (5,888)	\$ (35,994)	\$ (4,790)	\$	\$ (46,672)
Various Reimbursements	15,781	276,083			291,864
Net Cash Provided by (Used in) Non-Capital Financing Activities	\$ 9,893	\$ 240,089	\$ (4,790)	\$ 0	\$ 245,192
Cash Flows from Capital and Related Financing Activities					
Principal and Interest Paid	\$ (5,399)	\$	\$	\$	\$ (5,399)
Net Cash Used in Capital and Related Financing Activities	\$ (5,399)	\$ 0	\$ 0	\$ 0	\$ (5,399)
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$	\$ 286	\$ 770	\$	\$ 1,056
Net Cash Provided by Investing Activities	\$ 0	\$ 286	\$ 770	\$ 0	\$ 1,056
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 9,783	\$ (370,897)	\$ 71,509	\$ 74,126	\$ (215,479)
Cash and Cash Equivalents at Beginning of Year	64	508,604	1,059,828	120,044	1,688,540
Cash and Cash Equivalents at End of Year	\$ 9,847	\$ 137,707	\$ 1,131,337	\$ 194,170	\$ 1,473,061
Reconciliation of Operating Income to Net Cash Provided by Operating Activities					
Operating Income (Loss)	\$ 45,264	\$ (588,632)	\$ 45,019	\$ 0	\$ (498,349)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation	\$ 7,951	\$	\$	\$	\$ 7,951
Change in Assets and Liabilities					
Decrease (Increase) in Interfund Receivables		(56,035)		4	(56,031)
Increase (Decrease) in Accounts Payable	(926)	33,395	30,323	(35,672)	27,120
Increase (Decrease) in Interfund Payables	(47,000)		187	109,794	62,981
Total Adjustments	\$ (39,975)	\$ (22,640)	\$ 30,510	\$ 74,126	\$ 42,021
Net Cash Provided by (Used in) Operating Activities	\$ 5,289	\$ (611,272)	\$ 75,529	\$ 74,126	\$ (456,328)

CITY OF BIG SPRING, TEXAS

EXHIBIT C-28

HEALTH INSURANCE FUND
INTERNAL SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2015

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES:				
Billings to Departments and Employees	\$ 2,082,400	\$ 2,215,800	\$ 2,080,023	\$ (135,777)
Total Operating Revenues	<u>\$ 2,082,400</u>	<u>\$ 2,215,800</u>	<u>\$ 2,080,023</u>	<u>\$ (135,777)</u>
OPERATING EXPENSES:				
Contractual Services	\$ 1,660,000	\$ 1,810,000	\$ 2,221,874	\$ (411,874)
Other	335,000	372,909	446,781	(73,872)
Total Operating Expenses	<u>\$ 1,995,000</u>	<u>\$ 2,182,909</u>	<u>\$ 2,668,655</u>	<u>\$ (485,746)</u>
Operating Loss	<u>\$ 87,400</u>	<u>\$ 32,891</u>	<u>\$ (588,632)</u>	<u>\$ (621,523)</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 2,000	\$ 350	\$ 286	\$ (64)
Other Income	<u> </u>	<u>141,810</u>	<u>276,083</u>	<u>134,273</u>
Total Non-Operating Revenues	<u>\$ 2,000</u>	<u>\$ 142,160</u>	<u>\$ 276,369</u>	<u>\$ 134,209</u>
Loss Before Transfers	\$ 89,400	\$ 175,051	\$ (312,263)	\$ (487,314)
Transfers In/(Out)	<u>(35,994)</u>	<u>(35,994)</u>	<u>(35,994)</u>	<u> </u>
Change in Net Position	\$ 53,406	\$ 139,057	\$ (348,257)	\$ (487,314)
Total Net Position - Beginning	<u>466,129</u>	<u>466,129</u>	<u>466,129</u>	<u> </u>
Total Net Position - Ending	<u>\$ 519,535</u>	<u>\$ 605,186</u>	<u>\$ 117,872</u>	<u>\$ (487,314)</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, 2015

