



CITY COUNCIL REGULAR AGENDA

Tuesday, April 22, 2025

Notice is hereby given that the City Council of the City of Big Spring, Texas will meet in Regular Session on Tuesday, April 22, 2025, at 5:30 PM at the City Council Chambers Located at 307 East 4th Street, Big Spring, Texas. **We welcome the public to attend the meeting via telecommunication. Citizens will be able to view the City Council Meeting on Our Local Channel 17 through Suddenlink or on Our Website <http://mybigspring.com/224/Channel-17-Live>.**

CITY COUNCIL MEETING ETIQUETTE

Gentlemen are requested to remove their hats inside the City Council Chambers. As a courtesy to those in attendance, please place your cell phone on "Silent" or "Vibrate." Please, no talking during the meetings. Take all conversations outside so that others can hear.

Thank you!

Open Session

- | | |
|---|-------|
| 1. Call to Order | Moore |
| 2. Invocation | Moore |
| 3. Pledge of Allegiance to the United States Flag and to the Texas State Flag | Moore |

Public Comment

Public Comment – Members of the public are entitled to speak on any topic. Additionally, members of the public may comment on any action item before or during its consideration. Speakers are Requested to Stand at the Podium and State Their Name and Address. Speakers Should Fill out the Form at the Podium and Turn it into the City Secretary. Please Do Not Exceed Five (5) Minutes.

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| 4. Public Comment | Moore |
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Announcements, Presentations and Public Hearings

Public Hearings – The Council will take Input on Items Requiring Public Hearing Items Prior to any Action.
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|---|---------|----------------|
| 5. Presentation and Acceptance of the Big Spring Economic Development Corporation's Financial Statement (Audit) for Year Ended September 30, 2024 by Bolinger, Segar, Gilbert & Moss L.L.P. | 6-48 | David Copeland |
| 6. Presentation and Acceptance of the Comprehensive Annual Financial Report for Year Ended September 30, 2024 by Bolinger, Segar, Gilbert & Moss L.L.P. | 49-145 | David Copeland |
| 7. PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 410 OWENS, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOT 6, BLOCK 2, PORTER SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: MAX HERNANDEZ | 146-180 | Hagen |

City Manager's Report

- | | | |
|--|--|--------|
| 8. City Manager's report on the following items: | | Darden |
| <ul style="list-style-type: none">• Update - Large Item Pickup, District 4• I-27 Report• Code Enforcement Report• Fun Day on the Run Way - April 26th• Tire Drive - May 3rd• Early Voting Started | | |

Consent Items

- | | | |
|--|---------|--------|
| 9. Approval of the City Council Minutes of the Regular Meeting of April 8, 2025 | 181-187 | Davis |
| 10. Approval to Amend City Council Minutes of the Regular Meeting of October 22, 2024 | 188-201 | Hagen |
| 11. Final Reading of an Ordinance to Amend the Big Spring Zoning Regulations, Article 6 "District Regulations", Section 6-6 "Districts and Permitted Uses" by Adding "Shooting Range - Indoor Only" as a Permitted Use in the CA (Central Area District) in the City of Big Spring, Howard County, Texas; Providing for Severability; Providing for Publication; and Providing an Effective Date | 202-204 | Bowles |

Vouchers

12. Vouchers for 04/11/25	\$ 848,946.99	Wilkerson
Vouchers for 04/17/25	\$ 335,099.06	

Bids

13. Consideration and Possible Action on Awarding a Bid for 2 Replacement HVAC Systems For West Side Day Care and Authorizing the City Manager or His Designee to Execute any Necessary Documents.	205-206	Feeley
14. Consideration and Possible Action to Award a Bid for a Sideload Rollout Refuse Truck for the Sanitation Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents	207-208	Medina

New Business

15. Acknowledge Receipt of the Quarterly Claims and Litigation Report from the City Attorney Sent on April 8, 2025		Hagen
16. Acknowledge Receipt of the Second Quarter Financial Report	209-230	Smith
17. Acknowledge Receipt of the Second Quarter FY 2024-2025 Investment Report	231-234	Smith
18. First Reading of an Ordinance Amending Ordinance Number 028-2024 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2024 and Ending September 30, 2025 by Increasing the Utility Fund Budget for the Purpose of Installing a Drive-Up Service Window for Customer Convenience; Providing for Severability; and Providing an Effective Date	235-237	Smith
19. First Reading of an Ordinance Amending Chapter 2 of The Big Spring City Code Entitled "Administration," Article VII "Boards and Commissions," Division 4 "Parks and Recreation Board," Section 2-295 By Deleting Subsection (E) to Activate the Parks and Recreation Board; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance Was Discussed Were Open to the Public as Required by Law; and Providing an Effective Date.	238-239	Ornelas

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|--|-------------|----------|
| 20. First Reading of an Ordinance Amending Chapter 1 of the Big Spring City Code; Section 1-2 Entitled "Definitions and Rules Of Construction" to Define "Sport Shooting Range" to Conform to the Definition Under State Law, and Amending Chapter 38 of the Big Spring City Code, Section 38-1 Entitled "Firearms, Discharge Prohibited" and Section 38-6 Entitled "BB-Guns, Air Guns, Slingshots, Etc" to Continue to Prohibit Discharge Of Firearms, Air Guns, And Slingshots Within City Limits, and to Make Discharge of Such Only at Sport Shooting Ranges Exceptions to the Violations; Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance Was Discussed Were Open to the Public as Required by Law; Providing for Publication; and Providing an Effective Date. | 240-
243 | Williams |
| 21. Consideration and Possible Action to Approve a Third Amendment to Oil & Gas Lease between the City of Big Spring and HighPeak Energy Assets, LLC, to Amend that Certain Oil & Gas Lease Recorded in Volume 1829, Page 559, Official Public Records of Howard County, and Authorizing the City Manager or His Designee to Execute Any Necessary Documents. | 244-
246 | Darden |
| 22. Consideration and Possible Action to Delegate Authority to the City Manager to Negotiate and Execute a Contract for Architectural Services with Chapman Harvey Architects, Inc. | | Darden |
| 23. Consideration and Possible Action to Move the Big Spring Vietnam Veterans Memorial from SWCID Land to Airpark Land. | | Ornelas |

Council Input

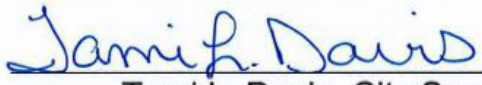
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|-------------|-------|
| 24. Input | Moore |
| 25. Adjourn | Moore |

The City Council reserves the right to meet in executive session on any agenda item should the need arise pursuant to Chapter 551, Subchapter D of the Texas Government Code, or the Texas Disciplinary Rules of Professional Conduct.

I hereby certify that this agenda was posted on the official bulletin board at the City of Big Spring, City Hall Building, located outside 310 Nolan Street. Given by order of the City Council and **Posted on Friday, April 18, 2025 at 10:00 a.m.** in accordance with

Title 5, Texas Government Code and Chapter 551.

In addition, this agenda and supporting documents are posted on the City of Big Spring's Website, www.mybigspring.com, in accordance with legal requirements.


Tami L. Davis, City Secretary

THE MEETING FACILITY IS ACCESSIBLE TO DISABLED PERSONS. ANY DISABLED PERSON NEEDING SPECIAL ACCOMMODATION OR A HEARING IMPAIRED PERSON WISHING TO HAVE AN INTERPRETER SHOULD REQUEST SERVICES AT LEAST 48 HOURS PRIOR TO THE SCHEDULED MEETING BY CONTACTING TAMI DAVIS AT 432-264-2513 OR EMAIL: TDAVIS@MYBIGSPRING.COM.

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF THE CITY OF BIG SPRING, TEXAS)**

BASIC FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

AND

INDEPENDENT AUDITOR'S REPORT

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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

CERTIFIED PUBLIC ACCOUNTANTS

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8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

To the City Council
City of Big Spring, Texas
and to the Board of Directors of
Big Spring Economic Development Corporation

Opinions

We have audited the accompanying financial statements of the governmental activities and governmental fund of Big Spring Economic Development Corporation, a component unit of the City of Big Spring, Texas, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise Big Spring Economic Development Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and governmental fund of the Big Spring Economic Development Corporation, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Big Spring Economic Development Corporation (BSEDC), and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the BSEDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 BSEDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about BSEDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in the plan's net pension liability and related ratios, the schedule of contributions, the schedule of changes in the total OPEB liability and related ratios, and budgetary comparison information on pages 4 through 9 and pages 32 through 35 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.

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

January 29, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS (Required Supplementary Information)

INTRODUCTION

Our discussion and analysis of the Big Spring Economic Development Corporation's (BSEDC) financial performance provides an overview of the entity's financial performance for the fiscal year ending September 30, 2024. It should be read in conjunction with BSEDC's basic financial statements and independent auditor's report.

FINANCIAL HIGHLIGHTS

During the fiscal year 2023-2024, the BSEDC's net position increased by 63 percent or \$3,017,179. This increase is due to spending less on economic development projects.

BSEDC closed the fiscal year ended September 30, 2024 with total assets and deferred outflows of \$11,506,339 and net position of \$7,836,475.

The balance of cash and investments at September 30, 2024 totaled \$9,460,321 which was an increase of \$1,244,435. Liabilities decreased by \$598,082 to \$3,657,655 due to paying down debt in the amount of \$550,000. Net pension and OPEB liabilities decreased by \$47,503.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements and notes to those statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These provide information about the activities of BSEDC as a whole and present a long-term view of BSEDC's property, 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. These statements are referred to as government-wide financial statements.

Fund financial statements include the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance that report the operations in more detail than the government-wide statements by providing information about BSEDC's general fund. 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 needs and the appropriations budget.

The notes to the financial statements provide narrative explanations or additional data needed for full disclosure in the government-wide or the fund financial statements.

Government-Wide Statements

The analysis of BSEDC's overall financial condition and operations is reflected in these statements. Its primary purpose is to show whether the entity is faring better or worse as a result of the year's activities. The Statement of Net Position includes all of BSEDC's assets and liabilities at the end of the year while the Statement of Activities includes all the revenues and expenses generated by operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are recorded when earned or incurred regardless of when cash is received or paid. BSEDC's revenues are divided into those provided by outside parties (Big Spring Chamber of Commerce and United Way of Howard County) who share the costs of the building facility and revenues provided by sales tax or investment earnings (general revenues). All of BSEDC's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

These two statements report BSEDC's net position and changes in them. The net position (the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources) provide one measure of BSEDC's financial health or financial position. Increases or decreases in net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of BSEDC however, you should consider non-financial factors as well, such as changes in the city's economic activity, stability, and workforce.

In the Statement of Net Position and the Statement of Activities, we present the activities of BSEDC as follows:

Governmental activities - BSEDC's basic purpose is reported here, including the cost of maintaining the operation of economic development programs. Sales tax finances are the majority of these activities.

Fund Financial Statement

BSEDC requires only one fund to maintain its operations and programs. The fund financial statements provide information about the fund, not the entity as a whole.

BSEDC's basic operations and services are reported in a government (General) fund. This fund uses 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 reports balances that are available for future spending. The governmental fund statement provides a detailed short-term view of BSEDC's general operations and the basic services it provides. We describe the differences between government-wide activities (reported in the Statement of Net Position and the Statement of Activities) and governmental fund in the reconciliation schedules following each of the fund financial statements.

GOVERNMENT FINANCIAL ANALYSIS

We present both current and prior year data and discuss significant changes in the accounts. Our analysis focuses on the Net Position (Table I) and Changes in Net Position (Table II) of BSEDC's governmental activities.

Table I
Net Position

	Governmental Activities	
	2024	2023
Current and Other Assets	\$ 11,320,517	\$ 8,851,890
Capital Assets	112,752	109,487
Total Assets	<u>\$ 11,433,269</u>	<u>\$ 8,961,377</u>
Deferred Outflows of Resources	\$ 73,070	\$ 118,019
Current Liabilities	\$ 97,001	\$ 92,396
Noncurrent Liabilities	3,560,654	4,163,341
Total Liabilities	<u>\$ 3,657,655</u>	<u>\$ 4,255,737</u>
Deferred Inflows of Resources	\$ 12,209	\$ 4,363
Net Investment in Capital Assets	\$ 112,752	\$ 109,487
Unrestricted	7,723,723	4,709,809
Total Net Position	<u>\$ 7,836,475</u>	<u>\$ 4,819,296</u>

Total assets and deferred outflows of BSEDC's governmental activities increased from \$9,079,396 to \$11,506,339. Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by enabling legislation or other legal requirements. This balance was \$7,723,723 at September 30, 2024.

**Table II
Changes in Net Position**

	Governmental Activities	
	2024	2023
Revenues:		
General Revenues		
Sales Taxes	\$ 3,375,550	\$ 3,259,073
Investment Earnings	157,175	112,333
Rents and Land Lease Revenue	6,900	14,999
Miscellaneous	6,819	4,706
Sale of Land	844,006	
Total Revenues	<u>\$ 4,390,450</u>	<u>\$ 3,391,111</u>
Expenses:		
General Government	\$ 375,433	\$ 361,671
Economic Development	247,838	240,448
Water and Waste Water Project	750,000	750,000
Total Expenses	<u>\$ 1,373,271</u>	<u>\$ 1,352,119</u>
Change in Net Position	\$ 3,017,179	\$ 2,038,992
Beginning Net Position	<u>4,819,296</u>	<u>2,780,304</u>
Ending Net Position	<u>\$ 7,836,475</u>	<u>\$ 4,819,296</u>

Total revenues increased from \$3,391,111 in fiscal year 2023 to \$4,390,450 in fiscal year 2024, an increase of 29.5 percent. This increase was due to the increase in sales tax revenues, investment earning, and the sale of land.

Total expenses increased from \$1,352,119 in the preceding year to \$1,373,271 for the year ending September 30, 2024 which reflects an increase of 1.6 percent or \$21,152. The increase in expenses is due to an increase in salaries and benefits.

Revenues exceeded expenses by \$3,017,179.

FUND BALANCES

As BSEDC completed the year, its governmental fund reported a fund balance of \$11,223,516 which is more than last year's balance of \$8,759,494. \$1,291,909 of fund balance is in non-spendable and is invested in prepaid items and land inventory.

BUDGET AND PLANNING

The original budget for 2023-2024 was developed in the summer of 2023 and adopted by the Board in August 2023. This budget was approved by the City of Big Spring in September 2023. The budget was not amended.

LAND INVENTORY

BSEDC has unimproved real estate that is being held for future needs.

CAPITAL ASSETS

At the end of 2024, BSEDC had \$314,297 invested in various capital assets including facilities and equipment.

DEBT

BSEDC has other long-term debt including pension, OPEB, and accrued compensated absences obligations. BSEDC has outstanding sales and use tax revenue note in the amount of \$3,300,000 as of September 30, 2024. See the notes to the financial statements for more details on debt.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

BSEDC's appointed directors consider many factors when setting a budget for the organization's 2025 – 2026 budget. Sales tax collection, which accounts for the majority of BSEDC revenue, is projected to remain steady.

With the US Highway 87 (designated to become Interstate 27) reliever route complete along with the access roads funded primarily by the BSEDC, the organization is now focused on development of approximately 550 acres of property located south of where the reliever route intersects with Interstate 20. By the time the 2025-2026 budget is adopted, various projects associated with expanding infrastructure to support this development will involve investments by: an EDA grant of \$3.2 million; \$500,000 by the City of Big Spring; \$400,000 by the BSEDC; as well as a separate project contributing approximate \$4 million on the airpark to include a water tower that will greatly expand fire suppression capabilities.

Within the 550-acre total, the BSEDC will have purchased part of the land adjacent to the core property, using proceeds from an earlier land sale of property the organization has owned for close to 30 years. Even with that influx of capital, the land acquisition and expansion of additional infrastructure to serve it will require a roughly estimated \$600,000 additional investment by the BSEDC to make it "shovel ready."

With the development of the project Big Spring will have ready sites available to market for sale, drastically improving recruitment potential given the limited availability of land with infrastructure for business use in the area. The air park has been the economic development focus up until this time but has been limited due to the City being unable to sell any of the former airbase property. Because of this expanded ability to provide suitable locations, the BSEDC will budget significantly more resources into marketing.

The BSEDC continues to contract with Leading EDG to provide business counseling and facilitation to startups, existing businesses, and entrepreneurs. These services have provided critical assistance to several local businesses in the past several years, and likely saved some local investors from pursuing ventures that after examination proved to have very little potential for success.

BSEDC's staff continues to work with City and County staff and elected officials to promote additional economic development opportunities not directly related to BSEDC's funding ability including: new retail (Chick-Fil-A, a new travel center being developed and various other enterprises) and projects within the County (including several projects that should exceed \$100 million in investment each). This trend could continue in the coming years.

BSEDC's sole purpose is to stimulate the local economy by providing supporting incentives and marketing support for the entire area. Because opportunities are hard to predict project funding should be expected to force revision of the presented budget.

CONTACTING FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the BSEDC's finances and to demonstrate BSEDC's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to Mark Willis, Big Spring Economic Development Corporation, 215 W. 3rd, Big Spring, Texas 79720.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	<u>Governmental Activities</u>
ASSETS:	
Cash and Cash Equivalents	\$ 9,460,321
Due From Other Governments	568,287
Prepaid Insurance	11,630
Land Inventory	1,280,279
Capital Assets:	
Land	25,000
Depreciable Capital Assets, Net	87,752
Total Assets	<u>\$ 11,433,269</u>
 DEFERRED OUTFLOWS OF RESOURCES:	
Pension Plan - Related Items	\$ 72,641
OPEB Plan - Related Items	429
Total Deferred Outflows of Resources	<u>\$ 73,070</u>
 LIABILITIES:	
Accounts Payable	\$ 6,793
Interest Payable	3,221
Due To Other Governments	86,987
Noncurrent Liabilities:	
Due Within One Year	550,000
Due in More Than One Year	2,750,000
Accrued Compensated Absences	21,573
Net Pension Liability	224,781
Total OPEB Liability	14,300
Total Liabilities	<u>\$ 3,657,655</u>
 DEFERRED INFLOWS OF RESOURCES:	
Pension Plan - Related Items	\$ 9,264
OPEB Plan - Related Items	2,945
Total Deferred Inflows of Resources	<u>\$ 12,209</u>
 NET POSITION:	
Net Investment in Capital Assets	\$ 112,752
Unrestricted	<u>7,723,723</u>
 Total Net Position	<u><u>\$ 7,836,475</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

		Net (Expense) Revenue and Changes in Net Position
	Expenses	Governmental Activities
Governmental Activities:		
General Government	\$ 375,433	\$ (375,433)
Economic Development	247,838	(247,838)
Water and Waste Water Project	750,000	(750,000)
Total Governmental Activities	<u>\$ 1,373,271</u>	<u>\$ (1,373,271)</u>
General Revenues:		
Sales Tax Revenue		\$ 3,375,550
Miscellaneous Revenue		6,819
Rents and Land Lease Revenue		6,900
Investment Earnings		157,175
Sale of Land		844,006
Total General Revenues		<u>\$ 4,390,450</u>
Change in Net Position:		\$ 3,017,179
Net Position - Beginning		4,819,296
Net Position - Ending		<u>\$ 7,836,475</u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**BALANCE SHEET - GOVERNMENTAL FUND
SEPTEMBER 30, 2024**

	<u>General Fund</u>
ASSETS:	
Cash and Cash Equivalents	\$ 9,460,321
Due From Other Governments	568,287
Prepaid Insurance	11,630
Land Inventory	1,280,279
Total Assets	<u>\$ 11,320,517</u>
LIABILITIES:	
Accounts Payable	\$ 6,793
Interest Payable	3,221
Due to Other Governments	86,987
Total Liabilities	<u>\$ 97,001</u>
FUND BALANCE:	
Nonspendable - Prepaid Expenses and Inventory	\$ 1,291,909
Unassigned	9,931,607
Total Fund Balance	<u>\$ 11,223,516</u>
Total Liabilities and Fund Balance	<u>\$ 11,320,517</u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

Total Fund Balance - Governmental Fund Balance Sheet	\$ 11,223,516
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds.	112,752
Payables for compensated absences which are not reported in the funds.	(21,573)
Long-term liabilities are not due and payable from current financial resources and are not reported on the Governmental Fund Balance Sheet.	(3,300,000)
Net Pension Liability and Related Deferred Outflows and Inflows are not reported in the Funds.	(161,404)
Total OPEB Liability and Related Deferred Outflows and Inflows are not reported in the Funds.	<u>(16,816)</u>
Net Position of Governmental Activities - SNP	\$ <u><u>7,836,475</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>General Fund</u>
Revenues:	
Taxes:	
Sales Taxes	\$ 3,375,550
Rents	6,900
Interest Income	157,175
Other Revenues	6,819
Total Revenues	<u>\$ 3,546,444</u>
Expenditures:	
General Government	\$ 378,590
Economic Development	158,639
Water and Waste Water Project - City of Big Spring	750,000
Debt Service	
Principal	550,000
Interest Expense	89,199
Total Expenditures	<u>\$ 1,926,428</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>\$ 1,620,016</u>
Other Financing Sources:	
Sale of Land	<u>\$ 844,006</u>
Net Change in Fund Balance	\$ 2,464,022
Fund Balance - Beginning	<u>8,759,494</u>
Fund Balance - Ending	<u><u>\$ 11,223,516</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

Net Change in Fund Balance - Total Governmental Fund	\$ 2,464,022
Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	10,000
The depreciation of capital assets used in governmental activities is not reported in the funds.	(6,735)
Debt principal payments are not reported as expenses in the SOA.	550,000
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	5,184
Net change in pension expense to convert amounts paid in for the governmental funds to accrued pension expense for governmental activities.	(5,138)
Net change in OPEB expense to convert amounts paid in for the governmental funds to accrued OPEB expense for governmental activities.	<u>(154)</u>
Change in Net Position of Governmental Activities - SOA	\$ <u><u>3,017,179</u></u>

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

1. REPORTING ENTITY

Big Spring Economic Development Corporation (BSEDC) was incorporated under the laws of the State of Texas and operates under a Board of Directors which is appointed by the City Council of Big Spring, Texas (the City Council). The corporation is a non-profit corporation created under the Texas Development Corporation Act of 1979 and is governed by Section 4A of Article 5190.6 of the Revised Civil Statutes of the State of Texas. The purpose of the corporation is to promote, assist, and enhance economic development for Big Spring, Texas. It is funded by a one-half cent sales tax.

The corporation was originally incorporated as Moore Development for Big Spring, Inc.

BSEDC is a component unit of the City of Big Spring, Texas (the City). It is legally separate from the City, but the City Council appoints its seven directors and approves the annual budget of BSEDC. The financial statements presented here are also included in the comprehensive financial report of the City.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a component unit of the City, the BSEDC's financial reporting policies conform to the accounting principles generally accepted in the United States of America applicable to its primary government (Big Spring).

Basis of Accounting and Presentation

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

These government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The Statement of Activities demonstrates the degree to which the direct expenses of a given description are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific description. Program revenues include charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given description or segment.

BSEDC reports all direct expenses in the Statement of Activities. Direct expenses are those that are clearly identifiable with a description. Indirect expenses of other types are not allocated but are reported separately in the Statement of Activities. Depreciation expense is reported in the Statement of Activities under general government expenses.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Fund Financial Statements

BSEDC applies 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:

Nonspendable fund balance – amounts that are not in spendable form (such as inventory) or are required to be maintained intact.

Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance – amounts constrained to specific purposes by BSEDC itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless BSEDC takes the same highest level action to remove or change the constraint.

Assigned fund balance – amounts BSEDC intends to use for a specific purpose. Intent can be expressed by an official or body to which BSEDC delegates authority.

Unassigned fund balance – amounts that are available for any purpose.

For the fiscal year ended September 30, 2024, BSEDC's fund balance was categorized as nonspendable and unassigned.

Financial statements are provided for the governmental fund.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, BSEDC considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Revenues from local sources consist primarily of sales taxes. Miscellaneous revenues are recorded 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 generally are recorded when a liability is incurred, as under accrual accounting.

BSEDC reports the following governmental fund:

General Fund

This fund is established to account for financial resources used for BSEDC's operations. This is a budgeted fund and unassigned fund balances are considered resources available for current operations.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Budgets and Budgetary Accounting

The annual budget is presented on the modified accrual basis of accounting. The current year's budget was adopted in July 2023 and was approved by the City Council in September 2023.

Cash and Cash Equivalents

BSEDC has defined cash and cash equivalents to include cash in bank.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

Depreciation on all capital assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	40 years
Building Improvements	10 years
Computer Equipment	5 years
Other Equipment	5 - 10 years

3. INVESTMENTS POLICIES AND RISK

Legal and Contractual Provisions Governing Deposits and Investments

The Public Funds Investment Act (Government Code Chapter 2256) (the Act) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires BSEDC 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.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Statutes authorize BSEDC to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, (4) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) Mutual Funds, (8) investment pools, (9) guaranteed investment contracts, and (10) common trust funds. The Act also requires BSEDC to have independent auditors perform test procedures related to investment practices as provided by the Act. BSEDC is in substantial compliance with the requirements of the Act and with local policies.

Policies Governing Deposits and Investments

In compliance with the Act, BSEDC has adopted a deposit and investment policy. That policy addresses the following risks:

- a. **Custodial Credit Risk – Deposits and Investments:** In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits and investments in certificates of deposits may not be returned to it. BSEDC's policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments, other than the following: The State of Texas requires that a financial institution secure deposits and investments made by state or local governments by pledging securities in excess of the highest cash balance of the government. BSEDC is not exposed to custodial credit risk, for its deposits are all covered by depository insurance and securities pledged by the depository bank.
- b. **Concentration of Credit Risk –** The investment policy of BSEDC contains no limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent five percent or more of the total entity investments represent a concentration risk. As of September 30, 2024, BSEDC's investments are with Western Bank which are covered by FDIC insurance and pledged securities, and as such BSEDC has no risk.
- c. **Credit Risk –** The risk that an issuer of other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. As of September 30, 2024, BSEDC was not significantly exposed to credit risk.
- d. **Interest Rate Risk –** Not applicable.
- e. **Foreign Currency Risk –** Not applicable and is not covered by the investment policy.

4. CASH AND CASH EQUIVALENTS

At September 30, 2024, the carrying amount of BSEDC's cash and cash equivalents was \$9,460,321, with a bank balance of \$9,461,361. BSEDC's cash and cash equivalents at September 30, 2024 and the year ended were entirely covered by FDIC insurance and securities pledged by the depository bank.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

5. DUE FROM/TO OTHER GOVERNMENTS

At September 30, 2024, BSEDC had \$568,287 due from the City of Big Spring related to two months of sales tax revenue that came in subsequent to year end.

At September 30, 2024, BSEDC owed \$86,987 to the City of Big Spring related to reimbursement for salaries and benefits and various other items paid on their behalf.

6. LAND INVENTORY

Land inventory consists of 315 acres of land acquired for marketing purposes and future economic development. As of September 30, 2024, BSEDC had land inventory with a balance of \$1,280,279.

7. CAPITAL ASSETS

	Balance 10/1/2023	Increases	Transfers/ Decreases	Balance 9/30/2024
Governmental Activities:				
Capital Assets Not Being Depreciated				
Land	\$ 25,000	\$	\$	\$ 25,000
Total Capital Assets Not Being Depreciated	\$ 25,000	\$ 0	\$ 0	\$ 25,000
Depreciable Assets:				
Buildings and Improvements	\$ 239,604	\$ 10,000	\$	\$ 249,604
Furniture and Equipment	48,063		8,370	39,693
Total Depreciable Assets	\$ 287,667	\$ 10,000	\$ 8,370	\$ 289,297
Less Accumulated Depreciation for:				
Buildings and Improvements	\$ 155,117	\$ 6,735	\$	\$ 161,852
Furniture and Equipment	48,063		8,370	39,693
Total Accumulated Depreciation	\$ 203,180	\$ 6,735	\$ 8,370	\$ 201,545
Total Depreciable Assets, Net	\$ 84,487	\$ 3,265	\$ 0	\$ 87,752
Governmental Activities Capital Assets, Net	\$ 109,487	\$ 3,265	\$ 0	\$ 112,752

Depreciation expense totaling \$6,735 was recognized in the Statement of Activities under general government.

8. OFFICE RENTAL AND UTILITIES REIMBURSEMENT

BSEDC leases office space to the Big Spring Chamber of Commerce and Howard County United Way. The duration is indefinite and was established as a verbal extension of a three-year lease that expired in May 1999. The monthly rent is \$575 plus 50% of shared utility costs.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

9. RISK MANAGEMENT

BSEDC is exposed to various risks of loss to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. BSEDC carries commercial insurance for these risks.

Workers' Compensation Pool - BSEDC's employees are covered by the City's workers' compensation plan. The City's workers compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML is a self-funded pool operating as a common risk management and insurance program, and the City pays an annual premium for this coverage. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence.