	<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	\$
Total Operating Revenues	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 340,000</u>	<u>\$ 0</u>
OPERATING EXPENSES:				
Contractual Services	\$ 145,000	\$ 145,000	\$ 271,792	\$ (126,792)
Other	25,000	23,189	23,189	0
Total Operating Expenses	<u>\$ 170,000</u>	<u>\$ 168,189</u>	<u>\$ 294,981</u>	<u>\$ (126,792)</u>
Operating Income	<u>\$ 170,000</u>	<u>\$ 171,811</u>	<u>\$ 45,019</u>	<u>\$ (126,792)</u>
NON-OPERATING REVENUES :				
Interest Revenue	\$ 2,500	\$ 800	\$ 770	\$ (30)
Total Non-Operating Revenues	<u>\$ 2,500</u>	<u>\$ 800</u>	<u>\$ 770</u>	<u>\$ (30)</u>
Income Before Transfers	\$ 172,500	\$ 172,611	\$ 45,789	\$ (126,822)
Transfers Out	<u>(3,850)</u>	<u>(4,790)</u>	<u>(4,790)</u>	
Change in Net Position	\$ 168,650	\$ 167,821	\$ 40,999	\$ (126,822)
Total Net Position - Beginning	<u>645,128</u>	<u>645,128</u>	<u>645,128</u>	
Total Net Position - Ending	<u>\$ 813,778</u>	<u>\$ 812,949</u>	<u>\$ 686,127</u>	<u>\$ (126,822)</u>

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**STATISTICAL SECTION
(Unaudited)**

STATISTICAL SECTION

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

CONTENTS

Financial Trends	Pages
This segment contains information to help the reader understand how the City's financial performance and well-being have changed over time.	105-109
Revenue Capacity	
This segment contains information to help the reader assess the City's most significant local revenue sources which are sales tax followed closely by property tax.	110-115
Debt Capacity	
This segment contains information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	116-119
Economic and Demographic Information	
This segment contains demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	120-121
Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	122-124

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 2,827,225
Public Safety	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	9,793,329
Highways and Streets	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	2,752,555
Sanitation	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	82,963	85,350	367,619	498,303	518,615	541,643	488,382	544,265	445,156	388,350
Recreation and Parks	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	2,885,114
Cemetery	141,936	143,459	149,141	190,062	146,107	138,837	136,214	197,462	178,970	112,931
Economic Development	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	1,885,570
Interest on Long-Term Debt	75,692	505,857	796,014	771,681	814,498	864,355	820,539	775,200	731,792	721,634
Total Governmental Activities Expenses	\$ 74,287,897	\$ 42,689,426	\$ 17,517,942	\$ 19,183,509	\$ 19,757,451	\$ 20,997,076	\$ 22,592,588	\$ 23,290,757	\$ 20,849,255	\$ 21,366,708
Business-Type Activities										
Water and Sewer	\$ 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	\$ 11,630,379
Airport/Industrial Park	1,950,574	1,787,590	1,473,504	1,536,701	1,516,681	1,713,690		1,865,245	1,871,990	1,926,139
Emergency Medical Services	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	2,263,904
Landfill									786,699	956,719
Sanitation									2,375,412	2,604,324
Malone & Hogan Clinic								196,300	304,504	333,196
Total Business-Type Activities Expenses	\$ 12,414,142	\$ 12,061,409	\$ 12,654,356	\$ 13,488,386	\$ 14,552,473	\$ 14,292,672	\$ 14,296,266	\$ 15,413,828	\$ 18,794,674	\$ 19,714,661
Total Primary Government Expenses	\$ 86,702,039	\$ 54,750,835	\$ 30,172,298	\$ 32,671,895	\$ 34,309,924	\$ 35,289,748	\$ 36,888,854	\$ 38,704,585	\$ 39,643,929	\$ 41,081,369
Program Revenues										
Governmental Activities										
Charges for Services										
Public Safety	\$ 56,146,480	\$ 27,965,372	\$	\$	\$	\$	\$	\$	\$	\$ 383,893
Sanitation	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	306,525	91,453	95,691	53,727	50,740	37,848	40,464	26,867	25,095	20,015
Recreation and Parks	202,275	218,268	364,201	421,657	407,605	731,107	850,840	977,787	934,612	896,820
Cemetery										97,334
General Government	50,849	50,173	318,536	194,274	223,348	238,024	233,895	287,084	381,874	321,863
Operating Grants and Contributions	390,121	140,642	442,151	257,142	227,973	241,571	200,736	280,323	263,453	161,905
Capital Grants and Contributions		37,364	16,207	52,370	135,368	99,993				
Total Governmental Activities Program Revenues	\$ 59,338,009	\$ 30,787,967	\$ 3,644,967	\$ 3,768,696	\$ 3,780,464	\$ 4,209,219	\$ 4,239,956	\$ 4,477,207	\$ 1,605,034	\$ 1,881,830
Business-Type Activities										
Charges for Services										
Water and Sewer	\$ 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	\$ 12,818,098
Airport/Industrial Park	687,081	722,052	834,312	806,400	847,816	864,539	942,427	1,134,065	1,099,100	1,172,073
Emergency Medical Services	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	1,488,687
Landfill									1,437,172	1,629,385
Sanitation									2,653,868	3,380,689
Malone & Hogan Clinic								198,983	289,171	267,838
Operating Grants and Contributions				203,042	163,875	181,052	156,348	173,337	966,157	456,771
Capital Grants and Contributions				4,584,321			1,243,346	2,304,000	2,612,347	2,569,184
Total Business-Type Activities Program Revenues	\$ 10,972,009	\$ 10,338,950	\$ 11,498,046	\$ 16,996,710	\$ 12,462,192	\$ 13,178,084	\$ 16,582,035	\$ 17,678,822	\$ 22,271,154	\$ 23,782,725
Total Primary Government Program Revenues	\$ 70,310,018	\$ 41,126,917	\$ 15,143,013	\$ 20,765,406	\$ 16,242,656	\$ 17,387,303	\$ 20,821,991	\$ 22,156,029	\$ 23,876,188	\$ 25,664,555
Net (Expense) Revenue										
Governmental Activities	\$ (14,949,888)	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (19,484,878)
Business-Type Activities	(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	4,068,064
Total Primary Government Net Expense	\$ (16,392,021)	\$ (13,623,918)	\$ (15,029,285)	\$ (11,906,489)	\$ (18,067,268)	\$ (17,902,445)	\$ (16,066,863)	\$ (16,548,556)	\$ (15,767,741)	\$ (15,416,814)

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2012	2014	2015
Net (Expense) Revenue										
Governmental Activities	\$ (14,949,888)	\$ (11,901,459)	\$ (13,872,975)	\$ (15,414,813)	\$ (15,976,987)	\$ (16,787,857)	\$ (18,352,632)	\$ (18,813,550)	\$ (19,244,221)	\$ (19,484,878)
Business-Type Activities	<u>(1,442,133)</u>	<u>(1,722,459)</u>	<u>(1,156,310)</u>	<u>3,508,324</u>	<u>(2,090,281)</u>	<u>(1,114,588)</u>	<u>2,285,769</u>	<u>2,264,994</u>	<u>3,476,480</u>	<u>4,068,064</u>
Total Primary Government Net Expense	<u>\$ (16,392,021)</u>	<u>\$ (13,623,918)</u>	<u>\$ (15,029,285)</u>	<u>\$ (11,906,489)</u>	<u>\$ (18,067,268)</u>	<u>\$ (17,902,445)</u>	<u>\$ (16,066,863)</u>	<u>\$ (16,548,556)</u>	<u>\$ (15,767,741)</u>	<u>\$ (15,416,814)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities										
Taxes										
Property Taxes	\$ 3,075,336	\$ 3,252,311	\$ 5,068,566	\$ 5,400,654	\$ 5,558,497	\$ 5,542,990	\$ 5,261,553	\$ 5,161,268	\$ 5,566,502	\$ 6,171,558
Sales Taxes	4,969,337	5,369,792	6,047,491	5,778,812	5,734,386	6,479,539	7,721,480	8,915,307	6,347,971	7,652,209
Gross Receipts Taxes	1,864,360	1,477,481	1,522,960	1,414,058	1,428,017	1,468,738	1,530,152	1,553,002	1,631,818	1,586,587
Motel Occupancy Taxes	369,762	478,512	694,339	505,456	499,279	732,252	1,145,353	1,339,310	1,512,024	1,413,372
Unrestricted Grants and Contributions	1,769,263	942,137	1,053,729	1,182,689	1,126,704	1,144,321	1,077,560	992,900	1,200,350	964,370
Investment Earnings	390,416	1,023,253	844,532	186,464	71,567	51,606	38,154	33,510	17,681	16,837
Miscellaneous	1,017,673	1,236,171	1,364,251	1,450,330	1,265,495	1,383,766	1,469,698	1,284,148	1,805,292	1,001,897
Transfers	<u>(250,000)</u>	<u>570,670</u>	<u>(296,038)</u>	<u>(215,821)</u>	<u>687,099</u>	<u>593,937</u>	<u>(1,447,344)</u>	<u>598,536</u>	<u>301,970</u>	<u>169,605</u>
Total Governmental Activities	<u>\$ 13,206,147</u>	<u>\$ 14,350,327</u>	<u>\$ 16,299,830</u>	<u>\$ 15,702,642</u>	<u>\$ 16,371,044</u>	<u>\$ 17,397,149</u>	<u>\$ 16,796,606</u>	<u>\$ 19,877,981</u>	<u>\$ 18,383,608</u>	<u>\$ 18,976,435</u>
Business-Type Activities										
Unrestricted Grants and Contributions	\$ 208,557	\$ 217,009	\$ 1,036,216	\$	\$	\$	\$	\$	\$	\$
Investment Earnings	142,904	276,256	106,972	20,005	1,646	1,252	2,374	12,897	7,819	12,614
Other	15,865	450	3,711	6,737	24,814	20,272	24,989	(5,816)	2,081,058	138,910
Transfers	<u>250,000</u>	<u>(570,670)</u>	<u>296,038</u>	<u>215,821</u>	<u>(687,099)</u>	<u>(593,937)</u>	<u>1,447,344</u>	<u>(598,536)</u>	<u>(301,970)</u>	<u>(169,605)</u>
Total Business-Type Activities	<u>\$ 617,326</u>	<u>\$ (76,955)</u>	<u>\$ 1,442,937</u>	<u>\$ 242,563</u>	<u>\$ (660,639)</u>	<u>\$ (572,413)</u>	<u>\$ 1,474,707</u>	<u>\$ (591,455)</u>	<u>\$ 1,786,907</u>	<u>\$ (18,081)</u>
Total Primary Government	<u>\$ 13,823,473</u>	<u>\$ 14,273,372</u>	<u>\$ 17,742,767</u>	<u>\$ 15,945,205</u>	<u>\$ 15,710,405</u>	<u>\$ 16,824,736</u>	<u>\$ 18,271,313</u>	<u>\$ 19,286,526</u>	<u>\$ 20,170,515</u>	<u>\$ 18,958,354</u>
Change in Net Position										
Governmental Activities	\$ (1,743,741)	\$ 2,448,868	\$ 2,426,855	\$ 287,829	\$ 394,057	\$ 609,292	\$ (1,556,026)	\$ 1,064,431	\$ (860,613)	\$ (508,443)
Business-Type Activities	<u>(824,807)</u>	<u>(1,799,414)</u>	<u>286,627</u>	<u>3,750,887</u>	<u>(2,750,920)</u>	<u>(1,687,001)</u>	<u>3,760,476</u>	<u>1,673,539</u>	<u>5,263,387</u>	<u>4,049,983</u>
Total Primary Government	<u>\$ (2,568,548)</u>	<u>\$ 649,454</u>	<u>\$ 2,713,482</u>	<u>\$ 4,038,716</u>	<u>\$ (2,356,863)</u>	<u>\$ (1,077,709)</u>	<u>\$ 2,204,450</u>	<u>\$ 2,737,970</u>	<u>\$ 4,402,774</u>	<u>\$ 3,541,540</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				
	2006	2007	2008	2009	2010
General Fund					
Reserved	\$ 24,307	\$ 21,675	\$ 12,770	\$ 17,894	\$ 8,818
Unreserved	<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>\$ 6,380,503</u>	<u>\$ 6,448,145</u>	<u>\$ 7,776,961</u>	<u>\$ 8,625,880</u>	<u>\$ 7,322,917</u>
All Other Governmental Funds					
Reserved for Cemetery Care	\$ 351,511	\$ 351,511	\$ 351,511	\$ 351,511	\$ 351,511
Reserved for Debit Service Funds	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	2,649,383	2,815,706	3,137,862	3,045,361	1,717,260
Capital Projects Funds	<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>\$ 4,662,313</u>	<u>\$ 20,031,197</u>	<u>\$ 17,718,666</u>	<u>\$ 8,069,163</u>	<u>\$ 9,708,639</u>
Post-GASB 54					
	Fiscal Year				
	2011	2012	2013	2014	2015
General Fund					
Nonspendable	\$ 30,344	\$ 40,815	\$ 48,631	\$ 24,125	\$ 23,737
Restricted					19,248
Committed	2,759,003	3,004,648	3,254,712		
Unassigned	<u>5,553,475</u>	<u>6,899,206</u>	<u>7,455,110</u>	<u>6,043,847</u>	<u>6,094,440</u>
Total General Fund	<u>\$ 8,342,822</u>	<u>\$ 9,944,669</u>	<u>\$ 10,758,453</u>	<u>\$ 6,067,972</u>	<u>\$ 6,137,425</u>
All Other Governmental Funds					
Nonspendable	\$ 353,324	\$ 353,370	\$ 351,511	\$ 351,519	\$ 351,519
Restricted	5,466,336	2,425,192	2,957,202	2,992,841	2,994,729
Committed	<u>591,464</u>	<u>322,535</u>	<u>184,558</u>	<u>880,997</u>	<u>423,555</u>
Total All Other Governmental Funds	<u>\$ 6,411,124</u>	<u>\$ 3,101,097</u>	<u>\$ 3,493,271</u>	<u>\$ 4,225,357</u>	<u>\$ 3,769,803</u>