10. ACCRUED COMPENSATED ABSENCES

Compensated absences consists of vacation leave, sick leave, and compensatory leave. Vacation leave of 5-20 days is granted to all regular employees dependent upon the date employed, years of service, and civil service status. Currently, two times the employee's annual accrual of vacation leave may be "carried over" to the next calendar year. The City is obligated to make payment upon retirement or termination for employees in good standing for any available, unused vacation and compensatory leave. Sick leave for employees is accrued at 5-15 days per year. After 20 years of continuous full-time service for non-civil service personnel, vested sick leave is paid on retirement or termination at the current hourly rate for up to 90 days. Post-Employment Benefits for retirees of the City include the option to purchase health insurance.

11. LONG-TERM DEBT

BSEDC's long-term debt is made up of a sales and use tax revenue note. The activity from the year is summarized below and shows the amounts payable at September 30, 2024.

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year	Interest and Fees
Governmental Activities:						
Sales and Use Tax Revenue Note	\$ 3,850,000	\$	\$ 550,000	\$ 3,300,000	\$ 550,000	\$ 89,963
Total Governmental Activities	\$ 3,300,000	\$ 0	\$ 550,000	\$ 3,300,000	\$ 550,000	\$ 89,963

Detail on the maturity dates and interest rates of the outstanding sales and use tax revenue note of BSEDC as of September 30, 2024 are as follows:

Governmental Activities:		
Debt	Year of Maturity	Interest Rate
Sales and Use Tax Revenue Note	3/15/2030	2.51%

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Debt service requirements on the sales and use tax revenue note at September 30, 2024, are as follows:

	Principal	Interest	Total
Year Ending September 30,			
2025	\$ 550,000	\$ 75,928	\$ 625,928
2026	550,000	62,123	612,123
2027	550,000	48,318	598,318
2028	550,000	34,513	584,513
2029	550,000	20,708	570,708
Thereafter	550,000	6,903	556,903
Totals	<u>\$ 3,300,000</u>	<u>\$ 248,493</u>	<u>\$ 3,548,493</u>

12. PENSION PLAN

Plan Description

BSEDC participates through the City as one of 934 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

Benefits Provided

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

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment 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% of the member's deposits and interest.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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

	<u>December 31, 2023</u>
Employee Deposit Rate	7%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	70% of CPI Repeating

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>2</u>
Total Plan Employees	<u><u>2</u></u>

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the matching percentages are either 100%, 150%, or 200%, 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 BSEDC were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.87% and 18.48% in calendar years 2023 and 2024, respectively. BSEDC's contributions to TMRS for the year ended September 30, 2024, were \$38,750, and were equal to the required contributions.

Net Pension Liability

BSEDC's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation	2.50% per year
Overall Payroll Growth	2.05% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	22 years

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Global Equity	35.0%	6.70%
Core Fixed Income	6.0%	4.70%
Non-Core Fixed Income	20.0%	8.00%
Other Public and Private Markets	12.0%	8.00%
Real Estate	12.0%	7.60%
Hedge Funds	5.0%	6.40%
Private Equity	10.0%	11.60%

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Discount Rate

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

Changes in Net Pension Asset (Liability)

	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Asset (Liability)</u>
Balance 12/31/2022	\$ 983,099	\$ 709,216	\$ (273,883)
Service Cost	35,121		(35,121)
Interest (on the Total Pension Liability)	93,898		(93,898)
Difference Between Expected and Actual Expenses	5,202		(5,202)
Changes of Assumptions	(13,634)		13,634
Contributions - Employee		15,619	15,619
Contributions - Employer		39,874	39,874
Net Investment Income		129,697	129,697
Benefit Payments	(75,088)	(75,088)	
Administrative Expense		(827)	(827)
Other	14,668	(6)	(14,674)
Balance 12/31/2023	<u>\$ 1,043,266</u>	<u>\$ 818,485</u>	<u>\$ (224,781)</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

<u>1% Decrease</u>	<u>Current Rate Assumption</u>	<u>1% Increase</u>
\$ 417,876	\$ 224,781	\$ 66,120

Pension Plan Fiduciary Net Position

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

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

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

For the year ended September 30, 2024, BSEDC recognized pension expense of \$38,150 and calculated as shown below:

Total Service Cost	\$	35,150
Interest on the Total Pension Liability		93,974
Employee Contributions (Reduction of Expense)		(15,632)
Projected Earnings on Plan Investments (Reduction of Expense)		(75,831)
Administrative Expense		827
Other Changes in Fiduciary Net Position		6
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities		7,369
Recognition of Current Year Outflow (Inflow) of Resources-Assets		(7,713)
Total Pension Expense	\$	<u>38,150</u>

At September 30, 2024, BSEDC reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 9,838	\$
Change in Assumptions		9,264
Net Difference In Projected and Actual Earnings	31,094	
Contributions Paid to TMRS Subsequent to the Measurement Date	31,709	
Total	<u>\$ 72,641</u>	<u>\$ 9,264</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	Amortization of Deferred Outflows
2024	\$ 42,484
2025	8,232
2026	23,480
2027	(10,819)
	<u>\$ 63,377</u>

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

13. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description:

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

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

Benefits Provided:

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

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

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

Employees Covered by Benefit Terms:

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	0
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	2
Total Plan Employees	<u>2</u>

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Total OPEB Liability:

BSEDC's total OPEB liability of \$14,300 was measured as of December 31, 2023, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions Changes or Inputs	Straight-Line Amortization over Expected Working Life
Inflation	2.5%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate	3.77%
Retirees' Share of Benefit-Related Costs	\$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality Rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements subject to the floor.

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASBS No. 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 3.77% based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2023.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Annuity Purchase Rates:

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

Experience Studies:

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the APRs until 2027 are based on a mortality study performed in 2013. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Changes in the Total OPEB Liability:

Balance as of December 31, 2022	\$	12,701
Changes for the year:		
Service Cost		403
Interest on Total OPEB Liability		539
Benefit Payments		(558)
Differences Between Expected and Actual Experience		(151)
Changes in Assumptions or Other Inputs		686
Other - Proportionate Share Adjustment		680
Balance as of December 31, 2023	\$	<u>14,300</u>

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

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

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

Sensitivity Analysis:

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.77%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 16,780	\$ 14,300	\$ 12,345

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

For the year ended September 30, 2024, BSEDC recognized OPEB benefit of \$(176). At September 30, 2024, BSEDC reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$	\$ 2,371
Difference in Expected and Actual Experience		574
Contributions Made Subsequent to Measurement Date	429	
	\$ 429	\$ 2,945

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

	Amortization of Deferred Resources
2022	\$ (872)
2023	(1,316)
2024	(367)
2025	39
	\$ (2,516)

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

NOTES TO BASIC FINANCIAL STATEMENTS

14. HEALTH CARE BENEFITS

Health insurance benefits are provided to the employees of BSEDC through the City's self-insured health insurance plan. The City's health insurance plan is administered by a third-party administrator, Texas Municipal League's Multistate Intergovernmental Employee Benefits Pool (TMLMIEBP). TMLMIEBP 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. BSEDC's health insurance cost of \$33,737 includes health insurance paid for both employees.

BSEDC does not provide post-retirement health benefits to its employees.

15. LITIGATION AND CONTINGENCIES

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

16. COMMITMENT TO THE CITY OF BIG SPRING

In May 2012, the citizens of Big Spring voted to fund a 4B project to rehabilitate the City's water and waste water treatment plants including repair or replacing water distributions lines. As a part of that agreement with the City, BSEDC was obligated to fund \$750,000 on January 1, 2016. In later years and through 2033, BSEDC is obligated to pay 40% of its sales tax revenue except the payment cannot exceed \$750,000 or be less than \$500,000. This agreement has a term ending in 2033 or a total amount of \$13,000,000.

	<u>Total Project</u>	<u>Expended to Date</u>	<u>Commitment</u>
Water & Waste Water	\$ <u>13,000,000</u>	\$ <u>9,000,000</u>	\$ <u>4,000,000</u>

REQUIRED SUPPLEMENTARY INFORMATION

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
DEFINED BENEFIT RETIREMENT PLAN**

**SCHEDULE OF CHANGES IN THE PLAN'S NET PENSION ASSET/LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 11,837	\$ 32,062	\$ 22,328	\$ 30,102	\$ 23,859	\$ 25,105	\$ 29,844	\$ 28,910	\$ 31,553	\$ 35,121
Interest	34,258	76,779	52,479	74,355	59,604	63,442	73,042	78,017	84,956	93,998
Benefit Payments/Refunds of Employee Contributions	(27,162)	(42,272)	(39,022)	(52,953)	(46,382)	(48,382)	(59,600)	(62,230)	(67,032)	(75,088)
Differences between Expected and Actual Experience	2,350	7,513	4,116	(9,894)	(4,995)	6,312	(3,119)	16,990	13,515	5,202
Changes of Assumptions		2,281			(4,995)	1,786	(3,119)	16,990	13,515	5,202
Other - Proportionate Share Adjustment			3,284	54,375	(40,647)	5,463	15,136	4,584	3,562	(13,634)
										14,868
Net Change	\$ 21,283	\$ 76,363	\$ 43,185	\$ 95,985	\$ (8,561)	\$ 54,543	\$ 55,303	\$ 66,271	\$ 66,554	\$ 60,167
Beginning Balance	512,173	533,456	609,819	653,004	748,989	740,428	794,971	850,274	916,545	983,099
Ending Balance	\$ 533,456	\$ 609,819	\$ 653,004	\$ 748,989	\$ 740,428	\$ 794,971	\$ 850,274	\$ 916,545	\$ 983,099	\$ 1,043,266
Employee Contributions	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employer Contributions	\$ 6,874	\$ 9,732	\$ 9,830	\$ 10,186	\$ 10,497	\$ 11,080	\$ 13,264	\$ 12,923	\$ 14,059	\$ 15,619
Net Investment Income	14,193	22,615	22,623	24,955	26,063	27,210	33,047	33,193	34,908	39,874
Benefit Payments/Refunds of Employee Contributions	28,602	892	40,972	119,577	(22,595)	114,484	70,325	132,135	(85,191)	129,697
Administration Expenses	(27,162)	(42,272)	(39,022)	(52,953)	(46,382)	(47,565)	(59,600)	(62,230)	(67,032)	(75,088)
Other	(244)	(644)	(463)	(620)	(437)	(647)	(456)	(612)	(738)	(827)
	(20)	(27)	(26)	(31)	(23)	(20)	(17)	4	880	(6)
Net Change	\$ 22,243	\$ (9,604)	\$ 33,914	\$ 101,114	\$ (32,877)	\$ 104,542	\$ 56,563	\$ 115,413	\$ (103,114)	\$ 109,269
Beginning Balance	421,022	443,265	433,661	467,575	568,689	535,812	640,354	696,917	812,330	709,216
Ending Balance	\$ 443,265	\$ 433,661	\$ 467,575	\$ 568,689	\$ 535,812	\$ 640,354	\$ 696,917	\$ 812,330	\$ 709,216	\$ 818,485
Net Pension Asset (Liability)	\$ (90,191)	\$ (176,158)	\$ (185,429)	\$ (180,300)	\$ (204,616)	\$ (154,617)	\$ (153,357)	\$ (104,215)	\$ (273,883)	\$ (224,781)
Fiduciary Net Position as a Percentage of Total Pension Liability	83.09%	71.11%	71.60%	75.93%	72.37%	80.55%	81.96%	88.63%	72.14%	78.45%
Covered Payroll	\$ 124,282	\$ 140,848	\$ 142,256	\$ 145,509	\$ 149,963	\$ 158,291	\$ 189,707	\$ 184,584	\$ 200,852	\$ 219,953
Net Pension Liability as a Percentage of Covered Payroll	-72.57%	-125.07%	-130.35%	-123.91%	-136.44%	-97.68%	-80.84%	-56.46%	-136.36%	-102.20%

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
DEFINED BENEFIT RETIREMENT PLAN

SCHEDULE OF CONTRIBUTIONS
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
Actually Determined Contribution	\$ 19,731	\$ 25,555	\$ 24,211	\$ 26,027	\$ 26,721	\$ 31,388	\$ 32,206	\$ 34,250	\$ 38,772	\$ 38,750
Actual Contributions	19,731	25,555	24,211	26,027	26,721	31,388	32,206	34,250	38,772	38,750
Contribution Deficiency (Excess)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Covered Payroll	\$ 127,585	\$ 146,192	\$ 144,631	\$ 148,438	\$ 155,046	\$ 180,541	\$ 180,576	\$ 195,256	\$ 218,431	\$ 230,057
Contributions as a Percentage of Covered Employee Payroll	15.46%	17.48%	16.74%	17.53%	17.23%	17.39%	17.84%	17.54%	17.75%	16.84%

The accompanying notes are an integral part of this statement.

**BIG SPRING ECONOMIC DEVELOPMENT CORPORATION
SUPPLEMENTAL DEATH BENEFIT FUND**

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 436	\$ 405	\$ 364	\$ 550	\$ 609	\$ 703	\$ 403
Interest on Total OPEB Liability	484	375	493	418	349	332	539
Benefit Payments	(151)	(135)	(158)	(208)	(572)	(502)	(558)
Differences Between Expected and Actual Experience		1,696	(2,177)	(930)	(943)	(121)	(151)
Changes in Assumptions or Other Inputs	1,027	(711)	2,011	2,055	484	(5,679)	686
Other - Proportionate Share Adjustment		(3,262)	342	1,345	507	594	680
Net Change	\$ 1,796	\$ (1,632)	\$ 875	\$ 3,230	\$ 434	\$ (4,673)	\$ 1,599
Beginning Balance	12,671	14,467	12,835	13,710	16,940	17,374	12,701
Ending Balance	\$ 14,467	\$ 12,835	\$ 13,710	\$ 16,940	\$ 17,374	\$ 12,701	\$ 14,300
Total OPEB Liability	\$ 14,467	\$ 12,835	\$ 13,710	\$ 16,940	\$ 17,374	\$ 12,701	\$ 14,300
Covered Employee Payroll	\$ 145,509	\$ 149,963	\$ 158,291	\$ 189,707	\$ 184,584	\$ 200,852	\$ 219,953
Total OPEB Liability as a Percentage of Covered Employee Payroll	9.94%	8.56%	8.66%	8.93%	9.41%	6.32%	6.50%

Note: Only seven of GASB 75 Data Available as of 12/31/2023. The remaining four years of data will be built on a go forward basis.

The accompanying notes are an integral part of this statement.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**BUDGETARY COMPARISON SCHEDULE
GOVERNMENTAL FUND
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	(Unaudited) Budgeted Amounts		Actual	Variance with Final Budget Positive or (Negative)
	Original	Final	Amounts	
Revenues:				
Taxes:				
Sales Taxes	\$ 2,750,000	\$ 2,750,000	\$ 3,375,550	\$ 625,550
Investment Earnings	100,000	100,000	157,175	57,175
Other Revenues	5,300	5,300	6,819	1,519
Rental Income	5,500	5,500	6,900	1,400
Total Revenues	\$ 2,860,800	\$ 2,860,800	\$ 3,546,444	\$ 685,644
Expenditures:				
General Government:				
Compensation	\$ 314,714	\$ 314,714	\$ 328,397	\$ (13,683)
Office Facilities	28,510	28,510	23,766	4,744
Office Expenses	14,200	14,200	5,518	8,682
Insurance	12,204	12,204	10,909	1,295
Economic Development:				
Contractual Services	159,600	159,600	69,679	89,921
Meetings and Workshops	27,000	27,000	18,625	8,375
Professional Development	5,000	5,000	1,225	3,775
Promotion	50,000	50,000	17,035	32,965
Economic Development Grants	778,200	778,200	52,075	726,125
Water and Waste Water Project - City of Big Spring	750,000	750,000	750,000	
Capital Outlay:				
Equipment	5,000	5,000		5,000
Property Improvements	25,000	25,000		25,000
Building			10,000	(10,000)
Debt Service:				
Principal	550,000	550,000	550,000	
Interest Expense	75,928	75,928	89,199	(13,271)
Total Expenditures	\$ 2,795,356	\$ 2,795,356	\$ 1,926,428	\$ 868,928
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ 65,444	\$ 65,444	\$ 1,620,016	\$ 1,554,572
Other Financing Sources:				
Sale of Land	\$	\$	\$ 844,006	\$ 844,006
Net Change in Fund Balance	\$ 65,444	\$ 65,444	\$ 2,464,022	\$ 2,398,578
Fund Balance - Beginning	8,759,494	8,759,494	8,759,494	
Fund Balance - Ending	\$ 8,824,938	\$ 8,824,938	\$ 11,223,516	\$ 2,398,578

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
PENSION PLAN**

SEPTEMBER 30, 2024

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	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.

Mortality

Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information:

Notes

There were no benefit changes during the year.

BIG SPRING ECONOMIC DEVELOPMENT CORPORATION

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
SEPTEMBER 30, 2024**

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, BSEDC 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 Board of Directors is then called for the purpose of adopting the proposed budget. At least 72 hours public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through approval by the City of Big Spring City Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the Board of Directors and approval from the City of Big Spring City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board of Directors and are not made after fiscal year end. The legal level of control is at the function 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).

BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS
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LUBBOCK, TEXAS 79423-1954

January 29, 2025

To the City Council
City of Big Spring, Texas
and to the Board of Directors of
Big Spring Economic Development Corporation

We have audited the financial statements of Big Spring Economic Development Corporation (BSEDC) for the year ended September 30, 2024, and have issued our report thereon dated January 29, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 14, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by BSEDC are described in the notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended September 30, 2024.

We noted no transactions entered into by BSEDC during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the financial statements.

The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to management's discussion and analysis, the schedule of changes in the plan's net pension liability and related ratios, schedule of contributions, the schedule of changes in the total OPEB liability and related ratios, and budgetary comparison schedule – governmental fund, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Board of Directors
Big Spring Economic Development Corporation
January 29, 2025
Page 3

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Big Spring Economic Development Corporation and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

CITY OF BIG SPRING, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

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

CERTIFIED PUBLIC ACCOUNTANTS

LUBBOCK, TEXAS

CITY OF BIG SPRING, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2024

CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2024

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CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
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CITY OF BIG SPRING, TEXAS
ANNUAL FINANCIAL REPORT
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BOLINGER, SEGARS, GILBERT & MOSS, L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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LUBBOCK, TEXAS 79423-1954

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of and for the fiscal year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City of Big Spring, Texas' basic financial statements as listed in the table of contents.

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, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Big Spring, Texas, as of September 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Big Spring, Texas (the City) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, schedule of changes in net pension liability and related ratios, schedule of employer contributions, schedule of changes in the total OPEB liability and related ratios, and budgetary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary 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 combining statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements 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 are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 24, 2025, 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

February 24, 2025

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, 2024. We encourage readers to consider the information presented here in conjunction with the independent auditor's report and the basic financial statements. **All amounts, unless otherwise indicated, are expressed in thousands of dollars.**

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded its liabilities on September 30, 2024, by \$183,918 (net position). Of this amount, the unrestricted net position increased by \$8,719 from \$20,060 to \$28,779. At the same time, the Net Position Invested in Capital Assets increased by \$6,932 to a total \$152,227.
- The City's total net position increased by \$16,077. Net Pension Liability had an overall decrease of (\$4,167). At the end of calendar year 2023 - the fiscal year-end of both TMRS (Non-Fire Employees) and BSFRRF (Firemen's) retirement funds - the City's combined Net Pension Liability is \$20,121.
- The City's governmental funds combined ending fund balance is \$22,197, of which \$19,183 (an increase of \$3,718), is available for spending at the City's discretion.
- The ending unassigned fund balance for the General Fund was \$19,191, or 71.63% of total general fund revenues and 79.84% of total expenditures.
- The City has reduced Bond and Financing Lease Debt by \$1,892 from \$12,184 at 9/30/2023, to \$10,293 at 9/30/2024, a 15.53% reduction.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

Reporting the City as a Whole

The Statement of Net Position and the Statement of Activities

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

All of the current year's revenues and expenses are considered regardless of when cash is received or paid. The City's revenues are separated into two categories: those provided by outside parties who share the costs of some programs, such as grants with cost share requirements, and revenues provided directly from the taxpayer, such as property tax. All the City's assets are reported whether they serve the current year or future years. Liabilities are included regardless of whether they must be paid in the current or future years.

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

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

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

Reporting the City's Most Significant Funds

Fund Financial Statements

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

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

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements, accompanying notes, and supplementary information, this report also presents certain required supplementary information. The City 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's assets and deferred outflows of resources exceeded deferred inflows of resources and liabilities by \$183,918 on September 30, 2024.

The largest portion of the City's net position, \$152,227 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	
	2024	2023	2024	2023	2024	2023
Assets:						
Cash and Cash Equivalents	\$ 8,324	\$ 7,114	\$ 6,739	\$ 6,430	\$ 15,063	\$ 13,544
Investments	14,639	7,843	34,182	36,745	48,821	44,588
Receivables	2,869	2,210	2,524	2,699	5,393	4,909
Internal Balances	5,563	7,999	(5,563)	(7,999)	0	0
Due from Other Governments				192	0	192
Capital Assets	86,720	85,691	76,440	72,547	163,160	158,238
Other Assets	12	21	938	1,081	950	1,102
Total Assets	\$ 118,127	\$ 110,878	\$ 115,260	\$ 111,695	\$ 233,387	\$ 222,573
Deferred Outflows of Resources	\$ 4,012	\$ 9,445	\$ 1,718	\$ 4,245	\$ 5,730	\$ 13,690
Liabilities:						
Accounts Payable and Other Current Liabilities	\$ 4,560	\$ 3,420	\$ 2,421	\$ 2,517	\$ 6,981	\$ 5,937
Current Portion of Long-term Liabilities	1,777	1,805	933	1,148	2,710	2,953
Long-term Liabilities	23,145	27,445	16,848	19,683	39,993	47,128
Total Liabilities	\$ 29,482	\$ 32,670	\$ 20,202	\$ 23,348	\$ 49,684	\$ 56,018
Deferred Inflows of Resources	\$ 3,259	\$ 5,423	\$ 2,256	\$ 6,981	\$ 5,515	\$ 12,404
Net Position:						
Invested in Capital Assets	\$ 81,902	\$ 79,616	\$ 70,325	\$ 65,679	\$ 152,227	\$ 145,295
Restricted	2,912	2,486			2,912	2,486
Unrestricted	4,584	128	24,195	19,932	28,779	20,060
Total Net Position	\$ 89,398	\$ 82,230	\$ 94,520	\$ 85,611	\$ 183,918	\$ 167,841

The City has restricted net position totaling 1.58% of total net position, which represents resources subject to restrictions on how they may be used. Such resources include special revenue funds restricted for specific purposes. The unrestricted net position is \$28,778.

There was an overall increase of \$6,932 in net investment in capital assets, with capital assets in governmental activities increasing by \$2,286 and capital assets in business-type activities increasing by \$4,646. 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

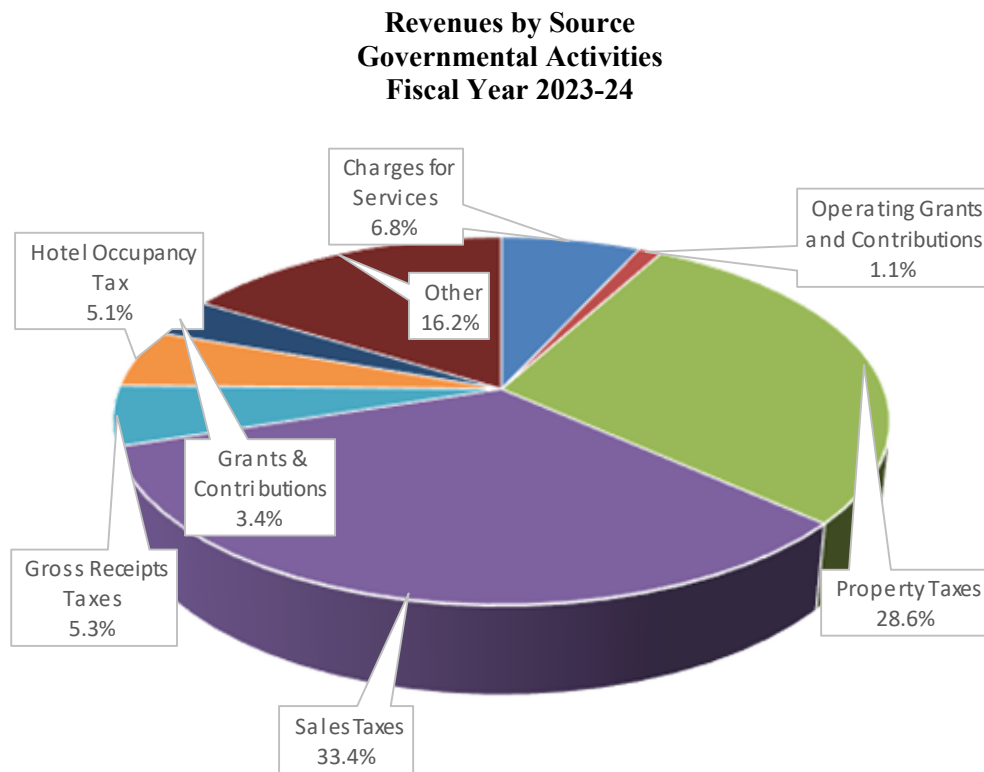
CHANGES IN NET POSITION
(in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues						
Charges for Services	\$ 2,068	\$ 2,366	\$ 24,270	\$ 24,805	\$ 26,338	\$ 27,171
Operating Grants and Contributions	343	333	1,391	1,264	1,734	1,597
Capital Grants and Contributions			4,223	2,839	4,223	2,839
General Revenues						
Property Taxes	8,658	8,583			8,658	8,583
Sales Taxes	10,091	9,740			10,091	9,740
Gross Receipts Taxes	1,601	1,586			1,601	1,586
Hotel Occupancy Tax	1,533	1,642			1,533	1,642
Grants and Contributions Not						
Restricted to Specific Programs	1,030	193			1,030	193
Unrestricted Investment Earnings	678	192	1,485	739	2,163	931
Miscellaneous	4,218	3,176	3,227	5,629	7,445	8,805
Total Revenues	\$ 30,220	\$ 27,811	\$ 34,596	\$ 35,276	\$ 64,816	\$ 63,087
Expenses:						
Water and Sewer	\$	\$	\$ 13,730	\$ 13,181	\$ 13,730	\$ 13,181
Airport/Industrial Park			3,404	3,524	3,404	3,524
Emergency Medical Services			2,705	4,351	2,705	4,351
Landfill			1,596	1,846	1,596	1,846
Sanitation			3,222	3,058	3,222	3,058
General Government	3,072	2,114			3,072	2,114
Public Safety	13,320	14,287			13,320	14,287
Highways and Streets	2,965	3,470			2,965	3,470
Recreation and Parks	2,925	2,722			2,925	2,722
Economic Development	1,445	1,664			1,445	1,664
Other	355	832			355	832
Total Expenses	\$ 24,082	\$ 25,089	\$ 24,657	\$ 25,960	\$ 48,739	\$ 51,049
Increase in Net Position Before Transfers	\$ 6,138	\$ 2,722	\$ 9,939	\$ 9,316	\$ 16,077	\$ 12,038
Transfers	1,030	993	(1,030)	(993)	0	0
Increase (Decrease) in Net Position	\$ 7,168	\$ 3,715	\$ 8,909	\$ 8,323	\$ 16,077	\$ 12,038
Net Position-Beginning	82,230	78,515	85,611	77,288	167,841	155,803
Net Position-Ending	\$ 89,398	\$ 82,230	\$ 94,520	\$ 85,611	\$ 183,918	\$ 167,841

Governmental Activities - Governmental activities resulted in an increase of \$7,168 in the City's net position. The net position of the City's governmental revenues increased by 8.66%. The careful budget controls, understaffing, and oil royalty revenues added significantly to the increased Net Position.

Key elements of this increase are as follows:

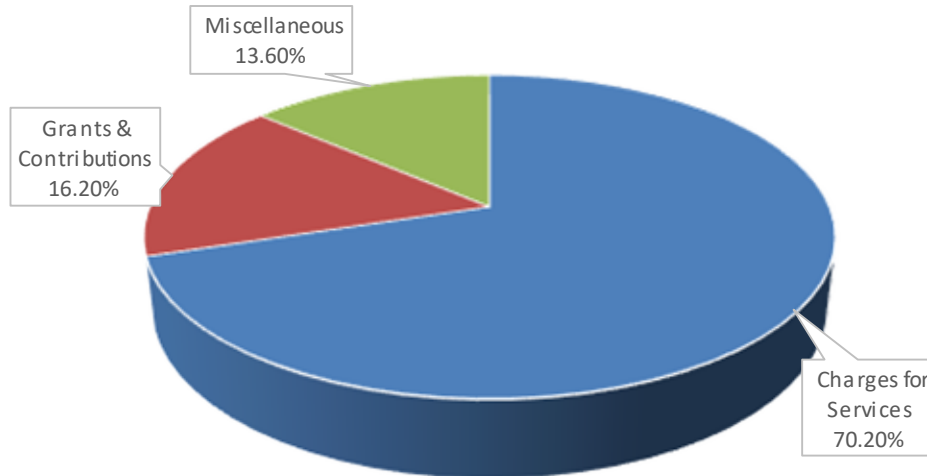
- Sales tax collections became the largest source of general revenues this year and rose by 3.6% to \$10,091.
- Property taxes became the second largest source of revenue this year at 28.6% of general revenues. Property tax increased by 0.09%, from \$8,583 in 2022-23 to \$8,658 in 2023-24. This category includes collections and penalties/interest for both the current year and delinquent taxes.
- The Hotel Occupancy Tax had a slight decrease in revenue from \$1,642 in 2022-23 to \$1,533 in 2023-24, a decrease of (6.64%).