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Taxes	\$ 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	\$ 16,798,695
Licenses, Fees, and Permits	204,021	220,018	311,572	186,062	213,509	229,314	225,050	279,026	373,964	314,981
Fines and Penalties	258,458	295,996	317,535	361,425	451,300	464,054	485,534	402,604	402,282	352,406
Charges for Services	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	39,343
Recreation			364,201	421,657	407,605	731,107	850,840	977,787	934,612	896,820
Intergovernmental	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	1,107,031
Investment Earnings	390,416	1,023,253	844,532	186,464	71,567	49,298	35,385	28,833	14,382	15,781
Other Revenues	888,283	804,341	783,474	683,754	682,384	761,982	743,179	897,198	1,274,850	845,652
Total Revenues	\$ 72,816,474	\$ 44,569,257	\$ 20,315,379	\$ 19,658,689	\$ 19,523,953	\$ 21,030,788	\$ 22,512,177	\$ 24,045,848	\$ 19,524,448	\$ 20,370,709
Expenditures										
General Government	\$ 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	\$ 2,742,772
Public Safety	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	10,727,744
Highways and Streets	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	1,986,967
Sanitation	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	82,963	85,350	409,001	489,450	528,189	529,711	476,450	534,888	440,099	399,761
Recreation and Parks	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	1,823,242
Economic Development	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	1,706,224
Cemetery	141,936	139,369	166,209	215,888	125,424	116,176	115,531	195,940	189,728	97,332
Capital Outlay										
Debt Service										
Interest and Fees	74,755	189,148	1,058,840	774,219	750,003	908,500	816,451	777,180	734,474	698,954
Principal	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	1,498,335
Total Expenditures	\$ 72,629,140	\$ 45,155,975	\$ 21,931,278	\$ 28,821,977	\$ 24,951,158	\$ 23,938,347	\$ 23,666,590	\$ 24,478,838	\$ 19,991,198	\$ 21,681,331
Excess of Revenues										
Under Expenditures	\$ 187,334	\$ (586,718)	\$ (1,615,899)	\$ (9,163,288)	\$ (5,427,205)	\$ (2,907,559)	\$ (1,154,413)	\$ (432,990)	\$ (466,750)	\$ (1,310,622)
Other Financing Sources (Uses)										
Capital Leases	\$ 2,466,226	\$ 707,574	\$ 928,222	\$ 578,525	\$ 955,949	\$	\$ 862,139	\$ 1,243,129	\$ 693,436	\$ 719,707
Issuance of Debt		14,745,000			4,120,670					
Transfers In (Out)	(250,000)	570,670	(296,038)	(215,821)	687,099	629,949	(1,415,906)	406,819	340,399	204,814
Total Other Financing Sources	\$ 2,216,226	\$ 16,023,244	\$ 632,184	\$ 362,704	\$ 5,763,718	\$ 629,949	\$ (553,767)	\$ 1,649,948	\$ 1,033,835	\$ 924,521
Net Change in Fund Balances	\$ 2,403,560	\$ 15,436,526	\$ (983,715)	\$ (8,800,584)	\$ 336,513	\$ (2,277,610)	\$ (1,708,180)	\$ 1,216,958	\$ 567,085	\$ (386,101)
Debt Service as a Percentage of										
Noncapital Expenditures	1.1%	2.4%	11.8%	12.0%	10.8%	11.6%	10.4%	10.8%	11.2%	11.1%
 Capital Outlay	 776,366	 2,709,518	 3,986,263	 9,778,973	 5,423,093	 3,687,953	 1,287,045	 2,798,369	 889,527	 1,824,349