Business-Type Activities - Business-type activities increased the City of Big Spring's total net position by \$8,909 in the current fiscal year. Key elements of this increase are as follows:

- Total business-type revenues decreased (\$680) in 2023-24, mainly due to the outsourcing of EMS Services for six months of FY 2023-2024, where revenue was neither billed nor collected by the City.
- Charges for services – the major class of revenues in the business-type activities – decreased by (2.16%) by (\$535).
- Total expenses for the City's business-type activities decreased by (\$1,303) from \$25,960 for the fiscal year ended September 30, 2023, to \$24,657 for the fiscal year ended September 30, 2024.

**Revenues by Source
Business-Type Activities
Fiscal Year 2023-24**



FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

As the City completed the 2023-24 year, its governmental funds reported combined ending fund balances of \$22,197 representing an increase of \$4,187 from the prior year's balance of \$18,010. This is mostly attributed to the increased revenues in sales taxes and mineral royalties and a decrease in expenditures due to vacancies mainly in the public safety divisions.

The General Fund is the major operating fund of the City. Unassigned fund balance represents 79.84% of total General Fund expenditures.

Total fund balance in the City's General Fund increased by \$3,719, a 24% increase during fiscal year 2023-24. The other governmental funds realized a net increase to fund balance of \$469 or 18.6%.

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

	2024	2023	Change
Water and Sewer Fund	\$ 7,920	\$ 7,784	\$ 136
Airport/Industrial Park	23,213	19,868	3,345
Emergency Medical Services	(3,846)	(4,214)	368
Landfill	(2,184)	(4,075)	1,891
Sanitation	(909)	569	(1,478)
	<u>\$ 24,194</u>	<u>\$ 19,932</u>	<u>\$ 4,262</u>

Unrestricted net position increased by \$136 in the Water and Sewer Fund and increased by \$3,345 in the Airport/Industrial Park. The Emergency Medical Services Fund increased from a negative (\$4,214) to a negative (\$3,846) in 2023-24 by \$368. The Landfill Fund’s unrestricted net position increased by \$1,891. The Sanitation Fund decreased unrestricted net position by (\$1,478).

GENERAL FUND BUDGETARY HIGHLIGHTS

Budget review this year resulted in an increase in revenue of \$4,545, above the original budget. The General Fund had a net increase of fund balance of \$3,718 at 9/30/2024. The budget was a conservative budget, knowing that there was high inflation, and a potential decline in oil royalties. The following are some of the highlights that affected the fund balance.

- Final revenue totals had a combined positive variance with the final revised budget of \$826. This is primarily due to the increased sales taxes, mineral revenues, contributions from local area foundations and the sale of surplus property, resulting in exceeding the revised budgeted projections by 16.66%.
- Unfilled positions enabled departments to control their expenditures which contributed to the modest increase in the net fund balance.
- Donations from local foundations received were in excess of \$1,000 for FY 23-24.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to \$163,160 (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 slightly by \$4,922 or .031%.

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

- Infrastructure and improvements increased by a net of \$2,285 as projects in business-type activities were completed and put into operation.
- Buildings and systems decreased by a net of (\$369) mainly because of the disposition of property located at IH-20 and State Hwy 176.
- In addition, construction in progress of Business-Type Activities increased by \$2,591 because of the multi-year utility projects funded by the ARPA funds. Governmental activities decreased (\$1,912) as the City has completed various projects for infrastructure and facilities.
- Machinery and equipment increased by \$2,327 mainly because of supply chain from the prior year and the availability of equipment that had been ordered previously became available.

Table III
City of Big Spring, Texas

CAPITAL ASSETS AT SEPTEMBER 30, 2024
(Net of Depreciation, in thousands)

	Governmental Activities		Business-Type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 72,972	\$ 72,972	\$ 6,325	\$ 6,325	\$ 79,297	\$ 79,297
Historical Works of Arts			426	426	426	426
Buildings and Systems	1,500	1,697	20,115	20,287	21,615	21,984
Infrastructure and Improvements	7,471	5,711	38,260	37,735	45,731	43,446
Machinery and Equipment	4,520	3,142	6,005	5,056	10,525	8,198
Construction in Progress	257	2,169	5,309	2,718	5,566	4,887
	<u>\$ 86,720</u>	<u>\$ 85,691</u>	<u>\$ 76,440</u>	<u>\$ 72,547</u>	<u>\$ 163,160</u>	<u>\$ 158,238</u>

Additional information regarding capital asset activity of the City can be found in Note D in the Notes to the Financial Statements.

Long-Term Debt

In 2010, the City of Big Spring sold \$4,200 in Certificates of Obligation for the construction of a new family aquatic center. The debt service on this certificate of obligation is being paid from property tax revenue.

In July 2012, the City issued \$11,725 of Combination Tax and Surplus Revenue Certificates of Obligation. The proceeds of this issue were expended to renovate both the water and wastewater treatment plant facilities. In addition, the City entered into a performance agreement with the Big Spring Economic Development Corporation (BSEDC) to use part of its sale tax revenue to meet debt service requirements on

this issue. The BSEDC is a Type A Corporation, but in May of 2012, the voters of Big Spring approved the Type B treatment plant upgrades. BSEDC will contribute a maximum amount of \$13,000 over a twenty-year term. The balance of the debt service requirements will be paid from utility system revenues.

In February of 2016, the City issued \$7,980 of General Obligation Refunding Bonds. These bonds, issued at a premium, defeased \$8,290 of the 2007 General Obligation Bonds and Certificate of Obligations Bond series. Defeasement means the proceeds of the issue were put into an irrevocable trust to pay off the bonds on their call date. The call date is a feature where the issuer can pay off the bond before the maturity date. The call date for these two 2007 issues was 2/15/2017, so as of the date of this letter, the bonds have been called and paid. Because these 2007 bonds were defeased, only the remaining bonds due are shown in this Comprehensive Annual Financial Report. The City will save a net present value of approximately \$1,195 which will be incurred over the next 11 years.

The Latest City's Unenhanced Bond S&P Bond Rating increased from "A+ Stable", which was obtained on February 15, 2022.

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

In 2022, the City again took advantage of the favorable market conditions and refinanced \$6,390 in callable certificates of obligation. The issues that were refunded were the Series 2012 Combination Tax and Surplus Revenue Certificates of Obligation. The Series 2022 General Obligation Refunding Bond have par value of \$6,390,000 and an average interest rate of 3.5%. Due to the combined debt service savings of \$797,872.94 over the remaining 10 year lifetime of the outstanding CO's, the true interest cost is 1.749%.

At the end of the current fiscal year, the City had total bonded debt outstanding of \$9,620. The total outstanding debt is backed by the full faith and credit of the government, while a tax levy has been established for \$4,215 of the total and the remaining \$5,405 is business-type activity debt, supported by water and sewer system revenues. Total long-term debt, not due within one year, including capital leases compensated absences, landfill closure and post closure, pension, and retiree health insurance is \$42,703.

The City 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, 2024
(in thousands)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Totals</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Serviced by Tax Revenues						
General Obligation Bonds	\$ 4,215	\$ 5,285	\$	\$	\$ 4,215	\$ 5,285
Serviced by Enterprise Funds						
Certificates of Obligation Bonds			5,405	5,980	5,405	5,980
	<u>\$ 4,215</u>	<u>\$ 5,285</u>	<u>\$ 5,405</u>	<u>\$ 5,980</u>	<u>\$ 9,620</u>	<u>\$ 11,265</u>

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

For the general fund, the two largest revenue contributors are property and sales tax, making up 28.6% and 33.4%, at \$8,658 and \$10,091, respectively. Due to an increase in the local economy and inflation, sales tax rose for the fiscal year ending September 30, 2024, by 3.6%.

One of the main driving forces in the local economy is both the price and the exploration of oil since Big Spring sits on the Wolf Camp and Cline Shale oil formations. Mineral revenues in fiscal 2024 totaled \$5,613, a decrease from \$8,165 at the end of fiscal 2023. This decrease in mineral revenues is a direct result of a decrease in production and the reduction in the price of oil, with oil at \$89.43/barrel at the end of September 2023 to \$70.24/barrel in September 2024.

Unemployment was 4.4% as of September 2023, peaked at 5.2% in June 2024, but as of September 2024, is down to 4.3% which is still above the state's unemployment rate of 4.1% and the national rate of 4.1% for September 2024. Median household income grew 9.49% from \$64,418 to \$70,523

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City's Finance Office, at City of Big Spring, 310 Nolan, Big Spring, Texas 79720-2657.

BASIC FINANCIAL STATEMENTS

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CITY OF BIG SPRING, TEXAS

EXHIBIT A-1

**GOVERNMENT-WIDE - STATEMENT OF NET POSITION
SEPTEMBER 30, 2024**

	Primary Government			
	Governmental Activities	Business-Type Activities	Total	Component Unit
ASSETS:				
Cash and Cash Equivalents	\$ 8,323,801	\$ 6,739,143	\$ 15,062,944	\$ 9,460,321
Investments	14,639,140	29,278,980	43,918,120	
Investments - Restricted		4,902,747	4,902,747	
Receivables (Net of Allowances for Uncollectibles)	2,869,242	2,523,582	5,392,824	568,287
Internal Balances	5,562,521	(5,562,521)		
Inventories		938,004	938,004	1,280,279
Prepaid Items	11,964	469	12,433	11,630
Capital Assets, Not Being Depreciated	73,228,511	12,059,855	85,288,366	25,000
Capital Assets, Net of Accumulated Depreciation	13,491,322	64,379,719	77,871,041	87,752
Total Assets	\$ 118,126,501	\$ 115,259,978	\$ 233,386,479	\$ 11,433,269
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred Outflows - Pension Plan - TMRS	\$ 2,200,846	\$ 1,024,106	\$ 3,224,952	\$ 72,641
Deferred Outflows - Pension Plan - BSFRRF	1,308,304	502,909	1,811,213	
Deferred Outflows - OPEB - TMRS	11,969	5,569	17,538	429
Deferred Outflows - OPEB - Health Insurance	363,043	185,091	548,134	
Deferred Outflows - Loss on Refunding	128,251		128,251	
Total Deferred Outflows of Resources	\$ 4,012,413	\$ 1,717,675	\$ 5,730,088	\$ 73,070
LIABILITIES:				
Accounts Payable	\$ 3,251,258	\$ 1,729,328	\$ 4,980,586	\$ 93,780
Claims and Judgments Payable	400,297		400,297	
Accrued Interest Payable	17,550	20,859	38,409	3,221
Accrued Wages	698,682	267,179	965,861	
Unearned Revenue	181,831	9,644	191,475	
Customer Deposits	9,609	353,223	362,832	
Unclaimed Property		39,966	39,966	
Noncurrent Liabilities				
Due Within One Year	1,777,388	932,846	2,710,234	550,000
Due In More Than One Year	23,144,905	16,848,121	39,993,026	3,010,654
Total Liabilities	\$ 29,481,520	\$ 20,201,166	\$ 49,682,686	\$ 3,657,655
DEFERRED INFLOWS OF RESOURCES:				
Deferred Inflows - Pension Plan - TMRS	\$ 297,885	\$ 138,613	\$ 436,498	\$ 9,264
Deferred Inflows - Pension Plan - BSFRRF	1,322,486	516,981	1,839,467	
Deferred Inflows - OPEB - TMRS	94,688	44,061	138,749	2,945
Deferred Inflows - OPEB - Health Insurance	1,544,252	787,311	2,331,563	
Deferred Inflows - Gain on Refunding		122,653	122,653	
Deferred Inflows - Grant Funds		646,677	646,677	
Total Deferred Inflows of Resources	\$ 3,259,311	\$ 2,256,296	\$ 5,515,607	\$ 12,209
NET POSITION				
Net Investment in Capital Assets	\$ 81,901,696	\$ 70,325,497	\$ 152,227,193	\$ 112,752
Restricted For:				
Cemetery Permanent Care (Nonexpendable)	351,519		351,519	
Public, Educational and Governmental				
Television Access	274,368		274,368	
Restricted for Public Safety Improvements	252,937		252,937	
Economic Development				7,723,723
Advertising and Promotions	1,673,878		1,673,878	
Debt Service	198,795		198,795	
Senior Citizen's Center	44,663		44,663	
Opioid Remediation Uses	71,222		71,222	
Truancy Court Operations	7,239		7,239	
Court Technology	11,767		11,767	
Court Security	26,462		26,462	
Unrestricted	4,583,537	24,194,694	28,778,231	
Total Net Position	\$ 89,398,083	\$ 94,520,191	\$ 183,918,274	\$ 7,836,475

The accompanying notes are an integral part of this statement.

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CITY OF BIG SPRING, TEXAS

EXHIBIT A-2

**GOVERNMENT-WIDE - STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
PRIMARY GOVERNMENT:								
Governmental Activities:								
General Government	\$ 3,072,894	\$ 434,328	\$ 33,081	\$	\$ (2,605,485)	\$	\$ (2,605,485)	\$
Public Safety	13,320,375	488,878	291,612		(12,539,885)		(12,539,885)	
Highways and Streets	2,964,690				(2,964,690)		(2,964,690)	
Community Service	16,097	1,865	18,032		3,800		3,800	
Recreation and Parks	2,924,564	1,051,802			(1,872,762)		(1,872,762)	
Cemetery	193,844	89,934			(103,910)		(103,910)	
Economic Development	1,444,599	1,620			(1,442,979)		(1,442,979)	
Interest on Long-Term Debt	144,945				(144,945)		(144,945)	
Total Governmental Activities	\$ 24,082,008	\$ 2,068,427	\$ 342,725	\$ 0	\$ (21,670,856)	\$ 0	\$ (21,670,856)	\$ 0
Business-Type Activities:								
Water and Sewer	\$ 13,729,478	\$ 14,005,422	\$ 781,230	\$ 4,223,235	\$	\$ 5,280,409	\$ 5,280,409	\$
Airport/Industrial Park	3,403,789	2,019,951	119,408			(1,264,430)	(1,264,430)	
Emergency Medical Services	2,705,445	1,866,868	490,000			(348,577)	(348,577)	
Landfill	1,595,918	2,362,456				766,538	766,538	
Sanitation	3,222,195	4,015,734				793,539	793,539	
Total Business-Type Activities	\$ 24,656,825	\$ 24,270,431	\$ 1,390,638	\$ 4,223,235	\$ 0	\$ 5,227,479	\$ 5,227,479	\$ 0
Total Primary Government	\$ 48,738,833	\$ 26,338,858	\$ 1,733,363	\$ 4,223,235	\$ (21,670,856)	\$ 5,227,479	\$ (16,443,377)	\$ 0
COMPONENT UNIT:								
Economic Development Corporation	\$ 1,373,271	\$ 0	\$ 0	\$ 0				\$ (1,373,271)
General Revenues:								
Property Taxes					\$ 8,658,228	\$	\$ 8,658,228	\$
Sales Taxes					10,090,827		10,090,827	3,375,550
Gross Receipts Taxes					1,600,565		1,600,565	
Motel Occupancy Taxes					1,532,532		1,532,532	
Grants and Contributions Not Restricted to Specific Programs					1,030,452		1,030,452	
Unrestricted Investment Earnings					678,474	1,485,083	2,163,557	157,175
Oil Royalties					2,838,586	3,158,098	5,996,684	
Miscellaneous					1,379,169	69,130	1,448,299	857,725
Transfers					1,030,495	(1,030,495)		
Total General Revenue and Transfers					\$ 28,839,328	\$ 3,681,816	\$ 32,521,144	\$ 4,390,450
Change in Net Position					\$ 7,168,472	\$ 8,909,295	\$ 16,077,767	\$ 3,017,179
Net Position - Beginning					82,229,611	85,610,896	167,840,507	4,819,296
Net Position - Ending					\$ 89,398,083	\$ 94,520,191	\$ 183,918,274	\$ 7,836,475

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT A-3

BALANCE SHEET - GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS:			
Cash and Cash Equivalents	\$ 2,703,748	\$ 564,270	\$ 3,268,018
Investments	11,648,221	2,828,458	14,476,679
Receivables (Net of Allowances for Uncollectibles)	2,639,223	230,019	2,869,242
Due from Other Funds	6,305,826		6,305,826
Prepaid Items	11,964		11,964
Total Assets	<u>\$ 23,308,982</u>	<u>\$ 3,622,747</u>	<u>\$ 26,931,729</u>
LIABILITIES:			
Accounts Payable	\$ 2,966,862	\$ 59,303	\$ 3,026,165
Accrued Wages	684,455	14,227	698,682
Unearned Revenue	126,097	55,734	181,831
Due to Other Funds		62,070	62,070
Customer Deposits	2,835	6,774	9,609
Advances from Other Funds		379,939	379,939
Total Liabilities	<u>\$ 3,780,249</u>	<u>\$ 578,047</u>	<u>\$ 4,358,296</u>
DEFERRED INFLOWS OF RESOURCES:			
Unavailable Revenue	<u>\$ 325,827</u>	<u>\$ 50,786</u>	<u>\$ 376,613</u>
Total Deferred Inflows of Resources	<u>\$ 325,827</u>	<u>\$ 50,786</u>	<u>\$ 376,613</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
Prepays	\$ 11,964	\$	\$ 11,964
Cemetery Permanent Care		351,519	351,519
Restricted Fund Balances:			
Restricted for Advertising and Promotions		1,673,878	1,673,878
Restricted for Court Security		26,462	26,462
Restricted for Court Technology		11,767	11,767
Restricted for Public, Educational and Governmental Television Access		274,368	274,368
Restricted for Public Safety Improvements		252,937	252,937
Restricted for Debt Service		198,795	198,795
Restricted for Senior Citizen's Center		44,663	44,663
Restricted for Opioid Remediation Uses		71,222	71,222
Restricted for Truancy Court Operations		7,239	7,239
Committed Fund Balances:			
Committed for Employee Education		89,442	89,442
Unassigned Fund Balance	<u>19,190,942</u>	<u>(8,378)</u>	<u>19,182,564</u>
Total Fund Balances	<u>\$ 19,202,906</u>	<u>\$ 2,993,914</u>	<u>\$ 22,196,820</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 23,308,982</u>	<u>\$ 3,622,747</u>	<u>\$ 26,931,729</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, 2024

Total Fund Balances - Governmental Funds Balance Sheet	\$ 22,196,820
Amounts reported for governmental activities in the Statement of Net Position (SNP) are different because:	
Capital assets used in governmental activities are not reported in the funds.	86,709,833
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	376,613
Deferred outflows and inflows of resources related to pensions and OPEB are not reported in the funds.	624,851
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	4,301,558
Payables for long-term debt principal which are not due in the current period are not reported in the funds.	(4,537,502)
Payables for bond interest which are not due in the current period are not reported in the funds.	(17,550)
Bond Premiums are not recorded in the funds.	(280,635)
Deferred Outflows of Resources - Loss on Refunding's are not recorded in the funds.	128,251
Net pension liabilities are not reported in the funds.	(14,079,370)
Total OPEB Liabilities are not reported in the funds.	(3,558,784)
Payables for compensated absences which are not reported in the funds.	<u>(2,466,002)</u>
Net Position of Governmental Activities - Statement of Net Position	\$ <u><u>89,398,083</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, 2024

	General Fund	Other Governmental Funds	Total Governmental Funds
Revenue:			
Taxes:			
General Property Taxes	\$ 7,460,354	\$ 1,156,527	\$ 8,616,881
General Sales Taxes	10,090,827		10,090,827
Gross Receipts Business Taxes	1,564,608	35,957	1,600,565
Motel Occupancy Taxes		1,532,532	1,532,532
License and Permits	654,442		654,442
Intergovernmental	156,008	186,717	342,725
Charges for Services	400	131,094	131,494
Fines	208,242	22,447	230,689
Recreation	1,051,802		1,051,802
Investment Earnings	580,935	90,600	671,535
Rents and Royalties	2,835,321	3,265	2,838,586
Miscellaneous	1,157,226	2,299	1,159,525
Contributions and Donations	1,030,425	27	1,030,452
Total Revenues	\$ 26,790,590	\$ 3,161,465	\$ 29,952,055
Expenditures:			
Current:			
General Government	\$ 3,526,171	\$ 124,409	\$ 3,650,580
Public Safety	12,908,092	35,900	12,943,992
Highways and Streets	3,385,265		3,385,265
Community Service		5,450	5,450
Recreation and Parks	3,986,731		3,986,731
Economic Development		1,301,349	1,301,349
Cemetery		194,514	194,514
Debt Service:			
Principal	213,554	1,065,577	1,279,131
Interest	17,066	160,979	178,045
Total Expenditures	\$ 24,036,879	\$ 2,888,178	\$ 26,925,057
Excess of Revenues Over Expenditures	\$ 2,753,711	\$ 273,287	\$ 3,026,998
Other Financing Sources:			
Transfers In (Out)	\$ 872,439	\$ 195,161	\$ 1,067,600
Financing Lease Obligation	92,277		92,277
Total Other Financing Sources (Uses)	\$ 964,716	\$ 195,161	\$ 1,159,877
Net Change in Fund Balances	\$ 3,718,427	\$ 468,448	\$ 4,186,875
Fund Balances - Beginning	15,484,479	2,525,466	18,009,945
Fund Balances - Ending	\$ 19,202,906	\$ 2,993,914	\$ 22,196,820

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, 2024

Net Change in Fund Balances - Total Governmental Funds	\$ 4,186,875
Amounts reported for governmental activities in the Statement Of Activities (SOA) are different because:	
Capital assets are not reported as expenses in the SOA.	3,525,019
The depreciation of capital assets used in governmental activities is not reported in the funds.	(2,496,178)
Proceeds of financing leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(92,277)
Certain revenues are deferred in the funds. This is the change in these amounts this year.	41,347
Repayment of long-term debt principal is an expenditure in the funds but is not an expense in the SOA.	1,279,131
Bond Premiums and Losses on Refundings' related amortization is not recorded in the funds.	28,800
Change in accrued interest from beginning of period to end of period.	4,300
The net revenue of internal service funds is reported with governmental activities.	850,445
Change related to pension and total OPEB liabilities and the related deferred outflows and inflows of resources is not recorded in the funds.	234,386
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	<u>(393,376)</u>
Change in Net Position of Governmental Activities - Statement of Activities	\$ <u><u>7,168,472</u></u>

The accompanying notes are an integral part of this statement.

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CITY OF BIG SPRING, TEXAS

EXHIBIT A-7

**STATEMENT OF NET POSITION
PROPRIETARY FUNDS
SEPTEMBER 30, 2024**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
ASSETS:							
Current Assets							
Cash and Cash Equivalents	\$ 2,047,095	\$ 4,384,815	\$	\$ 307,233	\$	\$ 6,739,143	\$ 5,055,783
Investments	8,715,332	19,257,850		1,305,798		29,278,980	162,461
Investments - Restricted				4,902,747		4,902,747	
Receivables (Net of Allowances for Uncollectibles)	1,452,020	442,105	154,866	92,022	382,569	2,523,582	
Due from Other Funds				442,292		442,292	
Inventories	870,249	50,295	17,460			938,004	
Prepaid Items				469		469	
Advances to Other Funds	379,939					379,939	
Total Current Assets	<u>\$ 13,464,635</u>	<u>\$ 24,135,065</u>	<u>\$ 172,326</u>	<u>\$ 7,050,561</u>	<u>\$ 382,569</u>	<u>\$ 45,205,156</u>	<u>\$ 5,218,244</u>
NONCURRENT ASSETS:							
Capital Assets (Net of Accumulated Depreciation)							
Land	\$ 17,373	\$ 5,671,290	\$	\$ 636,265	\$	\$ 6,324,928	\$ 10,000
Historical Planes - Display Collection		426,000				426,000	
Buildings and Systems	14,813,486	3,440,649		1,762,900		20,017,035	
Infrastructure and Improvements	13,994,533	16,326,457		8,082,148		38,403,138	
Machinery and Equipment	911,423	502,346	1,077,697	1,181,858	2,286,222	5,959,546	
Construction in Progress	4,927,950	380,977				5,308,927	
Total Noncurrent Assets	<u>\$ 34,664,765</u>	<u>\$ 26,747,719</u>	<u>\$ 1,077,697</u>	<u>\$ 11,663,171</u>	<u>\$ 2,286,222</u>	<u>\$ 76,439,574</u>	<u>\$ 10,000</u>
Total Assets	<u>\$ 48,129,400</u>	<u>\$ 50,882,784</u>	<u>\$ 1,250,023</u>	<u>\$ 18,713,732</u>	<u>\$ 2,668,791</u>	<u>\$ 121,644,730</u>	<u>\$ 5,228,244</u>
DEFERRED OUTFLOWS OF RESOURCES:							
Deferred Outflows - Pension Plan - TMRS	\$ 607,975	\$ 108,205	\$	\$ 151,225	\$ 156,701	\$ 1,024,106	\$
Deferred Outflows - Pension Plan - BSFRFF			502,909			502,909	
Deferred Outflows - OPEB - TMRS	3,307	588		822	852	5,569	
Deferred Outflows - OPEB - Health Insurance	94,235	19,736	34,618	19,710	16,792	185,091	
Total Deferred Outflows of Resources	<u>\$ 705,517</u>	<u>\$ 128,529</u>	<u>\$ 537,527</u>	<u>\$ 171,757</u>	<u>\$ 174,345</u>	<u>\$ 1,717,675</u>	<u>\$ 0</u>
LIABILITIES:							
Current Liabilities							
Accounts Payable	\$ 1,277,118	\$ 260,299	\$ 14,735	\$ 43,632	\$ 133,544	\$ 1,729,328	\$ 225,093
Claims and Judgments Payable							400,297
Accrued Wages	134,915	25,504	49,276	30,298	27,186	267,179	
Due to Other Funds			831,352	5,111,108	442,292	6,384,752	301,296
Customer Deposits	296,566	56,657				353,223	
Unclaimed Property	39,966					39,966	
Unearned Revenue		9,644				9,644	
Accrued Interest Payable	20,580	245			34	20,859	
Accrued Compensated Absences - Current	68,494	12,166	5,501	17,673	18,287	122,121	
Long Term Debt - Current	669,333	27,441	10,414	6,004	97,533	810,725	
Total Current Liabilities	<u>\$ 2,506,972</u>	<u>\$ 391,956</u>	<u>\$ 911,278</u>	<u>\$ 5,208,715</u>	<u>\$ 718,876</u>	<u>\$ 9,737,797</u>	<u>\$ 926,686</u>
NONCURRENT LIABILITIES:							
Accrued Compensated Absences	\$ 205,482	\$ 36,499	\$ 16,501	\$ 53,020	\$ 54,860	\$ 366,362	\$
Net Pension Liability - TMRS	1,996,576	355,341		496,620	514,601	3,363,138	
Net Pension Liability - BSFRFF			2,678,494			2,678,494	
Total OPEB Liability - TMRS	127,016	22,605		31,593	32,737	213,951	
Total OPEB Liability - Health Insurance	804,409	168,469	295,510	168,246	143,338	1,579,972	
Long-Term Debt	5,239,969	18,443	4,379		40,561	5,303,352	
Closure/Post-closure Landfill Obligation				3,342,852		3,342,852	
Total Noncurrent Liabilities	<u>\$ 8,373,452</u>	<u>\$ 601,357</u>	<u>\$ 2,994,884</u>	<u>\$ 4,092,331</u>	<u>\$ 786,097</u>	<u>\$ 16,848,121</u>	<u>\$ 0</u>
Total Liabilities	<u>\$ 10,880,424</u>	<u>\$ 993,313</u>	<u>\$ 3,906,162</u>	<u>\$ 9,301,046</u>	<u>\$ 1,504,973</u>	<u>\$ 26,585,918</u>	<u>\$ 926,686</u>
DEFERRED INFLOWS OF RESOURCES:							
Deferred Inflows - Pension Plan - TMRS	\$ 82,291	\$ 14,645	\$	\$ 20,468	\$ 21,209	\$ 138,613	\$
Deferred Inflows - Pension Plan - BSFRFF			516,981			516,981	
Deferred Inflows - OPEB - TMRS	26,158	4,655		6,506	6,742	44,061	
Deferred Inflows - OPEB - Health Insurance	400,843	83,949	147,254	83,838	71,427	787,311	
Deferred Inflows - Gain on Refunding	122,653					122,653	
Deferred Inflows - Grant Funds	646,677					646,677	
Total Deferred Inflows of Resources	<u>\$ 1,278,622</u>	<u>\$ 103,249</u>	<u>\$ 664,235</u>	<u>\$ 110,812</u>	<u>\$ 99,378</u>	<u>\$ 2,256,296</u>	<u>\$ 0</u>
NET POSITION:							
Net Investment in Capital Assets	\$ 28,755,463	\$ 26,701,835	\$ 1,062,904	\$ 11,657,167	\$ 2,148,128	\$ 70,325,497	\$ 10,000
Unrestricted	7,920,408	23,212,916	(3,845,751)	(2,183,536)	(909,343)	24,194,694	4,291,558
Total Net Position	<u>\$ 36,675,871</u>	<u>\$ 49,914,751</u>	<u>\$ (2,782,847)</u>	<u>\$ 9,473,631</u>	<u>\$ 1,238,785</u>	<u>\$ 94,520,191</u>	<u>\$ 4,301,558</u>

The accompanying notes are an integral part of this statement.

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
OPERATING REVENUES:							
Charges for Services:							
Water Sales	\$ 10,990,910	\$	\$	\$	\$	\$ 10,990,910	\$
Sewer Charges	2,703,968					2,703,968	
Landfill Fees				2,240,450		2,240,450	
Sanitation Revenue					3,758,484	3,758,484	
Emergency Medical Services			1,866,868			1,866,868	
Commercial Rentals and Fees		2,019,754				2,019,754	
Billings to Departments and Employees							3,470,797
Other Services	310,544	197		122,006	257,250	689,997	
Total Operating Revenues	<u>\$ 14,005,422</u>	<u>\$ 2,019,951</u>	<u>\$ 1,866,868</u>	<u>\$ 2,362,456</u>	<u>\$ 4,015,734</u>	<u>\$ 24,270,431</u>	<u>\$ 3,470,797</u>
OPERATING EXPENSES:							
Personnel Services	\$ 3,249,978	\$ 644,257	\$ 1,154,229	\$ 654,872	\$ 714,487	\$ 6,417,823	\$
Supplies and Materials	4,649,757	292,614	123,430	80,014	359,493	5,505,308	19,036
Contractual Services	1,889,645	400,581	462,247	267,863	1,088,934	4,109,270	2,603,096
Maintenance	1,886,958	405,742	45,821	271,467	716,801	3,326,789	14,881
Depreciation	1,715,839	1,640,636	192,916	321,154	339,437	4,209,982	
Other Expense	191,863	15,901	726,524			934,288	172,817
Total Operating Expenses	<u>\$ 13,584,040</u>	<u>\$ 3,399,731</u>	<u>\$ 2,705,167</u>	<u>\$ 1,595,370</u>	<u>\$ 3,219,152</u>	<u>\$ 24,503,460</u>	<u>\$ 2,809,830</u>
Operating Income (Loss)	<u>\$ 421,382</u>	<u>\$ (1,379,780)</u>	<u>\$ (838,299)</u>	<u>\$ 767,086</u>	<u>\$ 796,582</u>	<u>\$ (233,029)</u>	<u>\$ 660,967</u>
NON-OPERATING REVENUES (EXPENSES)							
Intergovernmental Revenue	\$ 5,004,465	\$ 119,408	\$ 490,000	\$	\$	\$ 5,613,873	\$
Investment Earnings	461,202	716,474		301,770	5,637	1,485,083	6,939
Rents and Royalties		3,158,098				3,158,098	
Gain/(Loss) on Disposal of Assets		(12,692)		(55,464)		(68,156)	
Other Income (Expense)	33,305	1,755	78,250	2,674	21,302	137,286	219,644
Interest Expense and Paying Agent Fees	(145,438)	(4,058)	(278)	(548)	(3,043)	(153,365)	
Total Non-Operating Revenues (Expenses)	<u>\$ 5,353,534</u>	<u>\$ 3,978,985</u>	<u>\$ 567,972</u>	<u>\$ 248,432</u>	<u>\$ 23,896</u>	<u>\$ 10,172,819</u>	<u>\$ 226,583</u>
Income (Loss) Before Transfers	\$ 5,774,916	\$ 2,599,205	\$ (270,327)	\$ 1,015,518	\$ 820,478	\$ 9,939,790	\$ 887,550
Transfers In (Out)	<u>(787,491)</u>	<u>(348,066)</u>	<u>909,460</u>	<u>727,428</u>	<u>(1,531,826)</u>	<u>(1,030,495)</u>	<u>(37,105)</u>
Change in Net Position	\$ 4,987,425	\$ 2,251,139	\$ 639,133	\$ 1,742,946	\$ (711,348)	\$ 8,909,295	\$ 850,445
Total Net Position - Beginning	<u>31,688,446</u>	<u>47,663,612</u>	<u>(3,421,980)</u>	<u>7,730,685</u>	<u>1,950,133</u>	<u>85,610,896</u>	<u>3,451,113</u>
Total Net Position - Ending	<u>\$ 36,675,871</u>	<u>\$ 49,914,751</u>	<u>\$ (2,782,847)</u>	<u>\$ 9,473,631</u>	<u>\$ 1,238,785</u>	<u>\$ 94,520,191</u>	<u>\$ 4,301,558</u>

The accompanying notes are an integral part of this statement.

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CITY OF BIG SPRING, TEXAS

EXHIBIT A-9

**STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Major Proprietary Funds					Total Proprietary Funds	Internal Service Funds
	Water and Sewer Fund	Airport/ Industrial Park	Emergency Medical Services	Landfill	Sanitation		
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 13,950,612	\$ 2,004,354	\$ 2,143,727	\$ 2,351,425	\$ 4,121,300	\$ 24,571,418	\$
Cash Receipts from Interfund Services Provided							3,470,797
Cash Payments to Employees for Services	(3,048,530)	(570,316)	(2,137,803)	(649,770)	(733,062)	(7,139,481)	
Cash Payments to Other Suppliers for Goods and Services	(8,465,240)	(1,060,348)	(1,416,828)	(638,985)	(2,195,505)	(13,776,906)	(2,790,784)
Net Cash from Operating Activities	<u>\$ 2,436,842</u>	<u>\$ 373,690</u>	<u>\$ (1,410,904)</u>	<u>\$ 1,062,670</u>	<u>\$ 1,192,733</u>	<u>\$ 3,655,031</u>	<u>\$ 680,013</u>
Cash Flows from Non-Capital Financing Activities:							
Cash Received from Intergovernmental Grants	\$ 1,393,614	\$ 169,368	\$ 490,000	\$	\$	\$ 2,052,982	\$
Cash Received from Mineral Leases		3,158,098				3,158,098	
Various Reimbursements							219,644
Cash Transfers from (to) Other Funds	(2,657,491)	(348,066)	1,277,835	(649,235)	(1,089,534)	(3,466,491)	23,832
Net Cash from Non-Capital Financing Activities	<u>\$ (1,263,877)</u>	<u>\$ 2,979,400</u>	<u>\$ 1,767,835</u>	<u>\$ (649,235)</u>	<u>\$ (1,089,534)</u>	<u>\$ 1,744,589</u>	<u>\$ 243,476</u>
Cash Flows from Capital and Related Financing Activities:							
Principal and Interest Paid	\$ (854,728)	\$ (35,566)	\$ (12,253)	\$ (53,456)	\$ (100,867)	\$ (1,056,870)	\$
Acquisition or Construction of Capital Assets	(5,877,724)	(568,553)	(451,893)	(175,001)	(1,008,332)	(8,081,503)	
Net Cash from Capital and Related Financing Activities	<u>\$ (6,732,452)</u>	<u>\$ (604,119)</u>	<u>\$ (464,146)</u>	<u>\$ (228,457)</u>	<u>\$ (1,109,199)</u>	<u>\$ (9,138,373)</u>	<u>\$ 0</u>
Cash Flows from Investing Activities:							
Interest and Dividends on Investments	\$ 461,202	\$ 716,474	\$	\$ 301,770	\$ 5,637	\$ 1,485,083	\$ 6,939
Change in Investments	4,641,553	(2,564,361)	88,180	(425,067)	822,760	2,563,065	
Net Cash from Investing Activities	<u>\$ 5,102,755</u>	<u>\$ (1,847,887)</u>	<u>\$ 88,180</u>	<u>\$ (123,297)</u>	<u>\$ 828,397</u>	<u>\$ 4,048,148</u>	<u>\$ 6,939</u>
Increase (Decrease) in Cash and Cash Equivalents	\$ (456,732)	\$ 901,084	\$ (19,035)	\$ 61,681	\$ (177,603)	\$ 309,395	\$ 930,428
Cash and Cash Equivalents - Beginning of Year	2,503,827	3,483,731	19,035	245,552	177,603	6,429,748	4,287,816
Cash and Cash Equivalents - End of Year	<u>\$ 2,047,095</u>	<u>\$ 4,384,815</u>	<u>\$ 0</u>	<u>\$ 307,233</u>	<u>\$ 0</u>	<u>\$ 6,739,143</u>	<u>\$ 5,218,244</u>
Reconciliation of Operating Income to Net Cash from Operating Activities:							
Operating Income (Loss)	<u>\$ 421,382</u>	<u>\$ (1,379,780)</u>	<u>\$ (838,299)</u>	<u>\$ 767,086</u>	<u>\$ 796,582</u>	<u>\$ (233,029)</u>	<u>\$ 660,967</u>
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities:							
Depreciation	\$ 1,715,839	\$ 1,640,636	\$ 192,916	\$ 321,154	\$ 339,437	\$ 4,209,982	\$
Other	33,305	1,755	78,250	2,674	21,302	137,286	
Change in Assets and Liabilities:							
Decrease (Increase) in Receivables	(73,483)	(21,116)	198,609	(13,705)	84,764	175,069	200
Decrease (Increase) in Inventories	143,557		36,435			179,992	
Decrease (Increase) in Prepaid Expenses	643	345	879	2,563	7,978	12,408	
Decrease (Increase) in Deferred Outflows	1,041,258	187,996	718,225	294,227	279,933	2,521,639	
Increase (Decrease) in Accounts Payable	8,783	54,145	(96,120)	(22,204)	(38,255)	(93,651)	(25,914)
Increase (Decrease) in Claims and Judgements Payable							44,760
Increase (Decrease) in Accrued Wages	24,618	8,020	(37,228)	5,739	2,352	3,501	
Increase (Decrease) in Customer Deposits	(15,639)	3,764			(500)	(12,375)	
Increase (Decrease) in Unclaimed Property	1,007					1,007	
Increase (Decrease) in Accrued Compensated Absences	53,174	10,781	(535,668)	1,992	685	(469,036)	
Increase (Decrease) in Closure/Post-closure Landfill Obligation				23,770		23,770	
Increase (Decrease) in Net Pension Liability - TMRS	(579,098)	(112,858)		(198,030)	(164,379)	(1,054,365)	
Increase (Decrease) in Net Pension Liability - BSFRFRF			(474,680)			(474,680)	
Increase (Decrease) in Total OPEB Liability - TMRS	7,571	893		(621)	1,250	9,093	
Increase (Decrease) in Total OPEB Liability - Health Insurance	(117,135)	8,747	(130,815)	(40,378)	(51,284)	(330,865)	
Increase (Decrease) in Deferred Inflows	(228,940)	(29,638)	(523,408)	(81,597)	(87,132)	(950,715)	
Total Adjustments	<u>\$ 2,015,460</u>	<u>\$ 1,753,470</u>	<u>\$ (572,605)</u>	<u>\$ 295,584</u>	<u>\$ 396,151</u>	<u>\$ 3,888,060</u>	<u>\$ 19,046</u>
Net Cash from Operating Activities	<u>\$ 2,436,842</u>	<u>\$ 373,690</u>	<u>\$ (1,410,904)</u>	<u>\$ 1,062,670</u>	<u>\$ 1,192,733</u>	<u>\$ 3,655,031</u>	<u>\$ 680,013</u>
Supplemental Cash Flow Information:							
Non-Cash Related Financing Activities:							
Financing Lease Proceeds and Capital Assets	<u>\$ 108,268</u>	<u>\$ 26,366</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 134,634</u>	<u>\$ 0</u>

The accompanying notes are an integral part of this statement.

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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 (the 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.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

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

The City reports the following major governmental fund:

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

The City reports the following non-major governmental funds:

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

In addition, the City reports the following fund type:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the City. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the City's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

b. Measurement Focus, Basis of Accounting

Government-Wide and Proprietary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The City considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year-end. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds, of the water and sewer, airport/industrial park, EMS, landfill, and sanitation funds, and of the government's internal service funds are charges to customers for sales and services.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

The City also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for proprietary funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

c. Fund Balances

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

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

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

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

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

Unassigned Fund Balance—includes the amounts in the general fund in excess of what can properly be classified in one of the other four categories of fund balance. It is the residual classification of the general fund and includes all amounts not contained in other classifications. Unassigned amounts are technically available for any purpose. Negative residual amounts for all other governmental funds are reported in this classification.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Fund Balance Policy

Committed Fund Balance—The City Council is the City's highest level of decision-making authority and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Council at the City's Council meeting. The resolution must either be approved or rescinded, as applicable, prior to the last day of the fiscal year for which the commitment is made. The amount subject to the constraint may be determined in the subsequent period (i.e. the Council may approve the calculation or formula for determining the amount to be committed).

Assigned Fund Balance—The City Council authorizes the City Manager as the City Official responsible for the assignment of fund balance to a specific purpose as approved by this fund balance policy.

Order of Expenditure of Funds

When multiple categories of fund balance are available for expenditure (for example, a construction project is being funded partly by a grant, funds set aside by the City Council, and unassigned fund balance), the City will first spend the most restricted funds before moving down to the next most restrictive category with available funds.

3. Financial Statement Amounts

a. Cash and Cash Equivalents and Investments

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 Investments consist of the following:

<u>Purpose</u>	<u>Fund</u>	<u>Amount</u>
Landfill Closure and Post-Closure	Landfill	\$ 4,902,747

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

Allowances for uncollectible tax receivables within the General Fund are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

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CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

c. Inventories and Prepaid Items

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

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

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

e. Receivable Balances

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

	Governmental Activities	Business-Type Activities	Total
Receivables:			
Taxes	\$ 2,745,022	\$	\$ 2,745,022
Municipal Court	2,488,703		2,488,703
Other	838,422		838,422
Accounts	204,226	3,103,055	3,307,281
Gross Receivables	\$ 6,276,373	\$ 3,103,055	\$ 9,379,428
Less: Allowance for Uncollectibles	(3,407,131)	(579,473)	(3,986,604)
Net Total Receivables	\$ 2,869,242	\$ 2,523,582	\$ 5,392,824

Intergovernmental receivables are classified separately in the accompanying financial statements.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

f. Interfund Activity

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

g. Deferred Outflows/Inflows of Resources

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

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

h. Use of Estimates

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

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

B. Compliance and Accountability

Deficit Fund Balance or Fund Net Position of Individual Funds

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

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Emergency Medical Services Fund	\$ 2,782,847	These funds incurred additional costs that will be recaptured. Deficit will be recaptured through subsidies from the General Fund.
Cemetery Fund	\$ 8,378	

C. Deposits and Investments

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

1. Cash Deposits:

At September 30, 2024, the carrying amount of the City's deposits, including investments, restricted cash, and cash on hand was \$15,062,944. The City's cash in bank deposits at September 30, 2024 and during the year then ended were entirely covered by FDIC insurance or by pledged collateral held by the City's agent bank in the City's name.

2. Investments:

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

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

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CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

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

The City's investments at September 30, 2024 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Rating</u>	<u>Fair Value</u>
Tex-Pool Investment Pool	34 Days Average	AAAm	\$ 9,314,292
Certificates of Deposit (CD)	Various		9,387,380
Government Securities	2025-2029		22,914,900
Money Market Fund	N/A		7,204,295
			<u>\$ 48,820,867</u>

3. Analysis of Specific Deposit and Investment Risks

- a. **Credit Risk** – Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law and City policy limit investments in local government investment pools to those rated no lower than AAA or an equivalent rating by at least one nationally recognized rating service. As of September 30, 2024, the City's investments in TexPool was rated AAAm by Standard and Poor's.
- b. **Custodial Credit Risk** – Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the City's name. The City's demand deposits at year end are entirely covered by FDIC insurance and pledged collateral held in the City's name by the City's agent.
- c. **Concentration of Credit Risk** – This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. Although the City's policy states that portfolio diversification is required, it does not specify diversification goals or limits. All of the City's investments were invested in one local government investment pool at year end.
- d. **Interest Rate Risk** – As a means of minimizing risk of loss due to interest rate fluctuations, the City's investment policy requires that the portfolio remain sufficiently liquid to enable the City to meet operating requirements that might be reasonably anticipated. For short term liquidity requirements, the City utilizes two local government investment pools. TexPool is managed by Federated Investors for the State of Texas Comptroller of Public Accounts (TexPool). TexPool operates on a \$1 net asset value basis and allows same day or next day redemptions and deposits. As of September 30, 2024, TexPool's portfolio maintained a weighted average maturity of approximately 34 days.

CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

- 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 and are placed through primary government securities dealer or a bank domiciled in the State of Texas, (6) commercial paper that is rated at least A-1 or P-1 or the equivalent by either (a) two nationally recognized credit rating agencies or (b) one nationally recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a state bank in the United States, (7) no-load money market mutual funds registered with the Securities and Exchange Commission that have a dollar weighted average portfolio maturity of 90 days or less, and include in their investment objectives the maintenance of a stable net asset value of \$1 for each share. The City may invest in such obligations directly or through government investment pools that invest solely in such obligations.

Fair Value of Investments

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

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

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

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At September 30, 2024 the City considered TexPool, CD's, and Money Market Fund investments level 1 and the government securities as level 2 in the hierarchy and they are reported as cash and cash equivalents.

D. Capital Assets

Capital asset activity for the year ended September 30, 2024, was as follows:

	Beginning Balances	Increases	Net Transfers	Decreases	Ending Balances
Governmental Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 72,971,666	\$	\$	\$	\$ 72,971,666
Construction in Progress	<u>2,169,051</u>		<u>(1,912,206)</u>		<u>256,845</u>
Total Capital Assets Not Being Depreciated	\$ <u>75,140,717</u>	\$ <u>0</u>	\$ <u>(1,912,206)</u>	\$ <u>0</u>	\$ <u>73,228,511</u>
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 30,379,766	\$	\$	\$	\$ 30,379,766
Infrastructure and Improvements	34,940,688	1,498,080	1,912,206		38,350,974
Machinery and Equipment	<u>13,510,749</u>	<u>2,026,939</u>		<u>517,621</u>	<u>15,020,067</u>
Total Capital Assets Being Depreciated	\$ <u>78,831,203</u>	\$ <u>3,525,019</u>	\$ <u>1,912,206</u>	\$ <u>517,621</u>	\$ <u>83,750,807</u>
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 28,682,852	\$ 196,492	\$	\$	\$ 28,879,344
Improvements Other Than Buildings	29,229,826	1,650,397			30,880,223
Machinery and Equipment	<u>10,368,250</u>	<u>649,289</u>		<u>517,621</u>	<u>10,499,918</u>
Total Accumulated Depreciation	\$ <u>68,280,928</u>	\$ <u>2,496,178</u>	\$ <u>0</u>	\$ <u>517,621</u>	\$ <u>70,259,485</u>
Total Capital Assets Being Depreciated, Net	\$ <u>10,550,275</u>	\$ <u>1,028,841</u>	\$ <u>1,912,206</u>	\$ <u>0</u>	\$ <u>13,491,322</u>
Governmental Activities Capital Assets, Net	<u>\$ 85,690,992</u>	<u>\$ 1,028,841</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 86,719,833</u>

Depreciation was charged to governmental activities as follows:

General Government	\$ 49,867
Public Safety	389,469
Highways and Streets	1,079,963
Community Service	10,647
Recreation and Parks	456,948
Cemetery	6,787
Economic Development	<u>502,497</u>
	\$ 2,496,178
Depreciation Charged to Internal Service Funds	<u>0</u>
Total Depreciation Charged to Governmental Activities	<u>\$ 2,496,178</u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

	Beginning Balances	Increases	Net Transfers	Decreases/ Expensed	Ending Balances
Business-Type Activities:					
Capital Assets Not Being Depreciated					
Land	\$ 6,324,927	\$	\$	\$	\$ 6,324,927
Historical Works of Art	426,000				426,000
Construction in Progress	2,717,940	2,603,680		12,692	5,308,928
Total Capital Assets Not Being Depreciated	\$ 9,468,867	\$ 2,603,680	\$ 0	\$ 12,692	\$ 12,059,855
Capital Assets Being Depreciated:					
Buildings and Systems	\$ 88,536,993	\$ 1,469,505	\$	\$	\$ 90,006,498
Infrastructure and Improvements	75,575,877	2,060,160			77,636,037
Machinery and Equipment	15,071,710	2,038,737		2,983,102	14,127,345
Total Capital Assets Being Depreciated	\$ 179,184,580	\$ 5,568,402	\$ 0	\$ 2,983,102	\$ 181,769,880
Less Accumulated Depreciation for:					
Buildings and Systems	\$ 68,249,786	\$ 1,642,667	\$	\$	\$ 69,892,453
Infrastructure and Improvements	37,840,890	1,535,019			39,375,909
Machinery and Equipment	10,015,708	1,032,296		2,926,205	8,121,799
Total Accumulated Depreciation	\$ 116,106,384	\$ 4,209,982	\$ 0	\$ 2,926,205	\$ 117,390,161
Total Capital Assets Being Depreciated, Net	\$ 63,078,196	\$ 1,358,420	\$ 0	\$ 56,897	\$ 64,379,719
Business-Type Activities Capital Assets, Net	\$ 72,547,063	\$ 3,962,100	\$ 0	\$ 69,589	\$ 76,439,574
Depreciation Expense		\$ 4,209,982			

E. Internal Balances

1. Due To and From Balances

Internal Balances at September 30, 2024, consisted of the following:

Due To Fund	Due From Fund	Amount	Purpose
General Fund	Proprietary Funds	\$ 5,942,460	Short-Term Loans
Proprietary Funds	Hotel Motel Fund	(379,939)	Long-Term Loan
Net Internal Balances		\$ 5,562,521	

All short-term loans are scheduled to be repaid within one year. The long-term loan is being paid in annual installments of \$50,000.

2. Transfers To and From Other Funds

Transfers at September 30, 2024, consisted of the following:

Transfers From	Transfers To	Amount	Reason
General Fund	EMS Fund	\$ (909,460)	Annual Subsidy
Proprietary Funds	General Fund	1,939,955	Administrative Fees
		\$ 1,030,495	

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CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

F. Long-Term Obligations

1. Long-Term Obligation Activity

Long-term obligations include debt, unamortized bond premiums, landfill obligation, accrued compensated absences, and OPEB and Net Pension liability amounts. Changes in long-term obligations for the year ended September 30, 2024, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
General Obligation Refunding Bonds	\$ 5,285,000	\$	\$ 1,070,000	\$ 4,215,000	\$ 1,100,000
Financing Lease Obligations	439,356	92,277	209,131	322,502	159,231
Compensated Absences	2,072,626	393,376		2,466,002	518,157
Unamortized Bond Premiums	351,063		70,428	280,635	
Total OPEB Liability - Health Insurance	3,957,158		858,162	3,098,996	
Total OPEB Liability - TMRS	426,293	33,495		459,788	
Net Pension Liability - TMRS	9,192,460		1,964,938	7,227,522	
Net Pension Liability - BSFRRF	7,524,525		672,677	6,851,848	
Total Governmental Activities	<u>\$ 29,248,481</u>	<u>\$ 519,148</u>	<u>\$ 4,845,336</u>	<u>\$ 24,922,293</u>	<u>\$ 1,777,388</u>

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Certificate of Obligation Bonds	\$ 5,855,000	\$	\$ 560,000	\$ 5,295,000	\$ 585,000
General Obligation Refunding Bonds	125,000		15,000	110,000	20,000
Financing Lease Obligations	480,363	134,634	265,294	349,703	205,725
Compensated Absences	957,519		469,036	488,483	122,121
Closure/Postclosure Landfill	3,319,082	23,770		3,342,852	
Unamortized Bond Premiums	407,385		48,011	359,374	
Total OPEB Liability - TMRS	204,858	9,093		213,951	
Total OPEB Liability - Health Insurance	1,910,837		330,865	1,579,972	
Net Pension Liability - TMRS	4,417,503		1,054,365	3,363,138	
Net Pension Liability - BSFRRF	3,153,174		474,680	2,678,494	
Total Business-Type Activities	<u>\$ 20,830,721</u>	<u>\$ 167,497</u>	<u>\$ 3,217,251</u>	<u>\$ 17,780,967</u>	<u>\$ 932,846</u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

2. Debt Service Requirements

Debt service requirements on general obligation bonds and certificates of obligation bonds at September 30, 2024, are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2025	\$ 1,100,000	\$ 122,469	\$ 1,222,469
2026	1,180,000	86,577	1,266,577
2027	1,215,000	47,742	1,262,742
2028	230,000	24,502	254,502
2029	240,000	14,769	254,769
2030	250,000	5,000	255,000
Totals	<u>\$ 4,215,000</u>	<u>\$ 301,059</u>	<u>\$ 4,516,059</u>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Refunding Bonds	3/3/2020	\$ 2,275,000	4.0%	2/15/2030	\$ 1,395,000	Refunding of C.O. Bonds
G.O. Refunding Bonds	3/1/2016	7,980,000	2.0% - 3.0%	2/15/2027	2,820,000	Refunding of G.O. and C.O. Bonds
		<u>\$ 24,540,000</u>			<u>\$ 4,215,000</u>	

Year Ending September 30,	Business-Type Activities		
	Principal	Interest	Total
2025	\$ 605,000	\$ 169,631	\$ 774,631
2026	625,000	144,448	769,448
2027	650,000	119,683	769,683
2028	665,000	95,948	760,948
2029	695,000	75,706	770,706
2030-2032	2,165,000	98,425	2,263,425
Totals	<u>\$ 5,405,000</u>	<u>\$ 703,841</u>	<u>\$ 6,108,841</u>

Issue	Date of Issue	Original Issue	Interest Rates	Maturity Date	Outstanding	Purpose of Issue
G.O. Refunding Bonds	3/8/2022	\$ 6,390,000	3.0% - 4.0%	2/15/2032	\$ 5,295,000	Water Improvements
G.O. Refunding Bonds	3/3/2020	180,000	4.0%	2/15/2030	110,000	Elevated Reservoir Repair
		<u>\$ 6,570,000</u>			<u>\$ 5,405,000</u>	

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CITY OF BIG SPRING, TEXAS
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3. Financing Lease Obligations

The City uses annual capital lease packages to buy various pieces of machinery, equipment, and vehicles for various departments within the City. The City also leases vehicles through Enterprise. These leases are reported under the new lease standard (GASB 87) and are recorded as financing leases with the present value of the lease payments recorded as assets and liabilities in the government-wide and proprietary financial statements. Below are the related costs and accumulated depreciation of the lease assets as of September 30, 2024:

	Governmental Activities	Business-Type Activities
Machinery and Equipment	\$ 817,458	\$ 1,013,506
Less: Accumulated Depreciation	(351,433)	(393,860)
Totals	<u>\$ 466,025</u>	<u>\$ 619,646</u>

Commitments under financing lease agreements for facilities and equipment provide for minimum future lease payments as of September 30, 2024, as follows:

	Governmental Activities		
	Principal	Interest	Total
Year Ending September 30,			
2025	\$ 159,231	\$ 21,496	\$ 180,727
2026	126,151	24,309	150,460
2027	37,120	623	37,743
Total Minimum Rentals	<u>\$ 322,502</u>	<u>\$ 46,428</u>	<u>\$ 368,930</u>

The effective interest rate on financing leases is 2.130% to 7.600%.

	Business-Type Activities		
	Principal	Interest	Total
Year Ending September 30,			
2025	\$ 205,725	\$ 9,581	\$ 215,306
2026	112,143	2,729	114,872
2027	31,835	487	32,322
Total Minimum Rentals	<u>\$ 349,703</u>	<u>\$ 12,797</u>	<u>\$ 362,500</u>

The effective interest rate on financing leases is 1.320% to 8.880%.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

4. Continuing Disclosure

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

G. Risk Management

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City obtains 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 934 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 annual comprehensive financial report (ACFR) that can be obtained at www.tmrs.com.