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>
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
2015	6,146,527	7,652,209	1,586,587	1,413,372	16,798,695
Percent Change 2011 - 2015	10.8%	57.5%	8.0%	93.0%	

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>
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%
2014-15	1.50%	0.50%	2.00%	6.25%	8.25%

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CITY OF BIG SPRING, TEXAS

TABLE E-8

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

Fiscal Year	Real Property		Personal Property		All Property		Total Direct Tax Rate	Value as a Percentage of Actual Taxable Value
	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value	Assessed Value	Estimated Actual Value		
2006	\$ 363,664,736	\$ 363,664,736	\$ 55,909,450	\$ 55,909,450	\$ 419,574,186	\$ 413,485,630	0.7163	100.00%
2007	319,327,683	319,327,683	125,210,676	125,210,676	444,538,359	419,574,186	0.7163	100.00%
2008	350,680,525	350,680,525	131,006,987	131,006,987	481,687,512	444,538,359	1.0228	100.00%
2009	456,352,869	456,352,869	67,359,290	67,359,290	523,712,159	481,687,512	1.0132	100.00%
2010	480,480,335	480,480,335	59,928,374	59,928,374	540,408,709	523,712,159	0.9995	100.00%
2011	486,149,592	486,149,592	59,926,475	59,926,475	546,076,067	546,076,067	0.9495	100.00%
2012	485,739,452	485,739,452	61,267,318	61,267,318	547,006,770	547,006,770	0.8650	100.00%
2013	515,418,056	515,418,056	59,925,347	59,925,347	575,343,403	575,343,403	0.8566	100.00%
2014	593,152,094	593,152,094	60,893,323	60,893,323	654,045,417	654,045,417	0.8566	100.00%
2015	670,060,823	670,060,823	59,789,702	59,789,702	729,850,525	729,850,525	0.8566	100.00%