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

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CITY OF BIG SPRING, TEXAS
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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, 2023</u>
Employee Deposit Rate	7.00%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Requirement Eligibility (Expressed as Age / Years of Service)	60/5,0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to Retirees)	70% of CPI

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	177
Inactive Employees Entitled to but not Yet Receiving Benefits	101
Active Employees	<u>168</u>
Total Plan Employees	<u><u>446</u></u>

Contributions

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

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CITY OF BIG SPRING, TEXAS
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Employees for the City were required to contribute 7.00% of their annual gross earnings during the fiscal year. The required contribution rates for the City were 17.87% and 18.148% in calendar years 2023 and 2024, respectively. The City's contributions to TMRS for the year ended September 30, 2024 were \$1,949,121 and were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

Inflation	2.50% per year
Overall Payroll Growth	2.05% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation
Amortization Period	22 years

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

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

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

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CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%

Discount Rate

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

Changes in Net Pension Liability

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance 12/31/2022	\$ 66,911,213	\$ 53,301,250	\$ 13,609,963
Service Cost	1,654,765		1,654,765
Interest (on the Total Pension Liability)	4,424,066		4,424,066
Changes of Assumption	(642,394)		(642,394)
Difference Between Expected and Actual Experience	245,087		245,087
Contributions - Employer		1,878,696	(1,878,696)
Contributions - Employee		735,919	(735,919)
Net Investment Income		6,110,758	(6,110,758)
Benefit Payments	(3,537,831)	(3,537,831)	
Administrative Expense		(38,941)	38,941
Proportionate Share Adjustment	(14,668)		(14,668)
Other		(273)	273
Balance 12/31/2023	<u>\$ 69,040,238</u>	<u>\$ 58,449,578</u>	<u>\$ 10,590,660</u>

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

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

1% Decrease	Current Rate Assumption	1% Increase
\$ 19,672,327	\$ 10,590,660	\$ 3,112,712

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, 2024, the City recognized pension expense of \$1,795,973 and calculated as shown below:

Total Service Cost	\$ 1,654,736
Interest on the Total Pension Liability	4,423,990
Employee Contributions (Reduction of Expense)	(735,906)
Projected Earnings on Plan Investments (Reduction of Expense)	(3,569,875)
Administrative Expense	38,941
Other Changes in Fiduciary Net Position	272
Recognition of Current Year Outflow (Inflow) of Resources-Liabilities	346,927
Recognition of Current Year Outflow (Inflow) of Resources-Assets	(363,112)
Total Pension Expense	<u>\$ 1,795,973</u>

At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 463,543	\$ 436,498
Change in Assumptions		
Net Difference In Projected and Actual Earnings	1,465,002	
Contributions Paid to TMRS Subsequent to the Measurement Date	1,296,407	
Total	<u>\$ 3,224,952</u>	<u>\$ 436,498</u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Total amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Plan Year	Pension (Benefit) Expense
2024	\$ 1,803,640
2025	387,561
2026	1,105,383
2027	(508,130)
	<u>\$ 2,788,454</u>

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

Plan Description

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

Benefits Provided

The City now provides a defined contribution to the fund of 15% of the firemen's salary and the firemen contribute 13%. Upon reaching the age of 50 with 20 years of service, the fireman is eligible for full retirement benefits. Vesting begins in the plan after 10 years of service, when the fireman is eligible for a deferred benefit (commencing at the end of the month in which his normal retirement date would have occurred). City contributions and interest forfeited by firemen who leave employment before full vesting remain in the plan.

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

There is no provision for automatic post-retirement benefit increases. BSFRRF has the authority to provide, and has periodically provided for in the past, ad hoc post-retirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act. TLFFRA 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.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

	<u>December 31, 2023</u>
Employee Deposit Rate	13.00%
Matching Ratio (City to Employee)	15.00%
Years Required for Vesting	10/50% + 5%/year to 20
Service Requirement Eligibility (Expressed as Age / Years of Service)	50/20

At the December 31, 2023 valuation and measurement date, the following amounts represented employees covered by the benefit terms:

	<u>Total Pension Liability</u>
Retirees and Beneficiaries	\$ 13,257,267
Active Employees	<u>12,472,486</u>
Total Plan Employees - Pension Liability	<u>\$ 25,729,753</u>

Contributions

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

Employees were required to contribute 13.00% of their annual gross earnings during the fiscal year. The contribution rate for the City was 15.00% in calendar years 2023 and 2024. The City's contributions to BSFRRF for the year ended September 30, 2024 were \$909,479 and were equal to the required contributions.

Net Pension Liability

The BSFRRF's Net Pension Liability (NPL) was measured as of December 31, 2023, and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuary valuation as of that date.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Rate of Return

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%

Actuarial Assumptions

The Net Pension Liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date:

Notes	Actuarially determined contribution rates are calculated as of December 31, and become effective in January, 13 months later.
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal Cost Method
Discount Rate	7.75% as of December 31, 2023
Inflation	3.00%
Salary Increases	4.50%

Mortality	Pub2010-PS full projected with scale MP-2021
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Other Information:

Changes in Assumptions:	There were no changes in assumptions during the year.
Benefits Changes:	There were no benefit changes during the year.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Discount Rate

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

Changes in Net Pension Liability

	Total <u>Pension Liability</u>	Plan Fiduciary <u>Net Position</u>	Net <u>Pension Liability</u>
Balance 12/31/2022	\$ 24,892,494	\$ 14,214,795	\$ 10,677,699
Service Cost	714,799		714,799
Interest (on the Total Pension Liability)	1,889,167		1,889,167
Difference Between Actual and Expected Experience			
Contributions - Employer		1,054,544	(1,054,544)
Contributions - Employee		726,774	(726,774)
Net Investment Income		2,004,973	(2,004,973)
Benefit Payments	(1,766,707)	(1,766,707)	
Administrative Expense		(34,968)	34,968
Balance 12/31/2023	<u>\$ 25,729,753</u>	<u>\$ 16,199,411</u>	<u>\$ 9,530,342</u>

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

1% Decrease	Current Rate Assumption	1% Increase
\$ 12,841,942	\$ 9,530,342	\$ 6,832,330

Pension Expense and Deferred Outflows and Inflows of Resources

Pension Expense for the year ended September 30, 2024 is as follows:

Total Service Cost	\$ 714,799
Interest on the Total Pension Liability	1,889,167
Employee Contributions (Reduction of Expense)	(726,774)
Projected Earnings on Plan Investments (Reduction of Expense)	(1,103,490)
Administrative Expense	34,968
Amortization of Deferred Inflows and Outflows	<u>(437,735)</u>
Total Pension Expense	<u>\$ 370,935</u>

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CITY OF BIG SPRING, TEXAS

NOTES TO FINANCIAL STATEMENTS

Deferred Outflows and Inflows of Resources related to the pension plan at September 30, 2024 were made up of as follows and will be amortized according to the table below:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$	\$ 1,816,648
Change in Assumptions		22,819
Net Difference In Projected and Actual Earnings	1,129,343	
Contributions Paid Subsequent to the Measurement Date	681,870	
Total	\$ 1,811,213	\$ 1,839,467

Total amounts will be amortized as follows:

Plan Year	Pension (Benefit) Expense
2025	\$ 560,054
2026	45,237
2027	95,592
2028	(683,820)
2029	(45,317)
	\$ (28,254)

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 10-01-23	Change in Claims and Estimates	Claim Payments	Liability Balance at 9-30-24	Total ISF Funds
Health Insurance Claims	\$ 210,472	\$ 1,230,168	\$ 1,229,055	\$ 211,585	\$ 0
Workers' Compensation Claims	145,066	266,588	222,942	188,712	400,297

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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. Estimated liability on claims that have been incurred but not reported are accrued at year end. Estimated liability for health insurance claims is \$211,585 at September 30, 2024.

Workers' Compensation

The City's workers' compensation plan is administered by Texas Municipal League's Intergovernmental Risk Pool (TML). TML reviews and processes all workers' compensation claims. The City has acquired stop-loss coverage, which limits the City's possible loss to \$250,000 per occurrence. The City informally budgets for current claims based on actuarial valuations and historical data. Estimated liability on claims that have been incurred but not reported are accrued at year-end. The estimated liability for workers' compensation claims is \$188,712 at September 30, 2024.

J. Other Post-Employment Benefits (OPEB)

Big Spring Retiree Health Insurance Plan

Plan Description

The City sponsors and administers an informal single-employer health/dental plan, which is available for employees who retire with a minimum of 20 years of service or five consecutive years of service at age 60 or above, at the time of qualified retirement to continue receiving medical coverage until they are age 65 and qualify for Medicare. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the person and the person's dependents unless the person is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. The City does not issue stand-alone financial statements for the health/dental plan. However, all required information is presented in this report.

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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. The City is not required to make contributions to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-go financing method.

Employees Covered by Benefit Terms

Inactive Employees or Beneficiaries Currently Receiving Benefits	11
Inactive Employees Entitled to but not Yet Receiving Benefits	0
Active Employees	<u>229</u>
Total Plan Employees	<u><u>240</u></u>

Total OPEB Liability

The City's total OPEB liability of \$4,678,968 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2022	\$ 4,292,680
Changes for the year:	
Service Cost	253,944
Interest on Total OPEB Liability	177,456
Experience Differences	(57,181)
Effect of Assumptions Changes or Inputs	88,126
Benefit Payments	<u>(76,057)</u>
Balance as of December 31, 2023	<u><u>\$ 4,678,968</u></u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Individual Entry Age
Discount Rate	3.77% as of December 31, 2023
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation - General 4.50% to 9.50% including inflation - Firefighters
Demographic Assumptions	General: Based on the 2023 experience study conducted for the Texas Municipal Retirement System (TMRS). Firefighters: Based on the assumptions disclosed in the Big Spring Firemen's Relief and Retirement Fund actuarial valuation report as of January 1, 2023.
Mortality rates – General	General: For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2021 to account for future mortality improvements.
Mortality rates – Firefighters	Firefighters: For healthy retirees, the gender-distinct PubS-2010 Healthy Retiree Mortality Tables. The rates are projected on a fully generational basis by scale MP-2021 to account for future mortality improvements.
Health Care Trend Rates	Initial Rate of 7.00% declining to an ultimate rate of 4.25% after 15 years.
Participation Rates	It was assumed that 25% of general employees and 80% of firefighters would choose to participate in the retiree medical plan after retirement, if eligible. The participation assumption was assumed to be 10% for non-disability related retirements prior to the age of 50. All retirees are assumed to discontinue coverage at the age of 65.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.77%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate. It also show how increasing or decreasing the Healthcare Cost Trend (HCT) Rate over the life of the plan would affect the liability.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ <u>5,206,507</u>	\$ <u>4,678,968</u>	\$ <u>4,210,139</u>
	1% Decrease in HCT Rate	Current HCT Rate Assumption	1% Increase in HCT Rate
Total OPEB Liability	\$ <u>4,076,896</u>	\$ <u>4,678,968</u>	\$ <u>5,399,812</u>

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

For the year ended September 30, 2024, the City recognized OPEB expense of \$154,209. At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
ER Contributions Deferral	\$	\$ 1,424,976
Experience Differences	549,631	906,587
Changes in Assumptions	<u>(1,497)</u>	
	\$ <u>548,134</u>	\$ <u>2,331,563</u>

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

	OPEB (Benefit) Expense
2024	\$ (281,427)
2025	(293,593)
2026	(263,928)
2027	(286,399)
2028	(280,911)
Thereafter	<u>(377,171)</u>
	\$ <u>(1,783,429)</u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

TMRS – Supplemental Death Benefit Fund

Plan Description

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

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

Benefits Provided

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

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

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

Employees Covered by Benefit Terms

At the December 31, 2023 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefits	123
Inactive Employees Entitled to but not Yet Receiving Benefits	26
Active Employees	168
Total Plan Employees	<u>317</u>

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

Total OPEB Liability

The City's total OPEB liability of \$673,739 was measured as of December 31, 2023 and was determined by an actuarial valuation as of that date.

Balance as of December 31, 2022	\$ 631,152
Changes for the year:	
Service Cost	18,922
Interest on Total OPEB Liability	25,385
Effect of Assumptions Changes or Inputs	32,335
Benefit Payments	(26,283)
Other	(680)
Experience Differences	<u>(7,092)</u>
Balance as of December 31, 2023	<u>\$ 673,739</u>

Actuarial Assumptions

The total OPEB liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	
Recognition of Economic/Demographic Gains and Losses and Assumptions Changes or Inputs	Straight-Line Amortization over Expected Working Life
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Discount Rate	3.77%
Retirees' Share of Benefit-Related Costs	\$0
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – Service Retirees	2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
Mortality rates – Disabled Retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not segregated for these groups. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. As of December 31, 2023, the rate of 4.05% is based on the Fidelity Index's "20 Year Municipal GO AA Index" rate.

Annuity Purchase Rates

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

Experience Studies

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. For determining the amount of the monthly benefit at the time of retirement for both healthy and disabled annuitants, the APRs until 2027 are based on a mortality study performed in 2013. TMRS uses the experience studies as a basis for determining assumptions, except where required to be treated different by GASB 75.

Factors Affecting the Total OPEB Liability

Changes of assumptions or other inputs reflect a change in the discount rate from 2022 to 2023.

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

Sensitivity Analysis

The following presents the Total OPEB Liability of the employer, calculated using the discount rate of 3.77%, as well as what the Total OPEB Liability would be if it were calculated using a discount rate that is 1 percentage point lower (2.77%) or 1 percentage point higher (4.77%) than the current rate. Note that the healthcare cost trend rate does not affect the Total OPEB Liability, so sensitivity to the healthcare cost trend rate is not shown.

	1% Decrease in Discount Rate (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
Total OPEB Liability	\$ 789,974	\$ 673,739	\$ 581,152

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

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

For the year ended September 30, 2024, the City recognized OPEB expense (benefit) of \$(8,264). At September 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$	\$ 111,688
Difference in Expected and Actual Experience		27,061
Contributions Made Subsequent to Measurement Date	<u>17,538</u>	
	<u>\$ 17,538</u>	<u>\$ 138,749</u>

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

	<u>OPEB (Benefit) Expense</u>
2024	\$ (43,699)
2025	(61,940)
2026	(17,275)
2027	<u>1,703</u>
	<u>\$ (121,211)</u>

K. Deferred Compensation Plan

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The City's Deferred Compensation Plan is administered by trustees, the City implemented the requirements of GASB No. 32, *Accounting and Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. In accordance with this statement and recent tax law changes, the City amended their trust agreements, which establish that all assets and income of the trust are for the exclusive benefit of eligible employees and their beneficiaries.

Due to the implementation of these changes, the City does not have any fiduciary responsibility or administrative duties relating to the deferred compensation plan other than remitting employees' contributions to the trustees. Accordingly, the City has not presented the assets and liabilities from the Deferred Compensation Plan in these basic financial statements. Deferred compensation investments are held by outside trustees. The City's Deferred Compensation Plan investments are chosen by the individual (employee) participant and include mutual funds whose focus is on stocks, bonds, treasury securities, money market-type investments or a combination

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CITY OF BIG SPRING, TEXAS
NOTES TO FINANCIAL STATEMENTS

of these. The City's Deferred Compensation Plan, available to all permanent City employees, permits them to defer until future years is defined by the Internal Revenue Service. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

L. Commitments, Contingencies, and Litigation

1. Contingencies

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

2. Litigation

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

M. Closure and Post-Closure Care Cost

State and federal laws and regulations require the City to place a final cover on its Big Spring Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3,342,852 reported as landfill closure and post-closure care liability at September 30, 2024, represents the cumulative amount reported to date based on the use of 92.02% of the estimated capacity of the landfill permit 288A and 1.59% of estimated capacity of the landfill permit 2395. The City will recognize the remaining estimated cost of closure and post-closure care of \$4,773,867 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 2022. 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, 2024 the City has designated an investment in the amount of \$4,902,747 for this purpose.

REQUIRED SUPPLEMENTARY INFORMATION

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 1,070,609	\$ 1,344,489	\$ 1,396,530	\$ 1,389,056	\$ 1,428,366	\$ 1,463,236	\$ 1,583,383	\$ 1,486,702	\$ 1,567,974	\$ 1,654,765
Interest	3,098,627	3,234,983	3,282,390	3,431,109	3,568,366	3,697,686	3,875,148	4,012,059	4,221,666	4,424,066
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)	(3,200,207)	(3,331,005)	(3,537,831)
Changes in Assumptions		144,503				104,120				(642,394)
Differences between Expected and Actual Experience	212,542	485,843	257,450	(457,245)	(299,019)	367,915	(165,449)	873,700	671,617	245,087
Other	15,116		(3,284)	(106,349)	40,647	(5,463)	(15,136)	(4,582)	(3,562)	(14,668)
Net Change	\$ 1,940,132	\$ 2,494,581	\$ 2,492,354	\$ 1,813,061	\$ 1,961,567	\$ 2,855,186	\$ 2,115,909	\$ 3,167,672	\$ 3,126,690	\$ 2,129,025
Beginning Balance	44,944,061	46,884,193	49,378,774	51,871,128	53,684,189	55,645,756	58,500,942	60,616,851	63,784,523	66,911,213
Ending Balance	\$ 46,884,193	\$ 49,378,774	\$ 51,871,128	\$ 53,684,189	\$ 55,645,756	\$ 58,500,942	\$ 60,616,851	\$ 63,784,523	\$ 66,911,213	\$ 69,040,238
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 621,774	\$ 621,181	\$ 614,825	\$ 614,208	\$ 628,446	\$ 645,817	\$ 703,726	\$ 664,554	\$ 698,652	\$ 735,919
Employer Contributions	1,513,350	1,463,901	1,414,975	1,485,185	1,560,343	1,585,939	1,753,283	1,706,956	1,734,654	1,878,696
Net Investment Income	2,114,041	56,638	2,562,669	5,517,900	(1,352,712)	6,672,658	3,731,053	6,795,075	(4,233,364)	6,110,758
Benefit Payments	(2,456,762)	(2,715,237)	(2,440,732)	(2,443,510)	(2,776,793)	(2,772,308)	(3,162,037)	(3,200,207)	(3,331,005)	(3,537,831)
Administration Expenses	(22,073)	(33,192)	(28,947)	(28,605)	(26,155)	(37,730)	(24,166)	(31,470)	(36,680)	(38,941)
Other	10,616	32,233	(1,561)	(54,123)	(1,366)	(1,134)	(944)	216	43,771	(273)
Net Change	\$ 1,780,946	\$ (574,476)	\$ 2,121,229	\$ 5,091,055	\$ (1,968,237)	\$ 6,093,242	\$ 3,000,915	\$ 5,935,124	\$ (5,123,972)	\$ 5,148,328
Beginning Balance	36,945,424	38,726,370	38,151,894	40,273,123	45,364,178	43,395,941	49,489,183	52,490,098	58,425,222	53,301,250
Ending Balance	\$ 38,726,370	\$ 38,151,894	\$ 40,273,123	\$ 45,364,178	\$ 43,395,941	\$ 49,489,183	\$ 52,490,098	\$ 58,425,222	\$ 53,301,250	\$ 58,449,578
Net Pension Liability	\$ 8,157,823	\$ 11,226,880	\$ 11,598,005	\$ 8,320,011	\$ 12,249,815	\$ 9,011,759	\$ 8,126,753	\$ 5,359,301	\$ 13,609,963	\$ 10,590,660
Fiduciary Net Position as a Percentage of Total Pension Liability	82.60%	77.26%	77.64%	84.50%	77.99%	84.60%	86.59%	91.60%	79.66%	84.66%
Covered Payroll	\$ 8,616,222	\$ 8,972,306	\$ 8,790,799	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002	\$ 9,493,663	\$ 9,980,733	\$ 10,516,299
Net Pension Liability as a Percentage of Covered Payroll	94.68%	125.13%	131.93%	94.82%	136.45%	97.68%	80.84%	56.45%	136.36%	100.71%

The accompanying notes are an integral part of this statement.

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
Actuarially Determined Contribution	\$ 1,508,017	\$ 2,066,989	\$ 1,466,109	\$ 2,136,581	\$ 1,602,352	\$ 1,656,458	\$ 1,721,951	\$ 1,710,151	\$ 1,819,594	\$ 1,949,121
Actual Contributions	1,508,017	2,066,989	1,466,109	2,136,581	1,602,352	1,656,458	1,721,951	1,710,151	1,819,594	1,949,121
Contribution Deficiency (Excess)	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Covered Payroll	\$ 8,942,080	\$ 9,282,783	\$ 8,778,847	\$ 8,774,404	\$ 9,141,737	\$ 9,532,428	\$ 9,664,715	\$ 9,744,883	\$ 10,264,349	\$ 10,426,346
Contributions as a Percentage of Covered Payroll	16.86%	22.27%	16.70%	24.35%	17.53%	17.38%	17.82%	17.55%	17.73%	18.69%

The accompanying notes are an integral part of this statement.

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability	Total Pension Liability
Service Cost	\$ 453,334	\$ 453,334	\$ 506,260	\$ 545,439	\$ 569,984	\$ 696,787	\$ 728,142	\$ 748,432	\$ 748,432	\$ 714,799
Interest	1,447,905	1,564,936	1,598,125	1,562,997	1,633,082	1,710,324	1,800,220	1,947,164	2,044,005	1,889,167
Differences between Expected and Actual Experience			(736,630)		(520,414)		721,784		(3,066,468)	
Changes in Assumptions				392,133	450,572		(73,715)			
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)	(1,329,918)	(1,249,276)	(1,650,229)	(1,766,707)
Net Change	\$ 624,108	\$ 678,410	\$ (562,465)	\$ 1,268,723	\$ 933,351	\$ 1,209,469	\$ 1,846,513	\$ 1,446,320	\$ (1,924,260)	\$ 837,259
Beginning Balance	19,372,325	19,996,433	20,674,843	20,112,378	21,381,101	22,314,452	23,523,921	25,370,434	26,816,754	24,892,494
Ending Balance	\$ 19,996,433	\$ 20,674,843	\$ 20,112,378	\$ 21,381,101	\$ 22,314,452	\$ 23,523,921	\$ 25,370,434	\$ 26,816,754	\$ 24,892,494	\$ 25,729,753
	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position	Fiduciary Net Position
Employee Contributions	\$ 496,045	\$ 525,572	\$ 519,916	\$ 488,555	\$ 549,091	\$ 650,969	\$ 615,342	\$ 633,573	\$ 694,833	\$ 726,774
Employer Contributions	496,046	525,572	519,916	488,555	633,568	565,707	710,010	730,857	801,731	1,054,544
Net Investment Income	594,840	(107,469)	691,060	1,655,622	(670,805)	2,370,032	1,861,015	1,923,501	(2,552,863)	2,004,973
Benefit Payments	(1,277,131)	(1,339,860)	(1,930,220)	(1,231,846)	(1,199,873)	(1,197,642)	(1,329,918)	(1,249,276)	(1,650,229)	(1,766,707)
Administration Expenses	(80,057)	(61,331)	(100,928)	(107,814)	(101,346)	(44,109)	(88,258)	(62,767)	(70,671)	(34,968)
Net Change	\$ 229,743	\$ (457,516)	\$ (300,256)	\$ 1,293,072	\$ (789,365)	\$ 2,344,957	\$ 1,768,191	\$ 1,975,888	\$ (2,777,199)	\$ 1,984,616
Beginning Balance	10,927,280	11,157,023	10,699,507	10,399,251	11,692,323	10,902,958	13,247,915	15,016,106	16,991,994	14,214,795
Ending Balance	\$ 11,157,023	\$ 10,699,507	\$ 10,399,251	\$ 11,692,323	\$ 10,902,958	\$ 13,247,915	\$ 15,016,106	\$ 16,991,994	\$ 14,214,795	\$ 16,199,411
Net Pension Liability	\$ 8,839,410	\$ 9,975,336	\$ 9,713,127	\$ 9,688,778	\$ 11,411,494	\$ 10,276,006	\$ 10,354,328	\$ 9,824,760	\$ 10,677,699	\$ 9,530,342
Fiduciary Net Position as a Percentage of Total Pension Liability	55.80%	51.75%	51.71%	54.69%	48.86%	56.32%	59.19%	63.36%	57.10%	62.96%
Covered Payroll	\$ 3,634,001	\$ 4,042,862	\$ 3,766,262	\$ 3,758,115	\$ 4,259,859	\$ 4,259,859	\$ 4,501,839	\$ 4,501,839	\$ 4,506,666	\$ 4,506,666
Net Pension Liability as a Percentage of Covered Payroll	243.24%	246.74%	257.90%	257.81%	267.88%	241.23%	230.00%	218.24%	236.93%	211.47%

The accompanying notes are an integral part of this statement.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
BIG SPRING FIREMEN'S RELIEF AND RETIREMENT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	9/30/2015	9/30/2016	9/30/2017	9/30/2018	9/30/2019	9/30/2020	9/30/2021	9/30/2022	9/30/2023	9/30/2024
Actuarially Determined Contribution	\$ 511,584	\$ 546,693	\$ 491,271	\$ 578,137	\$ 662,471	\$ 671,934	\$ 724,202	\$ 774,872	\$ 1,022,459	\$ 909,479
Actual Contributions	<u>511,584</u>	<u>546,693</u>	<u>491,271</u>	<u>578,137</u>	<u>662,471</u>	<u>671,934</u>	<u>724,202</u>	<u>774,872</u>	<u>1,022,459</u>	<u>909,479</u>
Contribution Deficiency (Excess)	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Covered Payroll	\$ 3,935,256	\$ 4,205,336	\$ 3,779,008	\$ 3,410,923	\$ 4,416,470	\$ 4,479,559	\$ 4,828,013	\$ 5,165,809	\$ 5,606,443	\$ 5,052,663
Contributions as a Percentage of Covered Payroll	13.00%	13.00%	13.00%	16.95%	15.00%	15.00%	15.00%	15.00%	18.24%	18.00%

The accompanying notes are an integral part of this statement.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
TMRS - SUPPLEMENTAL DEATH BENEFIT FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 20,080	\$ 24,240	\$ 21,220	\$ 29,154	\$ 31,329	\$ 34,933	\$ 18,922
Interest	22,350	22,472	28,716	22,187	17,963	16,521	25,385
Benefit Payments	(6,985)	(8,080)	(9,226)	(11,059)	(29,431)	(24,952)	(26,283)
Differences Between Expected and Actual Experience		101,508	(126,874)	(49,366)	(48,478)	(6,009)	(7,092)
Changes in Assumption	47,404	(42,596)	117,216	109,031	24,898	(282,202)	32,335
Other		3,262	(342)	(1,345)	(507)	(594)	(680)
Net Change	\$ 82,849	\$ 100,806	\$ 30,710	\$ 98,602	\$ (4,226)	\$ (262,303)	\$ 42,587
Beginning Balance	584,714	667,563	768,369	799,079	897,681	893,455	631,152
Ending Balance	\$ 667,563	\$ 768,369	\$ 799,079	\$ 897,681	\$ 893,455	\$ 631,152	\$ 673,739
Total OPEB Liability	\$ 667,563	\$ 768,369	\$ 799,079	\$ 897,681	\$ 893,455	\$ 631,152	\$ 673,739
Covered Payroll	\$ 8,774,404	\$ 8,977,789	\$ 9,225,942	\$ 10,053,002	\$ 9,493,663	\$ 9,980,733	\$ 10,516,299
Total OPEB Liability as a Percentage of Covered Payroll	7.61%	8.56%	8.66%	8.93%	9.41%	6.32%	6.41%

Note: Only seven years of GASB 75 data available as of 12/31/2023. The remaining three years of data will be built on a go forward basis.

Notes to RSI:

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

The accompanying notes are an integral part of this statement.

**SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
BIG SPRING RETIREE HEALTH INSURANCE PLAN
FOR THE YEAR ENDED SEPTEMBER 30, 2024**

REQUIRED SUPPLEMENTARY INFORMATION

	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023
	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability	Total OPEB Liability
Service Cost	\$ 234,314	\$ 275,511	\$ 270,360	\$ 352,626	\$ 380,228	\$ 438,755	\$ 253,944
Interest	151,828	146,777	170,727	145,871	115,348	112,304	177,456
Differences between Expected and Actual Experience	(49,191)	(360,876)	(245,245)	(500,097)	(286,093)	(971,718)	(57,181)
Benefit Payments	194,116	17,670	5,114	55,226	16,014	32,171	(76,057)
Changes in Assumptions	(222,312)	97,236	435,451	415,188	73,211	(1,186,827)	88,126
Net Change	\$ 308,755	\$ 176,318	\$ 636,407	\$ 468,814	\$ 298,708	\$ (1,575,315)	\$ 386,288
Beginning Balance	3,978,993	4,287,748	4,464,066	5,100,473	5,569,287	5,867,995	4,292,680
Ending Balance	\$ 4,287,748	\$ 4,464,066	\$ 5,100,473	\$ 5,569,287	\$ 5,867,995	\$ 4,292,680	\$ 4,678,968
Total OPEB Liability	<u>\$ 4,287,748</u>	<u>\$ 4,464,066</u>	<u>\$ 5,100,473</u>	<u>\$ 5,569,287</u>	<u>\$ 5,867,995</u>	<u>\$ 4,292,680</u>	<u>\$ 4,678,968</u>
Covered Payroll	\$ 10,106,139	\$ 13,237,648	\$ 13,680,635	\$ 14,966,152	\$ 12,775,370	\$ 15,565,466	\$ 16,412,947
Total OPEB Liability as a Percentage of Covered Payroll	42.43%	33.72%	37.28%	37.21%	45.93%	27.58%	28.51%

Note: Only seven years of GASB 75 data available as of 12/31/2023. The remaining three years of data will be built on a go forward basis.

Notes to RSI:

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

The accompanying notes are an integral part of this statement.

CITY OF BIG SPRING, TEXAS

EXHIBIT B-7

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED SEPTEMBER 30, 2024

REQUIRED SUPPLEMENTARY INFORMATION

	Original	Final	Actual	Variance with Final Budget Positive (Negative)
Revenue:				
Taxes:				
General Property Taxes	\$ 7,215,000	\$ 7,258,000	\$ 7,460,354	\$ 202,354
General Sales Taxes	9,000,000	10,000,000	10,090,827	90,827
Gross Receipts Business Taxes	1,476,800	1,531,800	1,564,608	32,808
License and Permits	495,650	669,450	654,442	(15,008)
Intergovernmental	105,850	157,455	156,008	(1,447)
Charges for Services		400	400	0
Fines	281,680	210,975	208,242	(2,733)
Recreation	992,350	1,101,810	1,051,802	(50,008)
Investment Earnings	100,000	300,000	580,935	280,935
Rents and Royalties	2,548,750	2,557,823	2,835,321	277,498
Miscellaneous	29,476	1,146,890	1,157,226	10,336
Contributions and Donations		1,030,425	1,030,425	0
Total Revenues	<u>\$ 22,245,556</u>	<u>\$ 25,965,028</u>	<u>\$ 26,790,590</u>	<u>\$ 825,562</u>
Expenditures:				
Current:				
General Government				
Non-Departmental (000)	\$ 411,636	\$ 407,463	\$ 526,256	\$ (118,793)
City Council (110)	178,531	150,661	135,884	14,777
Finance (120)	772,356	799,690	792,252	7,438
City Manager (130)	293,702	325,429	321,319	4,110
Information Technology (140)	360,155	369,941	340,602	29,339
Legal (150)	487,364	409,996	416,179	(6,183)
Human Resources (160)	565,068	602,809	596,205	6,604
Special Projects (170)	455,000	455,000	390,758	64,242
Planning Department (190)	20,435	5,625	6,716	(1,091)
Public Safety				
Police (200)	6,842,864	6,581,940	6,297,967	283,973
Narcotics Task Force (201)	456,907	168,152	147,133	21,019
Fire (210)	5,309,609	5,437,841	5,582,386	(144,545)
Municipal Court (220)	352,876	377,421	371,151	6,270
Fire Marshal (230)	166,943	173,972	179,046	(5,074)
Animal Control (240)	453,452	363,938	330,409	33,529
Highways and Streets				
Code Enforcement (300)	751,996	631,172	671,327	(40,155)
General Maintenance (310)	125,593	81,105	82,467	(1,362)
Streets (320)	3,779,577	2,807,488	2,631,471	176,017
Recreation and Parks				
Parks (370)	736,084	1,385,078	1,380,494	4,584
Sports Complex (375)	475,450	475,842	486,332	(10,490)
Swimming Pool (380)	597,858	611,037	712,289	(101,252)
Golf Course (390)	807,712	981,333	1,086,194	(104,861)
Lake (410)	40,765	72,965	51,594	21,371
City Hall (420)	289,200	293,580	269,828	23,752
Debt Service:				
Principal	227,314	227,314	213,554	13,760
Interest			17,066	(17,066)
Total Expenditures	<u>\$ 24,958,447</u>	<u>\$ 24,196,792</u>	<u>\$ 24,036,879</u>	<u>\$ 159,913</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (2,712,891)</u>	<u>\$ 1,768,236</u>	<u>\$ 2,753,711</u>	<u>\$ 985,475</u>
Other Financing Sources (Uses):				
Transfers In (Out)	\$ 1,174,775	\$ 1,173,632	\$ 872,439	\$ (301,193)
Financing Lease Obligation			92,277	92,277
Total Other Financing Sources	<u>\$ 1,174,775</u>	<u>\$ 1,173,632</u>	<u>\$ 964,716</u>	<u>\$ (208,916)</u>
Net Change in Fund Balances	<u>\$ (1,538,116)</u>	<u>\$ 2,941,868</u>	<u>\$ 3,718,427</u>	<u>\$ 776,559</u>
Fund Balances - Beginning	<u>15,484,479</u>	<u>15,484,479</u>	<u>15,484,479</u>	
Fund Balances - Ending	<u>\$ 13,946,363</u>	<u>\$ 18,426,347</u>	<u>\$ 19,202,906</u>	

The accompanying notes are an integral part of this statement.

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

Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB(10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).
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Changes in Assumptions:	There were no changes in assumptions during the year.
Benefits Changes:	There were no benefit changes during the year.

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

Valuation Date:

Notes

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method

Entry Age Normal Cost Method

Discount Rate

7.75% as of December 31, 2023

Inflation

3.00%

Salary Increases

4.50%

Mortality

Pub2010-PS full projected with scale MP-2021

Other Information:

Changes in Assumptions:

There were no changes in assumptions during the year.

Benefits Changes:

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, 2024

BUDGETARY DATA

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

- a. Prior to the beginning of the fiscal year, the City prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the City Council is then called for the purpose of adopting the proposed budget. At least 10 days public notice of the meeting must have been given.
- c. Prior to the start of the fiscal year, the budget is legally enacted through passage of a resolution by the City Council.

Once a budget is approved, it can be amended only by approval of a majority of the members of the City Council. As required by law, such amendments are made before the fact, are reflected in the official minutes of the City Council and are not made after fiscal year end. The legal level of control is at the department level. During the year, the budget was amended as necessary. All budget appropriations lapse at year end.

The budget is presented on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

EXCESS EXPENDITURES OVER APPROPRIATIONS

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

COMBINING STATEMENTS

CITY OF BIG SPRING, TEXAS

EXHIBIT C-1

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2024

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-3)
ASSETS:					
Assets:					
Cash and Cash Equivalents	\$ 526,465	\$ 37,805	\$	\$	\$ 564,270
Investments	2,253,879	160,990		413,589	2,828,458
Receivables (Net of Allowance for Uncollectibles)	179,233	12,310	38,476		230,019
Total Assets	<u>\$ 2,959,577</u>	<u>\$ 211,105</u>	<u>\$ 38,476</u>	<u>\$ 413,589</u>	<u>\$ 3,622,747</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts Payable	\$ 59,303	\$	\$	\$	\$ 59,303
Accrued Wages	14,227				14,227
Due to Other Funds				62,070	62,070
Unearned Revenue	55,734				55,734
Customer Deposits	6,774				6,774
Advances from Other Funds	379,939				379,939
Total Liabilities	<u>\$ 515,977</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 62,070</u>	<u>\$ 578,047</u>
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$	\$ 12,310	\$ 38,476	\$	\$ 50,786
Total Deferred Inflows of Resources	<u>\$ 0</u>	<u>\$ 12,310</u>	<u>\$ 38,476</u>	<u>\$ 0</u>	<u>\$ 50,786</u>
Fund Balances:					
Cemetery Permanent Care	\$	\$	\$	\$ 351,519	\$ 351,519
Restricted Fund Balances:					
Restricted for Advertising and Promotions	1,673,878				1,673,878
Restricted for Court Security	26,462				26,462
Restricted for Court Technology	11,767				11,767
Restricted for Public, Educational and Governmental Television Access	274,368				274,368
Restricted for Public Safety Improvements	252,937				252,937
Restricted for Debt Service		198,795			198,795
Restricted for Senior Citizen's Center	44,663				44,663
Restricted for Opioid Remediation Uses	71,222				71,222
Restricted for Truancy Court Operations	7,239				7,239
Committed Fund Balances:					
Committed for Employee Education	89,442				89,442
Unassigned Fund Balance (Deficit)	(8,378)				(8,378)
Total Fund Balances	<u>\$ 2,443,600</u>	<u>\$ 198,795</u>	<u>\$ 0</u>	<u>\$ 351,519</u>	<u>\$ 2,993,914</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,959,577</u>	<u>\$ 211,105</u>	<u>\$ 38,476</u>	<u>\$ 413,589</u>	<u>\$ 3,622,747</u>

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 CITY OF BIG SPRING, TEXAS

EXHIBIT C-2

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2024**

	Special Revenue Funds	Debt Service Fund 2020 G.O. Refunding Bonds	Debt Service Fund 2016 G.O. Refunding Bonds	Permanent Fund Cemetery Permanent Care	Total Nonmajor Governmental Funds (See Exhibit A-5)
Revenue:					
Taxes					
General Property Taxes	\$	\$ 281,184	\$ 875,343	\$	\$ 1,156,527
Gross Receipts Business Tax	35,957				35,957
Motel Occupancy Taxes	1,532,532				1,532,532
Intergovernmental	186,717				186,717
Charges for Services	131,094				131,094
Fines	22,447				22,447
Investment Earnings	63,786	5,385		21,429	90,600
Rents and Royalties	3,265				3,265
Miscellaneous	2,299				2,299
Contributions and Donations	27				27
Total Revenue	<u>\$ 1,978,124</u>	<u>\$ 286,569</u>	<u>\$ 875,343</u>	<u>\$ 21,429</u>	<u>\$ 3,161,465</u>
Expenditures:					
Current					
General Government	\$ 124,409	\$	\$	\$	\$ 124,409
Public Safety	35,900				35,900
Community Service	5,450				5,450
Economic Development	1,301,349				1,301,349
Cemetery	194,514				194,514
Debt Service					
Principal	10,577	215,000	840,000		1,065,577
Interest and Fees	179	63,100	97,700		160,979
Total Expenditures	<u>\$ 1,672,378</u>	<u>\$ 278,100</u>	<u>\$ 937,700</u>	<u>\$ 0</u>	<u>\$ 2,888,178</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 305,746</u>	<u>\$ 8,469</u>	<u>\$ (62,357)</u>	<u>\$ 21,429</u>	<u>\$ 273,287</u>
Other Financing Sources (Uses):					
Transfers In (Out)	<u>\$ 154,233</u>	<u>\$</u>	<u>\$ 62,357</u>	<u>\$ (21,429)</u>	<u>\$ 195,161</u>
Total Other Financing Sources (Uses)	<u>\$ 154,233</u>	<u>\$ 0</u>	<u>\$ 62,357</u>	<u>\$ (21,429)</u>	<u>\$ 195,161</u>
Net Change in Fund Balances	\$ 459,979	\$ 8,469	\$ 0	\$ 0	\$ 468,448
Fund Balances - Beginning	<u>1,983,621</u>	<u>190,326</u>	<u></u>	<u>351,519</u>	<u>2,525,466</u>
Fund Balances - Ending	<u><u>\$ 2,443,600</u></u>	<u><u>\$ 198,795</u></u>	<u><u>\$ 0</u></u>	<u><u>\$ 351,519</u></u>	<u><u>\$ 2,993,914</u></u>

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CITY OF BIG SPRING, TEXAS

COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
SEPTEMBER 30, 2024

EXHIBIT C-3

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Truant Court Costs	Jury	Child Safety	Opioid Settlement	Total Nonmajor-Special Revenue Funds (See Exhibit C-1)
ASSETS														
Assets:														
Cash and Cash Equivalents	\$ 17,009	\$ 4,426	\$ 2,238	\$ 12,418	\$ 8,494	\$ 52,176	\$ 366,076	\$ 28,246	\$ 19,855	\$ 1,376	\$ 28	\$ 579	\$ 13,544	\$ 526,465
Investments	72,433	18,849	9,529	52,881	36,169	222,192	1,570,869	120,282	84,554	5,863	117	2,463	57,678	2,253,879
Receivables (Net of Allowance for Uncollectibles)				2,208			177,025							179,233
Total Assets	\$ 89,442	\$ 23,275	\$ 11,767	\$ 67,507	\$ 44,663	\$ 274,368	\$ 2,113,970	\$ 148,528	\$ 104,409	\$ 7,239	\$ 145	\$ 3,042	\$ 71,222	\$ 2,959,577
LIABILITIES AND FUND BALANCES														
Liabilities:														
Accounts Payable	\$	\$	\$	\$ 15,363	\$	\$	\$ 43,940	\$	\$	\$	\$	\$	\$	\$ 59,303
Accrued Wages				4,975			9,252							14,227
Unearned Revenue				55,547			187							55,734
Customer Deposits							6,774							6,774
Advances from Other Funds							379,939							379,939
Total Liabilities	\$ 0	\$ 0	\$ 0	\$ 75,885	\$ 0	\$ 0	\$ 440,092	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 515,977
Fund Balances:														
Restricted Fund Balances:														
Restricted for Advertising and Promotions	\$	\$	\$	\$	\$	\$	\$ 1,673,878	\$	\$	\$	\$	\$	\$	\$ 1,673,878
Restricted for Court Security		23,275									145	3,042		26,462
Restricted for Court Technology			11,767											11,767
Restricted for Public, Educational and Governmental Television Access						274,368								274,368
Restricted for Public Safety Improvements								148,528	104,409					252,937
Restricted for Senior Citizen's Center					44,663									44,663
Restricted for Opioid Remediation Uses													71,222	71,222
Restricted for Truancy Court Operations										7,239				7,239
Committed Fund Balances:														
Committed for Employee Education	89,442													89,442
Unassigned Fund Balance (Deficit)				(8,378)										(8,378)
Total Fund Balances	\$ 89,442	\$ 23,275	\$ 11,767	\$ (8,378)	\$ 44,663	\$ 274,368	\$ 1,673,878	\$ 148,528	\$ 104,409	\$ 7,239	\$ 145	\$ 3,042	\$ 71,222	\$ 2,443,600
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 89,442	\$ 23,275	\$ 11,767	\$ 67,507	\$ 44,663	\$ 274,368	\$ 2,113,970	\$ 148,528	\$ 104,409	\$ 7,239	\$ 145	\$ 3,042	\$ 71,222	\$ 2,959,577

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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, 2024

	Employee's College Education	Municipal Court Security	Municipal Court Technology	Cemetery	Senior Center	P.E.G.	Hotel Occupancy	State Forfeiture	Police Department Seizure	Truant Court Costs	July	Child Safety	Opioid Settlement	Radio Communications	Total Nonmajor-Special Revenue Funds (See Exhibit C-2)
Revenue:															
Taxes															
Gross Receipts Business Tax	\$	\$	\$	\$	\$	\$ 35,957	\$	\$	\$	\$	\$	\$	\$	\$	\$ 35,957
Motel Occupancy Taxes							1,532,532								1,532,532
Intergovernmental					18,032			157,086					11,599		186,717
Charges for Services	39,295			89,934	1,865										131,094
Fines		7,492	5,074							6,889	138	2,854			22,447
Investment Earnings	2,947	643	340	1,672	1,341	8,214	41,964	3,383	3,282						63,786
Rents and Royalties							3,265								3,265
Miscellaneous							2,299								2,299
Contributions and Donations							27								27
Total Revenue	\$ 42,242	\$ 8,135	\$ 5,414	\$ 91,606	\$ 21,238	\$ 44,171	\$ 1,580,087	\$ 160,469	\$ 3,282	\$ 6,889	\$ 138	\$ 2,854	\$ 11,599	\$ 0	\$ 1,978,124
Expenditures:															
Current															
General Government	\$ 22,965	\$	\$	\$	\$	\$ 1,444	\$	\$ 33,906	\$	\$	\$	\$	\$	\$ 100,000	\$ 124,409
Public Safety		130	1,864												35,900
Community Service					5,450										5,450
Economic Development							1,301,349								1,301,349
Cemetery				194,514											194,514
Debt Service															
Principal				10,577											10,577
Interest				179											179
Total Expenditures	\$ 22,965	\$ 130	\$ 1,864	\$ 205,270	\$ 5,450	\$ 1,444	\$ 1,301,349	\$ 33,906	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 1,672,378
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 19,277	\$ 8,005	\$ 3,550	\$ (113,664)	\$ 15,788	\$ 42,727	\$ 278,738	\$ 126,563	\$ 3,282	\$ 6,889	\$ 138	\$ 2,854	\$ 11,599	\$ (100,000)	\$ 305,746
Other Financing Sources (Uses):															
Transfers In (Out)	\$ (4,158)	\$	\$	\$ 140,672	\$	\$ (5,451)	\$ (76,830)	\$	\$	\$	\$	\$	\$	\$ 100,000	\$ 154,233
Total Other Financing Sources (Uses)	\$ (4,158)	\$ 0	\$ 0	\$ 140,672	\$ 0	\$ (5,451)	\$ (76,830)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 100,000	\$ 154,233
Net Change in Fund Balances	\$ 15,119	\$ 8,005	\$ 3,550	\$ 27,008	\$ 15,788	\$ 37,276	\$ 201,908	\$ 126,563	\$ 3,282	\$ 6,889	\$ 138	\$ 2,854	\$ 11,599	\$ 0	\$ 459,979
Fund Balances - Beginning	74,323	15,270	8,217	(35,386)	28,875	237,092	1,471,970	21,965	101,127	350	7	188	59,623		1,983,621
Fund Balances - Ending	\$ 89,442	\$ 23,275	\$ 11,767	\$ (8,378)	\$ 44,663	\$ 274,368	\$ 1,673,878	\$ 148,528	\$ 104,409	\$ 7,239	\$ 145	\$ 3,042	\$ 71,222	\$ 0	\$ 2,443,600

CITY OF BIG SPRING, TEXAS

EXHIBIT C-5

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
SEPTEMBER 30, 2024

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-7)
ASSETS:					
Current Assets					
Cash and Cash Equivalents	\$	\$ 3,151,576	\$ 1,866,057	\$ 38,150	\$ 5,055,783
Investments				162,461	162,461
Total Current Assets	\$ 0	\$ 3,151,576	\$ 1,866,057	\$ 200,611	\$ 5,218,244
Noncurrent Assets					
Capital Assets (Net of Accumulated Depreciation)					
Land	\$ 10,000	\$	\$	\$	\$ 10,000
Total Noncurrent Assets	\$ 10,000	\$ 0	\$ 0	\$ 0	\$ 10,000
Total Assets	\$ 10,000	\$ 3,151,576	\$ 1,866,057	\$ 200,611	\$ 5,228,244
LIABILITIES:					
Current Liabilities					
Accounts Payable	\$ 1,241	\$ 200	\$ 22,615	\$ 201,037	\$ 225,093
Claims and Judgments Payable		211,585	188,712		400,297
Due to Other Funds		249,941	51,355		301,296
Total Current Liabilities	\$ 1,241	\$ 461,726	\$ 262,682	\$ 201,037	\$ 926,686
Total Liabilities	\$ 1,241	\$ 461,726	\$ 262,682	\$ 201,037	\$ 926,686
NET POSITION:					
Net Investment in Capital Assets	\$ 10,000	\$	\$	\$	\$ 10,000
Unrestricted Net Position	(1,241)	2,689,850	1,603,375	(426)	4,291,558
Total Net Position	\$ 8,759	\$ 2,689,850	\$ 1,603,375	\$ (426)	\$ 4,301,558

CITY OF BIG SPRING, TEXAS

EXHIBIT C-6

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	Garage	Health Insurance	Occupational Accident Insurance	Payroll Fund	Total Internal Service Funds (See Exhibit A-8)
OPERATING REVENUES:					
Billings to Departments and Employees	\$	\$ 2,830,946	\$ 639,851	\$	\$ 3,470,797
Total Operating Revenues	\$ 0	\$ 2,830,946	\$ 639,851	\$ 0	\$ 3,470,797
OPERATING EXPENSES:					
Supplies and Materials	\$ 19,036	\$	\$	\$	\$ 19,036
Contractual Services	11,074	2,369,080	222,942		2,603,096
Maintenance	14,881				14,881
Other Expense		125,396	47,421		172,817
Total Operating Expenses	\$ 44,991	\$ 2,494,476	\$ 270,363	\$ 0	\$ 2,809,830
Operating Income (Loss)	\$ (44,991)	\$ 336,470	\$ 369,488	\$ 0	\$ 660,967
NON-OPERATING REVENUES (EXPENSES):					
Interest Revenue	\$	\$ 4,053	\$ 2,886	\$	\$ 6,939
Other Income		219,644			219,644
Total Non-Operating Revenues (Expenses)	\$ 0	\$ 223,697	\$ 2,886	\$ 0	\$ 226,583
Income (Loss) Before Transfers	\$ (44,991)	\$ 560,167	\$ 372,374	\$ 0	\$ 887,550
Transfers In (Out)	41,210	143,333	(221,648)		(37,105)
Change in Net Position	\$ (3,781)	\$ 703,500	\$ 150,726	\$ 0	\$ 850,445
Total Net Position - Beginning	12,540	1,986,350	1,452,649	(426)	3,451,113
Total Net Position - Ending	\$ 8,759	\$ 2,689,850	\$ 1,603,375	\$ (426)	\$ 4,301,558

CITY OF BIG SPRING, TEXAS

EXHIBIT C-7

COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2024

	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	\$	\$ 2,830,946	\$ 639,851	\$	\$ 3,470,797
Cash Payments to Suppliers for Goods and Services	(55,911)	(2,495,737)	(221,390)	(17,746)	(2,790,784)
Net Cash from Operating Activities	<u>\$ (55,911)</u>	<u>\$ 335,209</u>	<u>\$ 418,461</u>	<u>\$ (17,746)</u>	<u>\$ 680,013</u>
Cash Flows from Non-Capital Financing Activities					
Cash Transfers from (to) Other Funds	\$ 41,210	\$ 708,333	\$ (708,333)	\$ (17,378)	\$ 23,832
Various Reimbursements		219,644			219,644
Net Cash from Non-Capital Financing Activities	<u>\$ 41,210</u>	<u>\$ 927,977</u>	<u>\$ (708,333)</u>	<u>\$ (17,378)</u>	<u>\$ 243,476</u>
Cash Flows from Investing Activities					
Interest and Dividends on Investments	\$	\$ 4,053	\$ 2,886	\$	\$ 6,939
Net Cash from Investing Activities	<u>\$ 0</u>	<u>\$ 4,053</u>	<u>\$ 2,886</u>	<u>\$ 0</u>	<u>\$ 6,939</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (14,701)	\$ 1,267,239	\$ (286,986)	\$ (35,124)	\$ 930,428
Cash and Cash Equivalents at Beginning of Year	<u>14,701</u>	<u>1,884,337</u>	<u>2,153,043</u>	<u>235,735</u>	<u>4,287,816</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 0</u></u>	<u><u>\$ 3,151,576</u></u>	<u><u>\$ 1,866,057</u></u>	<u><u>\$ 200,611</u></u>	<u><u>\$ 5,218,244</u></u>
Reconciliation of Operating Income to Net Cash from Operating Activities					
Operating Income (Loss)	<u>\$ (44,991)</u>	<u>\$ 336,470</u>	<u>\$ 369,488</u>	<u>\$ 0</u>	<u>\$ 660,967</u>
Adjustments to Reconcile Operating Income to Net Cash from Operating Activities					
Change in Assets and Liabilities					
(Increase) Decrease in Accounts Receivable	\$	\$ 200	\$	\$	\$ 200
Increase (Decrease) in Accounts Payable	(10,920)	(2,575)	5,327	(17,746)	(25,914)
Increase (Decrease) in Claims and Judgements Payable		1,114	43,646		44,760
Total Adjustments	<u>\$ (10,920)</u>	<u>\$ (1,261)</u>	<u>\$ 48,973</u>	<u>\$ (17,746)</u>	<u>\$ 19,046</u>
Net Cash from Operating Activities	<u><u>\$ (55,911)</u></u>	<u><u>\$ 335,209</u></u>	<u><u>\$ 418,461</u></u>	<u><u>\$ (17,746)</u></u>	<u><u>\$ 680,013</u></u>

OVERALL COMPLIANCE AND INTERNAL CONTROL SECTION

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

CERTIFIED PUBLIC ACCOUNTANTS

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FAX: (806) 747-3815

8215 NASHVILLE AVENUE

LUBBOCK, TEXAS 79423-1954

**INDEPENDENT AUDITOR'S 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**

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 (the City), as of and for the year ended September 30, 2024, 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 February 24, 2025. 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.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City of Big Spring, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City'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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Bolinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Lubbock, Texas

February 24, 2025

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

February 24, 2025

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

We have audited the financial statements of City of Big Spring, Texas (the City) for the year ended September 30, 2024, and have issued our report thereon dated February 24, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated May 14, 2024. Professional standards require that we provide you with the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

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

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

The most sensitive estimates affecting the financial statements was were:

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

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

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

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated February 24, 2025.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, budgetary comparison schedule for the General Fund, schedule of changes in net pension liability and related ratios for the TMRS and BSFRRF plans, schedule of employer contributions for the TMRS and BSFRRF plans, and the schedule of changes in the total OPEB liability for the TMRS SDBF and retiree health insurance plans, which are (is) required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

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

Restriction on Use

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

Very truly yours,

Balinger, Segars, Gilbert & Moss LLP

Certified Public Accountants

Client: **06565 - City of Big Spring**
Engagement: **2024 City of Big Spring**
Period Ending: **9/30/2024**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 1			
To record the change in the TMRS Pension GASB 68 liability and related accounts.			
405-2905	NET PENSION LIABILITY - TMRS	579,098.63	
410-2905	NET PENSION LIABILITY - TMRS	112,857.81	
440-2905	NET PENSION LIABILITY-TMRS	198,030.20	
445-2905	NET PENSION LIABILITY-TMRS	164,378.44	
405-002-735-5050	RETIREMENT		3,730.57
405-021-705-5050	RETIREMENT		4,988.27
405-021-710-5050	RETIREMENT		7,911.02
405-021-740-5050	RETIREMENT		4,507.88
405-021-745-5050	RETIREMENT		1,202.97
405-1805	DEFERRED OUTFLOWS - ER CONTRI		1,797.05
405-1806	DEF OUTFL - TMRS		141,023.76
405-2807	DEFF INFLOWS - TMRS PENSION		413,937.11
410-021-610-5050	RETIREMENT		9,653.32
410-1805	DEFERRED OUTFLOWS - ER CONTRI		1,255.87
410-1806	DEF OUTFL - TMRS		25,654.28
410-2807	DEFF INFLOWS - TMRS PENSION		76,294.34
440-025-350-5050	RETIREMENT		36,855.86
440-1805	DEFERRED OUTFLOWS - ER CONTRI		5,607.45
440-1806	DEF OUTFL - PEN TMRS		38,140.49
440-2807	DEFF INFLOWS - TMRS PENSION		117,426.40
445-025-330-5050	RETIREMENT		14,524.13
445-1805	DEFERRED OUTFLOWS - ER CONTRI		1,908.48
445-1806	DEF OUTFL - PEN TMRS		37,205.54
445-2807	DEFF INFLOWS - TMRS PENSION		110,740.29
Total		1,054,365.08	1,054,365.08

Client: **06565 - City of Big Spring**
 Engagement: **2024 City of Big Spring**
 Period Ending: **9/30/2024**
 Trial Balance: **017 W - Trial Balance**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 2			
To record the change in the TMRS OPEB GASB 75 liability and related accounts.			
405-1807	DEF OUTFL - TMRS OPEB	9,835.06	
405-2808	DEF INFLOWS - TMRS OPEB	4,898.51	
410-1807	DEF OUTFL - TMRS OPEB	1,855.28	
410-2808	DEF INFLOWS - TMRS OPEB	909.83	
440-1807	DEF OUTFL - TMRS OPEB	3,024.52	
440-2808	DEF INFLOWS - TMRS OPEB	1,428.04	
440-2906	TOTAL OPEB LIABILITY - TMRS	620.72	
445-1807	DEF OUTFL - TMRS OPEB	2,696.85	
445-2808	DEF INFLOWS - TMRS OPEB	1,321.26	
405-002-735-5050	RETIREMENT		1,196.23
405-021-705-5050	RETIREMENT		1,599.51
405-021-710-5050	RETIREMENT		2,536.71
405-021-740-5050	RETIREMENT		1,445.48
405-021-745-5050	RETIREMENT		385.74
405-2906	TOTAL OPEB LIABILITY - TMRS		7,569.90
410-021-610-5050	RETIREMENT		1,871.98
410-2906	TOTAL OPEB LIABILITY - TMRS		893.13
440-025-350-5050	RETIREMENT		5,073.28
445-025-330-5050	RETIREMENT		2,768.23
445-2906	TOTAL OPEB LIABILITY - TMRS		1,249.88
Total		26,590.07	26,590.07

Client: **06565 - City of Big Spring**
Engagement: **2024 City of Big Spring**
Period Ending: **9/30/2024**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 3			
To record change in GASB 87 health insurance OPEB liability and related accounts.			
405-002-735-5060	GROUP INSURANCE	34,060.70	
405-021-705-5060	GROUP INSURANCE	35,266.26	
405-021-710-5060	GROUP INSURANCE	46,799.95	
405-021-740-5060	GROUP INSURANCE	28,800.48	
405-021-745-5060	GROUP INSURANCE	8,228.71	
405-2060	POST EMPLOYMENT BENEFITS	117,135.80	
410-021-610-5060	GROUP INSURANCE	66,666.90	
430-2060	POST EMPLOYMENT BENEFITS	130,815.83	
440-025-350-5060	GROUP INSURANCE	15,529.44	
440-2060	POST EMPLOYMENT BENEFITS	40,377.80	
445-2060	POST EMPLOYMENT BENEFITS	51,283.80	
405-1809	DEFF OUTFLOWS - OPEB		23,903.28
405-2409	DEF INFLOWS OF RESOURCES-		246,388.62
410-1809	DEFF OUTFLOWS - OPEB		739.80
410-2060	POST EMPLOYMENT BENEFITS		8,747.60
410-2409	DEF INFLOWS OF RESOURCES-		57,179.50
430-012-260-5060	GROUP INSURANCE		34,980.10
430-1809	DEFF OUTFLOWS - OPEB		20,034.81
430-2409	DEF INFLOWS OF RESOURCES-		75,800.92
440-1809	DEFF OUTFLOWS - OPEB		7,035.02
440-2409	DEF INFLOWS OF RESOURCES-		48,872.22
445-025-330-5060	GROUP INSURANCE		4,318.68
445-1809	DEFF OUTFLOWS - OPEB		8,157.95
445-2409	DEF INFLOWS OF RESOURCES-		38,807.17
Total		574,965.67	574,965.67

Client: **06565 - City of Big Spring**
Engagement: **2024 City of Big Spring**
Period Ending: **9/30/2024**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 4			
To adjust GASB 68 balances for Fire Fighters Pension Fund.			
430-1804	DEFERRED OUTFLOWS - BSFRRF	146,755.50	
430-1807	DOR - ER CONTRIBUTIONS	27,841.92	
430-2906	NET PENSION LIABILITY - BSFRRF	474,679.43	
430-012-260-5050	RETIREMENT		375,697.61
430-2806	DEFF INFLOWS - BSFRRF PENSION		273,579.24
Total		649,276.85	649,276.85

Adjusting Journal Entries JE # 5

To adjust enterprise lease principal and interest per debt book activity.