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	2015			2006		
	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	2.59%	\$ 22,789,860	1	5.43%
Scenic Mountain Medical Center	13,121,370	2	1.80%	10,403,246	2	2.48%
Kerr Management Inc.	10,128,329	3	1.39%			
Oncor Electric Delivery	9,704,710	4	1.33%			
Payal Hotel Enterprises Inc.	8,580,383	5	1.18%			
BRP Leasing LLC	7,867,690	6	1.08%			
Wal-Mart Real Estate	7,004,984	7	0.96%	6,370,000	5	1.52%
Wal-Mart Stores Texas LP	6,722,298	8	0.92%	5,764,690	6	1.37%
John Crane Production Sol Inc.	6,639,960	9	0.91%			
La Quinta Inn & Suites	6,499,576	10	0.89%			
TXU Electric Delivery Co				9,550,440	3	2.28%
Southwestern Bell Telephone LP				6,716,060	4	1.60%
General Electric Capital				4,013,540	7	0.96%
Scenic Mountain Med Ctr. Clinic				3,905,277	8	0.93%
Fifth Third Leasing Co.				3,816,730	9	0.91%
Cox Com., Inc.				3,635,450	10	0.87%
Total	\$ <u>95,181,250</u>		<u>13.04%</u>	\$ <u>76,965,293</u>		<u>18.34%</u>

Source: Texas State Comptroller

CITY OF BIG SPRING, TEXAS

TABLE E-10

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2006	\$ 3,005,417	\$ 2,815,327	93.68%	\$ 182,443	\$ 2,997,770	99.75%
2007	3,186,071	2,876,799	90.29%	302,041	3,178,840	99.77%
2008	4,932,103	4,772,535	96.76%	146,182	4,918,717	99.73%
2009	5,319,488	5,124,334	96.33%	179,532	5,303,866	99.71%
2010	5,481,753	5,275,275	96.23%	176,898	5,452,173	99.46%
2011	5,461,889	5,271,162	96.51%	167,380	5,438,542	99.57%
2012	5,198,600	5,013,337	96.44%	154,662	5,167,999	99.41%
2013	4,983,657	4,903,121	98.38%	33,849	4,936,970	99.06%
2014	5,602,553	5,261,038	93.90%	224,614	5,485,652	97.91%
2015	6,251,900	5,936,236	94.95%	102,916	6,039,153	96.60%

Source: Howard County Assessor-Collector

CITY OF BIG SPRING, TEXAS

TABLE E-11

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

Taxpayer	2015			2006		
	Tax Liability	Rank	Percentage of Total	Tax Liability	Rank	Percentage of Total
Limited Service Restaurants	\$ 485,452	1	7.76%	\$ 180,289	2	
Gasoline Stations with Convenience Stores	398,380	2	6.37%	156,749	4	4.92%
Support Activities for Oil and Gas Operations	312,629	3	5.00%			
Industrial Machinery and Equip Merchant Wholesalers	299,292	4	4.79%			
All Other Miscellaneous MFG	296,887	5	4.75%	144,422	5	4.54%
Electric Power Distribution	240,044	7	3.84%	104,077	10	3.27%
Supermarkets and Other Grocery (Except Convenience St)	219,612	6	3.51%	186,184	1	5.85%
Wireless Telecommunications Carriers (Except Satellite)	200,920	8	3.21%	132,707	6	4.17%
Wired Telecommunications Carriers	182,109	9	2.91%	72,941	12	2.29%
Gasoline Service Stations	168,684	10	2.70%	120,744	8	3.79%
Full Service Restaurants	168,646	11	2.70%	127,616	7	4.01%
Other Building Material Dealers	155,953	12	2.49%	80,625	11	2.53%
Miscellaneous Retailers				111,217	9	3.49%
Eating Places				163,844	3	5.15%
Total	\$ <u>3,128,608</u>		<u>50.04%</u>	\$ <u>1,581,415</u>		<u>44.00%</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			
2015	\$ 10,190,000	\$ 3,775,000	\$ 1,966,093	\$ 991,876	\$	\$ 10,865,000	\$ 1,401,187	\$ 1,673,111	\$ 30,832,267	2.72%	989
2014	10,825,000	3,965,000	1,418,435	1,134,719		11,611,820	1,282,096	1,914,055	32,151,122	2.71%	1,057
2013	11,430,000	4,150,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2012	12,015,000	4,335,000	1,493,345	1,403,396	1,045,000	12,255,000	264,057	2,367,264	35,178,062	3.63%	1,151
2011	12,575,000	4,515,000	1,259,896	1,529,683	1,555,000	555,000	314,117	2,580,293	24,883,989	2.91%	799
2010	13,115,000	4,625,000	1,934,431	1,650,895	2,000,000	580,000	486,063	2,784,755	27,176,144	3.66%	1,075
2009	13,635,000	440,000	1,573,741	1,767,233	2,450,000	605,000	568,551	2,980,993	24,020,518	3.37%	952
2008	14,335,000	455,000	1,711,579	1,861,886	2,885,000	630,000	295,732	3,169,341	20,828,304	3.77%	1,005
2007	14,725,000	460,000	1,364,927		3,305,000	640,000	333,377		5,889,843	3.46%	825
2006	665,000		1,211,763		3,705,000		308,080		6,758,654	1.01%	233