002-070-070-5701-	DEBT SVC-2021-22 ENTERPRISE	111,879.15	
002-002-140-5515	HIRE OF EQUIPMENT		1,527.16
002-011-200-5515	HIRE OF EQUIPMENT		55,596.22
002-011-201-5515	HIRE OF EQUIPMENT		5,636.21
002-011-240-5515	HIRE OF EQUIPMENT		2,395.75
002-012-210-5515	HIRE OF EQUIPMENT		13,684.79
002-021-300-5515	HIRE OF EQUIPMENT		6,143.72
002-021-310-5515	HIRE OF EQUIPMENT		1,919.81
002-022-320-5515	HIRE OF EQUIPMENT		19,612.29
002-027-370-5515	HIRE OF EQUIPMENT		5,363.20
Total		111,879.15	111,879.15

Client: **06565 - City of Big Spring**
 Engagement: **2024 City of Big Spring**
 Period Ending: **9/30/2024**
 Trial Balance: **017 W - Trial Balance**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 6			
To record amortization on 2020 refunding premium.			
405-2403	DEFERRED INFLOWS - 2020GO	4,652.91	
405-070-070-5701	DEBT SERVICE - PREM/DISC/INS		4,652.91
Total		4,652.91	4,652.91
Adjusting Journal Entries JE # 7			
To correct sales tax receivable and revenue.			
002-1102	ACCOUNTS RECEIVABLE - OTHER	300,453.54	
002-4020	CITY SALES TAXES		300,453.54
Total		300,453.54	300,453.54
Adjusting Journal Entries JE # 8			
To recognize additional ARPA funds to match PMI ledger of grant expenses.			
405-2401-01	DEFERRED REVENUE-ARP FUNDS	499,774.35	
405-4200-06	2021-22 ARP FUNDS		499,774.35
Total		499,774.35	499,774.35

Client: **06565 - City of Big Spring**
Engagement: **2024 City of Big Spring**
Period Ending: **9/30/2024**
Trial Balance: **017 W - Trial Balance**
Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 100			
To reclass loss on disposal.			
440-4909	GAIN/(LOSS) ON ASSET DISPOSAL	53,985.00	
440-025-350-5675	DEPRECIATION		53,985.00
Total		53,985.00	53,985.00

Adjusting Journal Entries JE # 101

To reclass intercompany amounts due from Health Insurance and Worker's Comp funds.

002-1211	DUE FROM HEALTH INS	249,941.04	
002-1230	DUE FROM OTHER FUNDS	51,355.08	
510-2001	VOUCHERS PAYABLE	249,941.04	
515-2001	VOUCHERS PAYABLE	51,355.08	
002-1003	CLAIM ON CASH		301,296.12
510-2101	DUE TO GENERAL FUND		249,941.04
515-2101	DUE TO GENERAL FUND		51,355.08
Total		602,592.24	602,592.24

Adjusting Journal Entries JE # 102

To clear negative cash balances.

002-080-000-5808	TRANSFER TO OTHER FUNDS	191,045.17	
002-1210	DUE FROM EMS FUND	831,351.88	
002-1230	DUE FROM OTHER FUNDS	62,069.75	
002-1230	DUE FROM OTHER FUNDS	5,111,108.01	
258-1003	CLAIM ON CASH	149,835.47	
430-1003	CLAIM ON CASH	831,351.88	
440-1003	CLAIM ON CASH	5,111,108.01	
440-2151	DUE TO OTHER FUNDS	442,292.35	
445-1003	CLAIM ON CASH	442,292.35	

Client: **06565 - City of Big Spring**
 Engagement: **2024 City of Big Spring**
 Period Ending: **9/30/2024**
 Trial Balance: **017 W - Trial Balance**
 Workpaper: **Adjusting Journal Entries Report**

Account	Description	Debit	Credit
505-1003	CLAIM ON CASH	41,209.70	
655-1003	CLAIM ON CASH	62,069.75	
002-1003	CLAIM ON CASH		62,069.75
002-1003	CLAIM ON CASH		191,045.17
002-1003	CLAIM ON CASH		831,351.88
002-1003	CLAIM ON CASH		5,111,108.01
258-4808-000	TRANSFERS FROM OTHER FUNDS		149,835.47
430-2101	DUE TO GENERAL FUND		831,351.88
440-1003	CLAIM ON CASH		442,292.35
440-2101	DUE TO GENERAL FUND		5,111,108.01
445-2151	DUE TO OTHER FUNDS		442,292.35
505-4819	TRANSFER FROM OTHER FUNDS		41,209.70
655-2101	DUE TO OTHER FUND		62,069.75
Total		13,275,734.32	13,275,734.32

410 OWENS

Code Compliance Official: Shannon Fant

Exhibit A-1

STATE OF TEXAS

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COUNTY OF HOWARD

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**AFFIDAVIT OF SHANNON FANT
CONCERNING 410 OWENS**

BEFORE ME, the undersigned authority, on this day, personally appeared **Shannon Fant**, who, being by me duly sworn, deposed as follows:

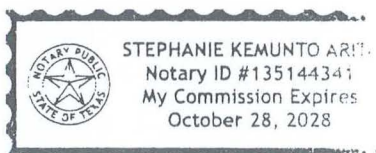
“My name is **Shannon Fant**. I am over 21 years of age, of sound mind, capable of making this affidavit, and personally acquainted with the facts herein stated:

“I am a Code Compliance Official for the City of Big Spring, Texas. In the course of my duties, I inspect properties for compliance with Texas state law and the ordinances of the City of Big Spring. I am an employee of the City of Big Spring and am familiar with the manner in which its records are created and maintained by virtue of my duties and responsibilities. Attached are pages of records relating to the Code Compliance Case for **410 OWENS**, Big Spring, Texas. These are exact duplicates of original records. The records were made at or near the time of each act, event, or finding set forth. The records were made by, or from information transmitted by, persons with knowledge of the matters set forth. The records were kept in the course of regularly conducted business activity. It is the regular practice of the business activity to make the records.”

SIGNED on the 15th day of April, 2025.

Shannon Fant
AFFIANT

SWORN TO AND SUBSCRIBED before me this 15th day of April, 2025 by the above referenced Affiant.



Stephanie Kemunto Ariza
Notary Public, State of Texas

Exhibit A-2

Howard Property Search

Property Details

Account		
Property ID:	285607	Geographic ID: B5070001800
Type:	R	Zoning:
Property Use:		Condo:
Location		
Situs Address:	410 OWENS	
Map ID:		Mapsco:
Legal Description:	LT 6 BK 2 PORTER 50X140 2004 COMBINE ACCTS B5070001800 & 1801 390 ACQ 111703 BLK/TRACT 2 0.161 ACRES	
Abstract/Subdivision:		
Neighborhood:	(BOYD) BOYDSTUN	
Owner ?		
Owner ID:	20602	
Name:	HERNANDEZ MAX	
Agent:		
Mailing Address:	410 OWENS BIG SPRING , TX 79720	
% Ownership:	100.0%	
Exemptions:	HS - For privacy reasons not all exemptions are shown online.	

Property Values

Improvement Homesite Value:	\$18,220 (+)
Improvement Non-Homesite Value:	\$1,679 (+)
Land Homesite Value:	\$3,507 (+)
Land Non-Homesite Value:	\$0 (+)
Agricultural Market Valuation:	\$0 (+)
Market Value:	\$23,406 (=)

Agricultural Value Loss:	\$0 (-)
Appraised Value:	\$23,406 (=)
HS Cap Loss:	\$7,497 (-)
Circuit Breaker:	\$0 (-)
Assessed Value:	\$15,909
Ag Use Value:	\$0

Information provided for research purposes only. Legal descriptions and acreage amounts are for Appraisal District use only and should be verified prior to using for legal purpose and or documents. Please contact the Appraisal District to verify all information for accuracy.

Property Taxing Jurisdiction

Owner: HERNANDEZ MAX %**Ownership:** 100.0%

Entity	Description	Tax Rate	Market Value	Taxable Value	Estimated Tax	Freeze Ceiling
01H	HOWARD COUNTY	0.221030	\$23,406	\$10,909	\$24.11	
02B	CITY OF BIG SPRING	0.671465	\$23,406	\$10,909	\$73.25	
03B	BIG SPRING ISD	0.728300	\$23,406	\$1,679	\$12.23	
052	HOWARD COLLEGE	0.158693	\$23,406	\$10,909	\$17.31	

Total Tax Rate: 1.779488

Estimated Taxes With Exemptions: \$126.90

Estimated Taxes Without Exemptions: \$416.50

STATE OF TEXAS

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COUNTY OF HOWARD

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**CERTIFICATION
410 OWENS CASE NOTES**

“This record, attached as **Exhibit A-3**, was made at or near the time by – or from information transmitted by a person or persons with the City with knowledge.

This record was kept in the course of a regularly conducted business activity of the Code Compliance Department of the City of Big Spring, Texas.

Making this record was a regular practice of that activity.

1. The City uses a computer.
2. The computer is reliable.
3. The City has developed procedures for inserting data into the computer.
4. The procedure has built-in safeguards to ensure accuracy and to identify errors.
5. The City keeps the computer in a good state of repair.
6. I had the computer readout certain data.
7. I used the proper procedures to obtain the readout.
8. The computer was in working order at the time I obtained the readout.
9. I recognize the attached **Exhibit A-3** as the readout.”

SIGNED on the 15 day of April, 2025.

Stant
AFFIANT

SWORN TO AND SUBSCRIBED before me this 15th day of April, 2025

by the above referenced Affiant.

Stephanie Kemunto Arita
Notary Public, State of Texas

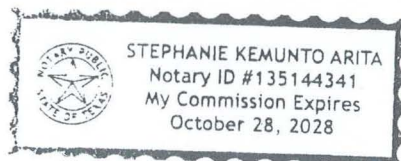


Exhibit A-3



CASE NOTES

Page 1 of 1

Report Run On: Tuesday, 01 April
2025 12:52

Case # 24-00001114
Site Address: 410 OWENS
Case Description: SS STRUCTURE

Parcel # : 285607

Note Type	Note Code	Text	Created By	Begin Date	End Date
STAFF REPORT		THIS IS S ASIDE REAR STRUCTURE THAT IS NOT COMPLIANT WILL PROCEED TO SEND TO LEGAL	Shannon Fant	04/01/25	
CORRECTIVE ACTION		DEADLINE FOR COMPLIANCE IS SEVEN DAYS FROM THE DATE OF MAILING 2.28.2025	Shannon Fant	02/28/25	
SITE VISIT		REINSPECTED THE PROPERTY FOUND THE STRUCTURE TO BE NOT IN COMPLIANCE TOOK PICTURES WILL MAIL NOV TO THE PROPERTY OWNER AGAIN AND TRY TO REACH OUT	Shannon Fant	02/26/25	
SITE VISIT		INSPECTED PROPERTY FOUND SS STRUCTURE ON PROPERTY THAT IS MISSING DOORS AND WINDOWS WITH BAD WEATHER DAMAGE LOOKS TO BE TILTED AND ABOUT TO FALL DOWN WILL SEND NOV TO PROPERTY OWNER	Shannon Fant	07/09/24	

STATE OF TEXAS

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COUNTY OF HOWARD

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**CERTIFICATION OF
PHOTOGRAPHS BY SHANNON FANT**

“With regard to the photographs in **Exhibits A-4** I am familiar with and recognize the scene depicted in the photographs. On July 9, 2024 and February 26, 2025, I inspected the property described as:

LOT 6, BLOCK 2, PORTER SUBDIVISION Big Spring, Howard County, Texas,
also known as **410 OWENS**, Big Spring, Texas.

Each of the photographs is a fair and accurate depiction of the scene at the relevant time.”

SIGNED on the 15 day of April, 2025.

Shannon Fant
AFFIANT

SWORN TO AND SUBSCRIBED before me this 15th day of April, 2025
by the above referenced Affiant.

Stephanie Kemunto Arita
Notary Public, State of Texas

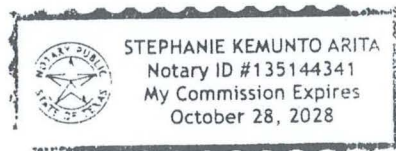


Exhibit A-4



Galaxy Tab S8
July 09, 2024 10:31 AM



Galaxy Tab S6

July 09, 2024 10:32 AM



Galaxy Tab S8+
July 09, 2024 10:31 AM





Galaxy Tab S8+
July 09, 2024 10:32 AM



Galaxy Tab S8+
July 09, 2024 10:32 AM



Galaxy Tab S8+
February 26, 2025 10:21 AM

STATE OF TEXAS

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COUNTY OF HOWARD

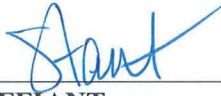
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**CERTIFICATION
NOTICE SENT BY SHANNON FANT**

“The document in **Exhibit A-5** presents factual findings from a legally authorized investigation for code compliance. The document is a copy of the official record.”

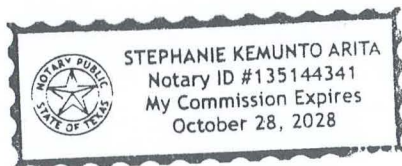
Certified Mail Return for **Exhibit A-5** is also attached.

SIGNED on the 15 day of April, 2025.



AFFIANT

SWORN TO AND SUBSCRIBED before me this 15th day of April, 2025
by the above referenced Affiant.





Notary Public, State of Texas

Exhibit A-5



City of Big Spring Code Compliance

217 East 3rd St. Big Spring TX 79720 - Ph: 432-264-2504

NOTICE OF VIOLATION

Re: 410 OWENS BIG SPRING, TX 79720

Legal Description: LT 6 BK 2 PORTER 50X140 2004 COMBINE ACCTS B5070001800 & 1801 390 ACQ 111703
BLK/TRACT 2 0.161 ACRES

Date 02/28/2025

Case No: 24-00001114

HERNANDEZ MAX
410 OWENS
BIG SPRING, TX 79720

Dear HERNANDEZ MAX

The City of Big Spring has determined that the following section of the **2021 property Maintenance Code of Big Spring** has been violated, constituting a nuisance:

Violation:
SUBSTANDARD STRUCTURE

Description of Violation:



City of Big Spring Code Compliance

217 East 3rd St. Big Spring TX 79720 - Ph: 432-264-2504

NOTICE OF VIOLATION

Re: 410 OWENS BIG SPRING, TX 79720

Legal Description: LT 6 BK 2 PORTER 50X140 2004 COMBINE ACCTS B5070001800 & 1801 390 ACQ 111703 BLK/TRACT 2 0.161 ACRES

304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings:

1. Structural members have deterioration or distress that appears to reduce their load-carrying capacity. 2. The anchorage of the floor or roof to walls or columns, and of walls and columns to foundations have deterioration or distress that appears to reduce their load-carrying capacity. 3. Structures or components thereof have deterioration or distress that appears to reduce their load-carrying capacity. 4. Siding and masonry joints including joints between the building envelope and the perimeter of windows, doors and skylights are not maintained, weather resistant or watertight. 5. Reserved. 6. Foundation systems that are not firmly supported by footings, are not plumb and free from open cracks and breaks, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects. 7. Exterior walls that are not anchored to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects. 8. Roofing or roofing components that have defects that admit rain, roof surfaces with inadequate drainage, or any portion of the roof framing that is not in good repair with signs of deterioration, fatigue or without proper anchorage and is not capable of supporting all nominal loads and resisting all load effects. 9. Flooring and flooring components with defects that affect serviceability or flooring components that show signs of deterioration or fatigue, are not properly anchored or are incapable of supporting all nominal loads and resisting all load effects. 10. Veneer, cornices, belt courses, corbels, trim, wall facings and similar decorative features not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects. 11. Overhang extensions or projections including, but not limited to, trash chutes, canopies, marquees, signs, awnings, fire escapes, standpipes, and exhaust ducts not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects. 12. Exterior stairs, decks, porches, balconies, and all similar appurtenances attached thereto, including guards and handrails, are not structurally sound, not properly anchored or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects. 13. Chimneys, cooling towers, smokestacks, and similar appurtenances not structurally sound or not properly anchored, or that are anchored with connections not capable of supporting all nominal loads and resisting all load effects.

Corrective Action:

DEADLINE FOR COMPLIANCE IS SEVEN DAYS FROM THE DATE OF MAILING 2.28.2025

For further information about this notice, please contact the following person:

Issued by:

Shannon Fant

Code Compliance

432.264.2508

sfant@mybigspring.com

Phone

Email Address

If this matter has been taken care of please notify this office at (432)264-2504

It is the sincere hope of the City that you will cooperate with us in helping to make Big Spring an attractive, healthful place in which to live.

Sincerely,

Shannon Fant - Code Compliance



Code Compliance

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

**NOTICE OF VIOLATION
AND NOTICE OF HEARING**

Sent via: Certified Mail; Return Receipt Requested

April 11, 2025

Max Hernandez
410 Owens St.
Big Spring, Texas 79720

Max Hernandez
4013 Dixon St.
Big Spring, Texas 79720

Re: 410 OWENS, BIG SPRING, TEXAS 79720

LEGAL DESCRIPTION: LOT 6, BLOCK 2, PORTER SUBDIVISION, Howard County

Big Spring Code Compliance has determined that at the following structure(s): REAR SIDE STRUCTURE, at the property as stated above, is/are in violation of the following section(s) of the **Property Maintenance Code of Big Spring (PMC)**, constituting a nuisance:

VIOLATION	DESCRIPTION OF VIOLATION
111.1.5 HAZARDOUS STRUCTURE OR PREMISES. For the purpose of this code, any structure or premises that has any or all of the conditions or defects described as follows shall be considered to be hazardous: 3. Any building, structure, or portion thereof that is dangerous. 6. The building or structure, or any portion thereof, is clearly unsafe for its use and occupancy. 7. The building or structure is neglected, damaged, dilapidated, unsecured or abandoned so as to become an attractive nuisance to children who might play in the building or structure to their danger, becomes a harbor	The structure in the rear side of the property is in disrepair and needs to be brought up to Code. The structure is dilapidated from weather damage. The structure is neglected, damaged, dilapidated, and unsecured so as to constitute an attractive nuisance. Hazardous condition.

for vagrants, criminals, or immoral persons, or enables persons to resort to the building or structure for committing a nuisance or an unlawful act. 11. Any portion of a building remains on a site after the demolition or destruction of the building or structure or whenever any building or structure is abandoned so as to constitute such building or portion thereof as an attractive nuisance or hazard to the public.	
304.1.1 UNSAFE CONDITIONS. The following conditions shall be determined as unsafe and shall be repaired or replaced to comply with the International Building Code or the International Existing Building Code as required for existing buildings: 1. Structural members have deterioration or distress that appears to reduce their load-carrying capacity. 3. Structures or components thereof have deterioration or distress that appears to reduce their load-carrying capacity. 7. Exterior walls that are not anchored to supporting and supported elements or are not plumb and free of holes, cracks or breaks and loose or rotting materials, are not properly anchored or are not capable of supporting all nominal loads and resisting all load effects.	The structure is tilting, which evidences deteriorated structural members. The structure is dilapidated from weather damage. The exterior walls have holes, cracks, breaks, loose and rotting materials. Unsafe condition.
304.6 Exterior walls. Exterior walls shall be free from holes, breaks, and loose or rotting materials; and maintained weatherproof and properly surface coated where required to prevent deterioration.	Exterior walls are dilapidated, with weather damage, holes and breaks, and loose and rotting materials.
304.13 Windows, skylight and door frames. Every window, skylight and door frame shall be kept in sound condition, good repair and weather tight.	The structure is missing doors and windows.

The following actions are required to correct the violation(s) at the structure(s) as stated above:

Corrective Action Sought by Code Compliance

Secure and vacate the structure(s) until the violation(s) are resolved, and:

REPAIR OR DEMOLISH AND REMOVE

REAR SIDE STRUCTURE.

For further information about this notice, please contact the following person:

Issued by

Shannon Fant

Name

Code Compliance Official

Title

+1 (432) 264-2508

Phone

sfant@mybigspring.com

E-mail

The City's goal is voluntary compliance.

FAILURE TO TAKE THE CORRECTIVE ACTION BY THE DEADLINE MAY

RESULT IN FINE. Failure to take the corrective action regarding the nuisance(s) by the prescribed deadline(s) may result in a complaint (a criminal charge, Class C Misdemeanor) sworn against you in the Municipal Court of Big Spring alleging the violation. A person found guilty may be convicted by the Court and fined. Each day that a violation continues after due notice has been served is deemed a separate offense. A convicted person may appeal their case to Howard County Court. This punishment is separate from and in addition to any abatement action that the City may perform and cannot result in a lien.

YOU ARE HEREBY NOTIFIED THAT THE CITY HAS INITIATED PROCEEDINGS TO ABATE THE ABOVE-DESCRIBED NUISANCES AT YOUR EXPENSE.

This proceeding is held before a hearing board (either City Council or the Board of Adjustment and Appeals). The hearing board will review the case and rule on the City's request to abate the nuisance. If so ordered by the hearing board, the City will abate the nuisance and send you and/or the owner(s) an invoice for the City's costs plus a civil penalty, typically 25% of the amount of the costs. In the event you and/or the owner(s) do not pay the invoice promptly, the City of Big Spring will assess a lien against the property to secure payment for services rendered and the civil penalty. You have the right to appeal the costs, lien, and civil penalty to the District Court. The abatement procedure is separate from and in addition to any charge filed in Municipal Court.

The City Council will serve as the Hearing Board for your case. The hearing is scheduled for **5:30 PM, April 22, 2025** at the City Council Chambers located at **307 E 4th St., Big Spring, Texas 79720**. You are encouraged to attend this hearing to demonstrate the scope of work that may be required to comply with the Building Codes and the time it will take to reasonably perform the work.

CONDUCT OF THE HEARING. The Structural Standards Ordinance of the Big Spring City Code provides the following concerning the conduct of the hearing:

SECTION A-1.10. Rights of Parties

(a) Rules. Hearings need not be conducted according to the technical rules relating to evidence and witnesses.

(b) Admissibility of Evidence. Any relevant evidence shall be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions in courts of competent jurisdiction in this State.

(c) Exclusion of Evidence. Irrelevant and unduly repetitious evidence shall be excluded.

(d) Rights of Parties. Each party shall have the following rights, among others:

1. To call and examine witnesses on any matter relevant to the issues of the hearing;
2. To introduce documentary and physical evidence;
3. To cross-examine opposing witnesses on any matter relevant to the issues of the hearing;
4. To impeach any witness regardless of which party first called him to testify;
5. To rebut the evidence against him;
6. To represent himself or to be represented by anyone of his choice who is lawfully permitted to do so.

Section C-9.02 (c)The City Attorney shall present the case for the City. If the City Attorney is recused or disqualified, the City Manager shall determine who shall present the case for the City.

YOU HAVE A RIGHT TO APPEAL THE DECISION OF THE HEARING BOARD. If the Hearing Board enters an order to abate the violation(s) at the structure(s) at the property, the order is preliminary, allowing you to appeal the order to District Court within thirty (30) days pursuant to Section 8.03 of the Structural Standards Ordinance of the Big Spring City Code. If you fail to appeal the Hearing Board's ruling within that time, such order shall become the final order.

FAILURE TO COMPLY/ATTACHMENT OF LIEN. If the owner of a premises fails to comply with an order of the Board within the time prescribed, and the City conducts abatement or work, either through an available public agency or by contract or arrangement with private persons, and the cost of such abatement work shall be charged against the real estate upon which the nuisance is located and shall be a lien on such real estate.

NOTICE TO OWNER: According to the real property records of Howard County, you own the real property described in this notice. If you no longer own the property, you must execute an affidavit stating that you no longer own the property and stating the name and last known address of the person who acquired the property from you. The affidavit must be delivered in person or by certified mail, return receipt requested, to this office not later than the 20th day after the date you receive this notice. If you do not send the affidavit, it will be presumed that you own the property described in this notice, even if you do not.

NOTICE TO EMPLOYEE OF OWNER: If you are an individual employed by the owner of the property, or a company that manages the property on behalf of the owner, you may be personally liable for criminal or civil penalties resulting from the violation under Section 250.003, Texas Local Government Code, unless, not later than the fifth calendar day after this notice you provide the property owner's name, current street address, and telephone number to the Code Compliance Officer who sent this notice.

TRANSFER OF OWNERSHIP UNLAWFUL: Please be advised that until this order is complied with, it shall be unlawful (being a Class C Misdemeanor) to transfer ownership of the property— with conditions and exceptions stated in PMC Sec. 111.6.

RIGHTS AND REMEDIES RESERVED. The City of Big Spring expressly reserves any additional rights and remedies that may be available to it, including but not limited to injunctive or equitable relief.

CITY CODE. The City Code is online at <https://codelibrary.amlegal.com/codes/bigspringtx>. See Big Spring City Code, Chapter 36, Property Maintenance Code of Big Spring; and 2021 International Property Maintenance Code, available for public inspection at the Office of the City Secretary at 310 Nolan St., Big Spring, Texas and available online for free at <https://codes.iccsafe.org/codes/i-codes>.

Sincerely,

A handwritten signature in cursive script that reads "Malissa Garcia".

Code Enforcement Officer Malissa Garcia signing on behalf of:
Shannon Fant, Code Compliance Official
City of Big Spring, Texas

9589 0710 5270 1979 8370 52

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
Domestic Mail Only

For delivery information, visit our website at www.usps.com®.

OFFICIAL USE

Certified Mail Fee		4/11/2025 Postmark Here 410 OWENS Final Notice
Extra Services & Fees (check box, add fee as appropriate)		
☐ Return Receipt (hardcopy)	\$	
☐ Return Receipt (electronic)	\$	
☐ Certified Mail Restricted Delivery	\$	
☐ Adult Signature Required	\$	
☐ Adult Signature Restricted Delivery	\$	
Postage		
Total Postage and Fees		
Sent To <u>Max Hernandez</u>		
Street and Apt. No., or PO Box No. <u>4013 Dixon St.</u>		
City, State, ZIP+4® <u>Big Spring, TX 79720</u>		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

9589 0710 5270 1979 8370 45

**U.S. Postal Service™
CERTIFIED MAIL® RECEIPT**
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OFFICIAL USE

Certified Mail Fee		4/11/2025 Postmark Here 410 OWENS Final Notice
Extra Services & Fees (check box, add fee as appropriate)		
☐ Return Receipt (hardcopy)	\$	
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☐ Certified Mail Restricted Delivery	\$	
☐ Adult Signature Required	\$	
☐ Adult Signature Restricted Delivery	\$	
Postage		
Total Postage and Fees		
Sent To <u>Max Hernandez</u>		
Street and Apt. No., or PO Box No. <u>410 Owens St.</u>		
City, State, ZIP+4® <u>Big Spring, TX 79720</u>		

PS Form 3800, January 2023 PSN 7530-02-000-9047 See Reverse for Instructions

USPS Tracking®

[FAQs >](#)[Remove X](#)

Tracking Number:

9589071052701979837045[Copy](#)[Schedule a Redelivery \(https://tools.usps.com/redelivery.htm\)](https://tools.usps.com/redelivery.htm)

Latest Update

We attempted to deliver your item at 11:06 am on April 16, 2025 in BIG SPRING, TX 79720 and a notice was left because an authorized recipient was not available. You may arrange redelivery by using the Schedule a Redelivery feature on this page or may pick up the item at the Post Office indicated on the notice beginning April 17, 2025. If this item is unclaimed by May 1, 2025 then it will be returned to sender.