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>
2011	\$ 19,200,000	\$ 327,764	\$ 18,872,236	3.49%	\$ 748
2012	29,650,000	235,261	29,414,739	5.38%	1,166
2013	27,900,000	563,025	27,336,975	4.75%	1,002
2014	26,115,000	424,448	25,690,552	4.47%	942
2015	24,800,000	521,309	24,278,691	3.71%	863

(1) This is the general bonded debt of both governmental and business-type activities, net of original issuance discounts and premiums
(2) This is the amount restricted for debt service principal payment.

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*	\$ 58,380,000	*	42.79%	\$ 24,980,802
Forsan Independent School District*	21,805,000	*	0.52%	113,386
Coahoma Independent School District*	12,524,997	*	0.27%	33,817
Howard County*	9,830,000	*	20.12%	1,977,796
Howard College*	15,680,000	*	20.12%	3,154,816
Subtotal, Overlapping Debt				<u>\$ 30,260,617</u>
City of Big Spring Direct Debt	\$ 16,922,969		100%	<u>\$ 16,922,969</u>
Total Direct and Overlapping Debt				<u><u>\$ 47,183,586</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

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 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	\$ 10,947,758
Total Net Debt Applicable to Limit	(219,538)	(146,016)	(144,137)	(435,167)	(290,975)	(355,151)	(227,024)	(306,144)	(358,296)	(285,314)
Legal Debt Margin	<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>	<u>\$ 10,662,444</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	3.49%	2.19%	1.99%	5.54%	3.59%	4.34%	2.77%	3.55%	3.65%	2.61%

Legal Debt Margin Calculation for the Current Fiscal Year

Assessed Value	\$ 729,850,525
Debt Limit (1.5% Assessed Value)	\$ 10,947,758
Assessed Value	
Debt Applicable to Limit:	
General Obligation Bonds	\$ 806,622
Less: Amount Set Aside for Repayment	<u>(521,309)</u>
Net Debt Applicable to Limit	<u>\$ 285,314</u>
Legal Debt Margin	\$ 10,662,444

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CITY OF BIG SPRING, TEXAS

TABLE E-16

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

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Population (1)	25,233	25,233	25,233	25,233	27,282	27,282	27,282	27,282	28,125	28,472
Total Personal Income	\$ 585,052,338	\$ 602,008,914	\$ 673,579,236	\$ 713,135,046	\$ 742,607,190	\$ 854,990,598	\$ 867,049,242	\$ 989,981,934	\$ 1,063,012,500	\$ 1,033,903,736
Per Capita Personal Income (1)	\$ 23,186	\$ 23,858	\$ 26,692	\$ 28,262	\$ 29,430	\$ 31,339	\$ 31,781	\$ 36,287	\$ 37,796	\$ 36,313
Median Age (1)	36	36	37	37	37	37	36	37	37	37
Unemployment (2)	5.2%	4.4%	4.4%	7.5%	7.3%	6.9%	5.7%	5.3%	5.4%	4.6%

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

CITY OF BIG SPRING, TEXAS

TABLE E-17

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Big Spring ISD	685	1	5.40%	597	2	4.63%
Big Spring State Hospital	576	2	4.54%	605	1	4.70%
Veterans Administration Hospital	564	3	4.45%	480	4	3.73%
GEO Group	550	4	4.34%			
Wal-Mart	330	5	2.60%	350	7	2.72%
Scenic Mountain Medical Center	288	6	2.27%	350	6	2.72%
City of Big Spring	248	7	1.96%	268	8	2.08%
Price Construction/Larado Paving	230	8	1.81%	450	5	3.49%
Basic Energy Services	220	9	1.74%			
Federal Bureau of Prisons	218	10	1.72%			
Howard College & SWICD	207	11	1.63%	255	9	1.98%
Alon USA	199	12	1.57%	204	11	1.59%
Cornell Corrections, Inc.				485	3	3.76%
U. S. Justice Department				250	10	1.94%
Howard County				170	12	1.32%
Total	<u>4,315</u>		<u>34.04%</u>	<u>4,464</u>		<u>34.66%</u>

Source: Oncor Community Profiles

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Management Services	7	8	8	8	8	9	9	9	9	9
Finance	6	5	5	5	5	5	5	5	5	5
Other	5	9	9	9	8.5	8.5	8.5	8	11	11
Information Technology	1	2	2	2	2	2	2	2	2	3
Convention and Visitors Bureau	1	1	1	1	2	2	2	2	1	3
Police										
Officers	56	49	54	58	54	54	49	48	52	52
Civilians	8	13	13	10	15	15	12	7	8	8
Fire										
Firefighters and Officers	46	45	45	45	45	45	45	44	44	44
Civilians	1	1	1	1	0.5	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	6	6	6	6	7	7	7	7	7
Other Public Works	9	17	17	21	21.5	17	18	18	17.5	17.5
Parks and Recreation	9	11	11	15	14	19	19	22	20.2	20.2
Service Center	8	8	8	8	8	8	8			
Streets	14	14	14	14	14	14	14	14	14	14
Sanitation	8	8	8	8	8	7	7	7	7	7
Airpark	7	7	7	5	7	7	6	6	7	7
Water	41	40	40	40	41	40	40	40	37	37
Wastewater	9	9	9	9	9	9	9	9	7	7
Total	261	271	276	283	287	287	279	267	267	270

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									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government										
Building Permits Issued	1,351	1,460	1,482	1,196	1,267	1,262	1,386	1,616	1,444	1,491
Police										
Physical Arrests	1,904	1,704	2,225	1,320	2,743	2,466	2,158	1,984	1,948	1,638
Number of Calls for Service	19,431	19,200	29,412	26,576	35,661	37,700	33,028	30,281	32,438	35,305
Alarm Responses	1,057	647	688	742	1143	1001	1522	1616	1402	1562
Fire										
Emergency Responses	431	427	411	442	409	424	607	1952	1971	1998
EMS Service										
Number of Runs	3,265	3,164	3,660	3,088	3,275	4,057	4,272	4,815	4,732	3,768
Refuse Collection										
Collected (Tons per Day)	120	115	110	120	156	130	130	128	118	124
Water										
Active Accounts	8,626	8,677	8,727	8,600	8,579	8,687	8,693	8,754	8,847	8,733
Water Main Breaks	199	206	168	250	580	210	167	131	212	313
Average Daily Consumption (Thousands of Gallons)	4,919	4,412	5,091	5,317	5,320	4,991	3,467	4,967	5,034	5,171
Wastewater										
Average Daily Sewage Treatment (Thousands of Gallons)	2,205	2,730	2,646	2,629	2,576	2,176	2,176	3,282	2,945	2,490

Data Sources: Various City Departments

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CITY OF BIG SPRING, TEXAS

TABLE E-20

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

Function/Program	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol Units										
Marked	34	34	35	39	43	38	41	41	43	46
Unmarked	17	17	21	19	19	17	12	12	11	20
Fire Stations	5	5	5	5	5	5	5	5	5	5
Refuse Collection										
Collection Trucks	6	6	6	6	6	6	6	6	8	8
Other Public Works										
Streets										
Paved (Miles)	158	189	189	189	189	189	189	189	189	190
Unpaved (Miles)	12	5	0.5	0.5	0.05	0.05	0.05	0.05	0.05	0.05
Street Lights	1,812	1,810	1,808	1,808	1,784	1,779	1,873	1,873	1,862	1,862
Parks and Recreation										
Acreage	1,069	1,069	1,069	1,069	1,069	1,211	1,211	1,211	1,211	1,211
Parks	5	5	8	8	8	8	8	8	8	8
Lakes	2	5	2	2	2	2	2	2	2	2
Baseball/Softball Fields	6	6	6	14	14	14	14	14	14	14
Soccer/Football Fields				6	6	6	6	6	6	6
Community Centers	1	1	1	1	1	1	1	1	1	1
Water										
Water Mains (Miles)	177	177	177	177	177	177	177	177	177	178
Fire Hydrants	722	722	722	722	722	722	722	722	722	722
System Capacity (Thousands of Gallons)	12,500	12,500	13,450	13,450	13,450	13,450	13,450	13,450	13,450	12,500
Wastewater										
Sanitary Sewers (Miles)	125	125	125	125	125	125	125	125	125	127
Treatment Capacity (Thousands of Gallons)	2,205	2,205	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000

Sources: Various City Departments

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OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

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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, 2015, and the related notes to the financial statements, which collectively comprise City of Big Spring, Texas' basic financial statements, and have issued our report thereon dated March 22, 2016. Our report includes a reference to other auditors who audited the financial statements of Big Spring Economic Development Corporation, as described in our report on the City of Big Spring, Texas' basic financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

March 22, 2016