Feedback

Get More Out of USPS Tracking:**USPS Tracking Plus®**

Delivery Attempt: Action Needed

Notice Left (No Authorized Recipient Available)

BIG SPRING, TX 79720

April 16, 2025, 11:06 am

In Transit to Next Facility

April 14, 2025

[See All Tracking History](#)

What Do USPS Tracking Statuses Mean? (<https://faq.usps.com/s/article/Where-is-my-package>)

[Text & Email Updates](#)[Schedule Redelivery](#)[USPS Tracking Plus®](#)[Product Information](#)[See Less](#) [Remove](#)

Tracking Number:

9589071052701979837052[Copy](#)[Add to Informed Delivery \(https://informedelivery.usps.com/\)](https://informedelivery.usps.com/)

Latest Update

Your item was returned to the sender on April 14, 2025 at 5:22 pm in BIG SPRING, TX 79720 because the address was vacant or the business was no longer operating at the location and no further information was available.

Get More Out of USPS Tracking:**USPS Tracking Plus®**

Alert

Vacant

BIG SPRING, TX 79720

April 14, 2025, 5:22 pm

Arrived at USPS Regional Facility

MIDLAND TX DISTRIBUTION CENTER

April 12, 2025, 10:01 am

[What Do USPS Tracking Statuses Mean? \(https://faq.usps.com/s/article/Where-is-my-package\)](https://faq.usps.com/s/article/Where-is-my-package)

See More 

Track Another Package

Enter tracking or barcode numbers

Need More Help?

Contact USPS Tracking support for further assistance.

FAQs

STATE OF TEXAS

§

§

COUNTY OF HOWARD

§

**CERTIFICATION
OF POSTING OF PUBLIC HEARING**

“The Hearing Board of the City of Big Spring, Texas notice of Public Hearing scheduled for April 22, 2025, attached as **Exhibit A-6**, was posted on or near the front door of each dwelling unit listed in the attached notice on April 8, 2025.”

SIGNED on the 15 day of April, 2025.

[Signature]
AFFIANT

SWORN TO AND SUBSCRIBED before me this 15th day of April, 2025
by the above referenced Affiant.

Stephanie Kemunto Arita
Notary Public, State of Texas

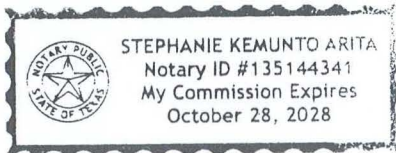


Exhibit A-6



Code Enforcement

217 E 3rd St., Big Spring, Texas 79720 · Ph. 432-264-2505

NOTICE OF PUBLIC HEARING CONCERNING PUBLIC NUISANCE

NOTICE IS HEREBY GIVEN THAT THE BIG SPRING HEARING BOARD WILL HOLD A PUBLIC HEARING ON **APRIL 22ND, 2025, AT 5:30 P.M.**, IN THE CITY OF BIG SPRING COUNCIL CHAMBERS AT 307 E 4th ST., BIG SPRING, TEXAS 79720 TO CONSIDER ABATEMENT OF PUBLIC NUISANCES ON PROPERTIES IN THE CITY OF BIG SPRING, HOWARD COUNTY, TEXAS. ALL INTERESTED PERSONS MAY SPEAK, THEN A DETERMINATION WILL BE MADE AND REMEDIAL ACTION ORDERED ON THE FOLLOWING PROPERTIES:

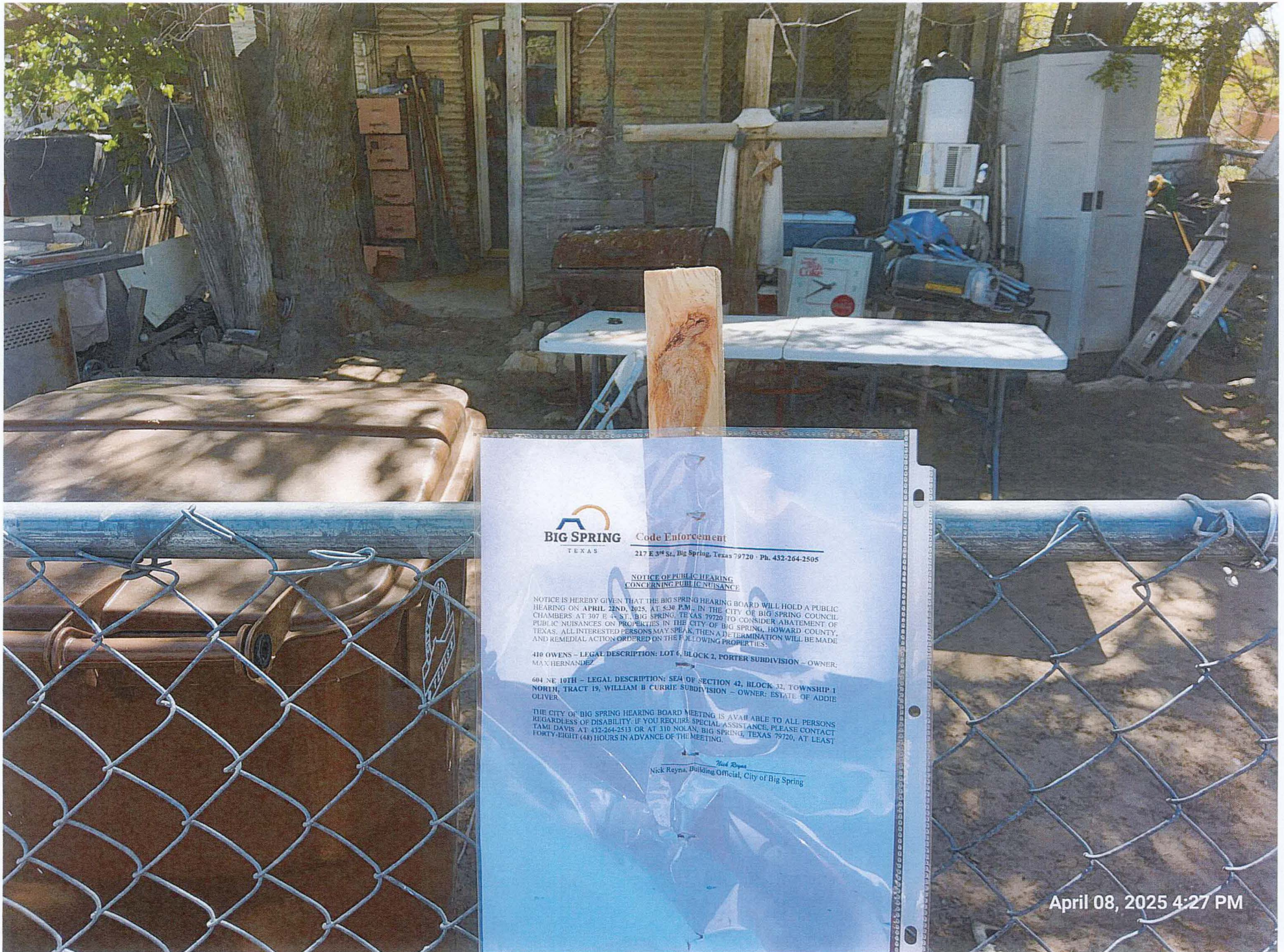
410 OWENS – LEGAL DESCRIPTION: LOT 6, BLOCK 2, PORTER SUBDIVISION – OWNER: MAX HERNANDEZ

604 NE 10TH – LEGAL DESCRIPTION: SE/4 OF SECTION 42, BLOCK 32, TOWNSHIP 1 NORTH, TRACT 19, WILLIAM B CURRIE SUBDIVISION – OWNER: ESTATE OF ADDIE OLIVER

THE CITY OF BIG SPRING HEARING BOARD MEETING IS AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT TAMI DAVIS AT 432-264-2513 OR AT 310 NOLAN, BIG SPRING, TEXAS 79720, AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE OF THE MEETING.

Nick Reyna

Nick Reyna, Building Official, City of Big Spring



Code Enforcement

217 E. 3rd St., Big Spring, Texas 79720 • Ph. 432-264-2505

NOTICE OF PUBLIC HEARING CONCERNING PUBLIC NUISANCE

NOTICE IS HEREBY GIVEN THAT THE BIG SPRING HEARING BOARD WILL HOLD A PUBLIC HEARING ON APRIL 22ND, 2025, AT 5:30 P.M., IN THE CITY OF BIG SPRING COUNCIL CHAMBERS AT 307 E. 4th ST., BIG SPRING, TEXAS 79720 TO CONSIDER ABATEMENT OF PUBLIC NUISANCES ON PROPERTIES IN THE CITY OF BIG SPRING, HOWARD COUNTY, TEXAS. ALL INTERESTED PERSONS MAY SPEAK THEN A DETERMINATION WILL BE MADE AND REMEDIAL ACTION ORDERED ON THE FOLLOWING PROPERTIES:

410 OWENS - LEGAL DESCRIPTION: LOT 6, BLOCK 2, PORTER SUBDIVISION - OWNER: MAX HERNANDEZ

604 NE 10TH - LEGAL DESCRIPTION: SE4 OF SECTION 42, BLOCK 31, TOWNSHIP 1 NORTH, TRACT 19, WILLIAM B CURRIE SUBDIVISION - OWNER: ESTATE OF ADDIE OLIVER

THE CITY OF BIG SPRING HEARING BOARD MEETING IS AVAILABLE TO ALL PERSONS REGARDLESS OF DISABILITY. IF YOU REQUIRE SPECIAL ASSISTANCE, PLEASE CONTACT TAMI DAVIS AT 432-264-2513 OR AT 310 NOLAN, BIG SPRING, TEXAS 79720, AT LEAST FORTY-EIGHT (48) HOURS IN ADVANCE OF THE MEETING.

Nick Reyna
Nick Reyna, Building Official, City of Big Spring

April 08, 2025 4:27 PM

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a Regular Meeting in the City Council Chambers located at 307 E. 4th St., Big Spring, Texas, at 5:30 PM, April 8, 2025, with the following members present in person:

MAYOR ROBERT MOORE
COUNCIL MEMBER NICK ORNELAS
COUNCIL MEMBER DIANE YANEZ
COUNCIL MEMBER CODY HUGHES
COUNCIL MEMBER HOMER WILKERSON
MAYOR PRO TEM TROY TOMPKINS
COUNCIL MEMBER DANIEL MORENO

Same and constituting a quorum, for which four Council Members must be present; and the following staff in person;

TODD DARDEN	City Manager
JOHN MEDINA	Assistant City Manager
ANDREW HAGEN	City Attorney
SHANE BOWLES	Public Works Director
CHAD WILLIAMS	Police Chief
JAY HOLT	Fire Chief
MIKE FEELEY	Airpark Director
SANDY SMITH	Finance Director
SUSAN HIMES	Community Services Director
TAMI DAVIS	City Secretary
MANDY HAYNES	Municipal Judge

Open Session

Call to Order

Mayor Moore called the City Council meeting to order at 5:30 p.m.

Invocation

Don Smith gave the invocation.

Pledge of Allegiance to the United States Flag and to the Texas State Flag

Mayor Moore led the Pledge of Allegiance to the United States Flag and to the Texas State Flag.

Public Comment

Public Comment

No comments were made at this time.

Announcements, Presentations and Public Hearings

Mayor Moore opened the below listed Public Hearings at 5:32 p.m.

PUBLIC HEARING - Regarding Amendments to the Zoning Regulations to Add "Indoor Gun Range" to the CA - Central Area District List of Permitted Uses

Shane Bowles, Public Works Director, explained that a request was made to amend the zoning regulations so that an indoor gun range would be permitted use in the Central Area District and that the Planning and Zoning Commission voted unanimously recommending this amendment. No further comments were made.

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 803 W 9TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOTS 7-8, BLOCK 15, CEDAR CREST SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: MARSHALL HORN AND JOYCE HORN

MOTION WAS MADE BY Mayor Pro Tem Tompkins to abate the above captioned property (803 W 9th), seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 607 W 9TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LESS W/60 OF LOT 1, BLOCK 17, CEDAR CREST SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: ANTONIA BUSTAMANTE

MOTION WAS MADE BY Council Member Hughes to abate the above captioned property (607 W. 9th), seconded by Council Member Wilkerson.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Mayor Moore closed the above captioned public hearings at 5:38 p.m.

City Manager's Report

City Manager's report on the following items:

- Large Item Pickup, District 4 - April 16th
- Update - Vector Fleet Reimbursement
- Abatement Report
- Legislative Update
- City Holiday, Good Friday - April 18th

Todd Darden, City Manager, reported on the above captioned items as follows: Large item pickup for District 4 will be on April 16th; Vector Fleet Reimbursement check was around \$91,000.00 instead of & \$76,000.00 as previously reported; An abatement report was handed out to council for review; The current legislative bills are being reviewed and reminded the Council if they would like to respond to any of the bills being considered to let him know; A city holiday will be on April 18th in observance of Good Friday; and also Mr. Darden recognized Mike Feeley, Airpark Director, on receiving an award for Airport of the Year

Consent Items

Approval of the City Council Minutes of the Regular Meeting of March 25, 2025

Acknowledge Receipt of the Big Spring Economic Development Corporation Board of Director's Minutes for the Regular Meeting of February 18, 2025

Final Reading of a Resolution to Accept a Grant Offered by the Texas Department of Transportation (TxDOT) for the Funding of the Design, Bid Phase and Reconstruction of Runway 06/24 at the McMahon-Wrinkle Airport and Industrial Park; and Providing an Effective Date

Final Reading of an Ordinance Amending Ordinance Number 028-2024 Which Adopted the Annual Budget for the City of Big Spring, Texas for the Fiscal Year Beginning October 1, 2024, and Ending September 30, 2025, by Increasing the Airpark Fund Budget for the Purpose of Appropriating \$145,000 for the Airpark's Cost Share of a \$2,900,000 Grant for the Design, Bid Phase and Reconstruction of Runway 06/24, From the Texas Department of Transportation on a 95/5 Cost Share; Providing for Severability; and Providing an Effective Date

MOTION WAS MADE BY Council Member Ornelas to approve the above captioned minutes, resolution and ordinance, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Final Reading of an Ordinance Amending Chapter 2 of the Big Spring City Code

Entitled "Administration," Article VII "Boards and Commissions," Providing for the Repeal of Conflicting Legislation; Providing for Severability; Finding and Determining that the Meetings at Which the Ordinance was Discussed were Open to the Public as Required by Law; and Providing an Effective Date

MOTION WAS MADE BY Mayor Pro Tem Tompkins to amend the above captioned ordinance by deleting a section within the ordinance, seconded by Council Member Hughes. Andrew Hagen, City Attorney, advised against the proposed amendment due to the fact that it is a significant change that has not been presented to the council or to the public. Mayor Pro Tem Tompkins withdrew his motion.

MOTION WAS MADE BY Council Member Hughes to approve the above captioned ordinance, seconded by Council Member Yanez.

YEAS: Mayor Moore, Mayor Pro Tem Tompkins, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Vouchers

Vouchers for 03/27/25 \$ 203,124.39

Council Member Hughes reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Hughes to approve the above captioned vouchers, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Vouchers for 04/04/25 \$ 321,023.31

Council Member Wilkerson reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Wilkerson to approve the above captioned vouchers, seconded by Council Member Hughes.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Bids

Consideration and Possible Action to Award a Bid for the 2025 Seal Coat Project and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Wilkerson to award the above captioned bid to Ronald R. Wagner & Co. LP in the amount of \$732,671.68, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Consideration and Possible Action to Award a Bid for a Side Load Refuse Truck for the Sanitation Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Rush Truck Centers in the amount of \$320,909.65, seconded by Council Member Wilkerson.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

New Business

First Reading of an Ordinance to Amend the Big Spring Zoning Regulations, Article 6 "District Regulations", Section 6-6 "Districts and Permitted Uses" by Adding "Shooting Range - Indoor Only" as a Permitted Use in the CA (Central Area District) in the City of Big Spring, Howard County, Texas; Providing for Severability; Providing for Publication; and Providing an Effective Date

MOTION WAS MADE BY Council Member Yanez to approve the above captioned ordinance, seconded by Mayor Pro Tem Tompkins.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Consideration and Possible Action Authorizing an Event Funding Request from CVB to Friends of Historic Downtown Big Spring for a Cinco de Mayo Concert and Festival

MOTION WAS MADE BY Council Member Ornelas to approve the above captioned funding request, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno 7
NAYS: None 0

MOTION PASSED

Discussion on Boards and Committees Created by the City Council of Big Spring Concerning Procedures for Appointing Members, Eligibility of Members, and Rules.

Mayor Moore expressed concerns regarding some difficulties finding citizens within their district to serve on boards and commissions and made a suggestion to allow any council member to nominate citizens from another district to serve and represent their district. Council Member Ornelas reported that he has not had a problem getting citizens within his district to serve and would like to see more information regarding the boards out to the public. Mayor Moore suggests that the council think about this request and will bring it back in 6 months for review.

Boards and Committees

Consideration and Possible Action on the Below Listed Board:

Planning & Zoning Commission

Beth Henry - Mayor Appointment

MOTION WAS MADE BY Mayor Moore to appoint Beth Henry to the Planning and Zoning Commission, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno 7
NAYS: None 0

MOTION PASSED

Council Input

Input

Mayor Moore announced that there will be a dedication ceremony to honor the fallen Trooper Troy Hogue Memorial Highway on Friday, April 11th at 1:00 p.m. at the Hangar 25 Air Museum and also announced that early voting will begin on April 22nd for Council position City District 5.

Council Member Ornelas thanked city staff for taking care of a sewer issue on Canyon Dr.; Thanked the Weeks for all they are doing in the downtown area; would like to see some QR codes or other ways for citizens to file and track citizens complaints; also he visited with TxDOT regarding cleaning up the weeds and trash on some areas.

Council Member Yanez thanked several staff members and ask Code Enforcement to make sure the contractors are doing their job on abatements.

**Council Member Tompkins also thanked several staff members and for taking care of a sewer issue late Saturday evening.
Council Member Moreno also suggests to create a city app for city information and complaints.**

Executive Session

There was no executive session at this time.

ADJOURN into Executive Session in Accordance with the Purposes Permitted by the Open Meetings Act, Section 551.072, Texas Government Code, "Deliberation Regarding Real Property; Closed Meeting," to Deliberate the Purchase, Exchange, Lease, or Value of Real Property when Deliberation in an Open Meeting Would Have a Detrimental Effect on the Position of the Governmental Body in Negotiations with a Third Person.

Parcel 4A and Parcel 1B as Depicted on the 2024 Airport Layout Plan, Big Spring McMahon-Wrinkle Airport

Reconvene into Open Session and Take Any Necessary Action Regarding the Executive Sessions.

Adjourn

Mayor Moore adjourned the City Council meeting at 6:24 p.m.

ATTEST:

Robert H. Moore III, Mayor

Tami L. Davis, City Secretary

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

The City Council of the City of Big Spring, Texas, met in a REGULAR MEETING in the City Council Chambers located at 307 E. 4th St., Big Spring, Texas, at 5:30 PM, October 22, 2024, with the following members present in person:

MAYOR ROBERT MOORE
COUNCIL MEMBER NICK ORNELAS
COUNCIL MEMBER DIANE YANEZ
COUNCIL MEMBER CODY HUGHES
COUNCIL MEMBER HOMER WILKERSON
MAYOR PRO TEM TROY TOMPKINS
COUNCIL MEMBER DANIEL MORENO

Same and constituting a quorum, for which four Council Members must be present; and the following staff in person;

TODD DARDEN	City Manager
JOHN MEDINA	Assistant City Manager
ANDREW HAGEN	City Attorney
SHANE BOWLES	Public Works Director
CHAD WILLIAMS	Police Chief
JAY HOLT	Fire Chief
MIKE FEELEY	Airpark Director
SANDY SMITH	Finance Director
TAMI DAVIS	City Secretary
MANDY HAYNES	Municipal Judge
SUSAN HIMES	Community Services Director

Open Session

Call to Order

Mayor Moore called the City Council meeting to order at 5:30 p.m.

Invocation

Sandy Smith, Finance Director, gave the invocation.

Pledge of Allegiance to the United States Flag and to the Texas State Flag

Mayor Moore led the Pledge of Allegiance to the United States Flag and to the Texas State Flag.

Public Comment

Public Comment

There were no public comments made at this time.

Announcements, Presentations and Public Hearings

Open Public Hearings

MOTION WAS MADE BY Mayor Moore to open the public hearings listed below, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 805 E 18TH, BIG SPRING, TEXAS 79720 – LEGAL
DESCRIPTION: TRACT 41X179, BLOCK 2, MANNING ADDITION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: JESSE DARIO VARGAS

MOTION WAS MADE BY Mayor Moore to postpone the abatement of the above captioned property (805 E. 18th) as recommended by staff in order to obtain a search warrant to inspect the property, seconded by Council Member Ornelas.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 502 NW 10TH, BIG SPRING, TEXAS 79720 – LEGAL
DESCRIPTION: LOT 11, BLOCK 38, BAUER SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: THE ESTATE OF PABLO JARA

MOTION WAS MADE BY Council Member Wilkerson to abate the above captioned property (502 NW 10th), seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 706 N GOLIAD, BIG SPRING, TEXAS 79720 – LEGAL
DESCRIPTION: SE/4 OF SECTION 42, BLOCK 32, TOWNSHIP 1 NORTH, TRACT 29, WILLIAM B CURRIE SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS –

OWNER: CLINTON L. HUNTER & THE ESTATE OF KATHLEEN Y. HUNTER

MOTION WAS MADE BY Council Member Yanez to abate the above captioned property (706 N. Goliad) in 90 days, seconded by Council Member Ornelas.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 6
Council Member Hughes, Mayor Pro Tem Tompkins, Council Member
Moreno**

NAYS: Council Member Wilkerson 1

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 508 N SAN ANTONIO, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOT 8, BLOCK 7, BAUER SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: CLAW SOLUTIONS TX LLC - 508 NS PROTECTED SERIES

The above captioned property (508 N. San Antonio) was completed by the owner. No action needed.

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 708 OHIO, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOT 2, BLOCK 3, BANKS SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: FRANKIE SIMMONS AND THE ESTATE OF LAWRENCE SIMMONS

MOTION WAS MADE BY Mayor Moore to abate the above captioned property (708 Ohio), seconded by Council Member Hughes.

YEAS: None 0

NAYS: None 0

MOTION

Andrew Hagen, City Attorney, asked the Council to clarify that the abate was for the carport only as recommended by staff.

MOTION WAS MADE BY Mayor Moore to amend the previous motion was to only abate the carport on the above captioned property (708 Ohio), seconded by Council Member Wilkerson.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

MOTION WAS MADE BY Mayor Moore to approve the amended abatement to abate the carport only at the above captioned property (708 Ohio), seconded by Council Member Hughes.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7

**Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None**

**0
MOTION PASSED**

Close Public Hearings

**MOTION WAS MADE BY Mayor Moore to close the above captioned public
hearings, seconded by Council Member Ornelas.**

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None 0**

MOTION PASSED

City Manager's Report

City Manager's report on the following items:

- Update - Large Item Pickup, District 4
- Month of October is Fire Prevention Month
- New Codification Program with American Legal
- Appraisal District Board Nominee
- City Holiday - November 11th - Veteran's Day
- Reminder - Two City Council Meetings on November 12, 2024

**Todd Darden, City Manager, reported on the above captioned items as follows:
Large item pickup for District 4 picked up 2 1/2 tons; Month of October is Fire
Prevention Month; The new codification Program with American Legal is now
available on the City website; The Central Appraisal District Board still needs a
nominee and the Mayor suggested John Cline and will be on the next agenda;
City offices will be closed on November 11th in observance of Veteran's Day; A
reminder that there will be 2 council meetings on November 12th; and welcomed
the new Community Services Director, Susan Himes.**

Consent Items

Approval of the City Council Minutes of the Regular Meeting of October 8, 2024.

Final Reading of an Ordinance Establishing the Pay Schedule for Classified Positions
Within the Police Department Effective October 1, 2024; Providing for Repeal of
Ordinances in Conflict Herewith; and Providing for an Effective Date

Final Reading of an Ordinance Establishing the Fire Department Pay Scale Effective October 1, 2024 in Accordance with Chapter 143 of the Texas Local Government Code; Providing for the Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date

Final Reading of an Ordinance Establishing Compensation and Benefits for the Presiding Judge and Associate Judges of the Municipal Court of Big Spring, Texas

MOTION WAS MADE BY Mayor Pro Tem Tompkins to approve the above captioned minutes and ordinances, seconded by Council Member Ornelas.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Vouchers

Vouchers for 10/10/24 \$ 1,029,165.67

Vouchers for 10/18/24 \$ 622,334.25

Council Member Wilkerson reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Wilkerson to approve the above captioned vouchers, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Bids

Consideration and Possible Action on Awarding a Bid For Airport Remarking Project at McMahan-Wrinkle Airport and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Tompkins to award the above captioned bid to Hi-Lite Airfield Services LLC in the amount of \$614,242.50, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a 14-Yard Dump Truck for the Street Department and Authorizing the City Manager or His Designee to Execute any

Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Rush Truck Center in the amount of \$183,120.19, seconded by Mayor Moore.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None 0**

MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a Kubota Mid-Sized Utility Tractor for the Roy Anderson Sports Complex and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Kaige Kubota in the amount of \$36,789.65, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
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NAYS: None 0**

MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a Trimax 320 Snake Mower for the Roy Anderson Sports Complex and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Trimax in the amount of \$44,378.81, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None 0**

MOTION PASSED

New Business

Consideration and Possible Action on Accepting a Donation from Oxy Petroleum Corporation to the Fire Department

MOTION WAS MADE BY Council Member Hughes to accept the above captioned donation in the amount of \$10,000.00 to be used for purchasing equipment, seconded by Council Member Ornelas.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None

0
MOTION PASSED

Consideration and Possible Action on Accepting a Donation of a Greens Roller from the Mens Golf Association for the Golf Course

MOTION WAS MADE BY Mayor Moore to accept the above captioned donation, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

NAYS: None
0
MOTION PASSED

Council Input

Input

All Council Members welcomed the new Community Services Director, Susan Himes.

Adjourn

Mayor Moore adjourned the City Council meeting at 6:03 p.m.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

STATE OF TEXAS :
COUNTY OF HOWARD :
CITY OF BIG SPRING :

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MAYOR PRO TEM TROY TOMPKINS
COUNCIL MEMBER DANIEL MORENO

Same and constituting a quorum, for which four Council Members must be present;
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ANDREW HAGEN	City Attorney
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CHAD WILLIAMS	Police Chief
JOSE CAZARES	Deputy Fire Chief
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SANDY SMITH	Finance Director
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MANDY HAYNES	Municipal Judge
SUSAN HIMES	Community Services Director

Open Session

Call to Order

Mayor Moore called the City Council meeting to order at 5:30 p.m.

Invocation

Sandy Smith, Finance Director, gave the invocation.

Pledge of Allegiance to the United States Flag and to the Texas State Flag

Mayor Moore led the Pledge of Allegiance to the United States Flag and to the Texas State Flag.

Public Comment

Public Comment

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Announcements, Presentations and Public Hearings

Open Public Hearings

MOTION WAS MADE BY Mayor Moore to open the public hearings listed below, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

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**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 502 NW 10TH, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOT 11, BLOCK 38, BAUER SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: THE ESTATE OF PABLO JARA

MOTION WAS MADE BY Council Member Wilkerson to abate the above captioned property (502 NW 10th), seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of

Public Nuisance, at 706 N GOLIAD, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: SE/4 OF SECTION 42, BLOCK 32, TOWNSHIP 1 NORTH, TRACT 29, WILLIAM B CURRIE SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: CLINTON L. HUNTER & THE ESTATE OF KATHLEEN Y. HUNTER

MOTION WAS MADE BY Council Member Yanez to abate the above captioned property (706 N. Goliad) in 90 days, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Mayor Pro Tem Tompkins, Council Member Moreno

6

NAYS: Council Member Wilkerson

1

MOTION PASSED

PUBLIC HEARING - Consideration and Possible Action Concerning Abatement of Public Nuisance, at 508 N SAN ANTONIO, BIG SPRING, TEXAS 79720 – LEGAL DESCRIPTION: LOT 8, BLOCK 7, BAUER SUBDIVISION, BIG SPRING, HOWARD COUNTY, TEXAS – OWNER: CLAW SOLUTIONS TX LLC - 508 NS PROTECTED SERIES

The above captioned property (508 N. San Antonio) was completed by the owner. No action needed.

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MOTION WAS MADE BY Mayor Moore to abate the above captioned property (708 Ohio), seconded by Council Member Hughes.

YEAS: None

0

NAYS: None

0

MOTION

Andrew Hagen, City Attorney, asked the Council to clarify that the abate was for the carport only as recommended by staff.

MOTION WAS MADE BY Mayor Moore to amend the previous motion to only abate the carport on the above captioned property (708 Ohio), seconded by Council Member Wilkerson.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

MOTION WAS MADE BY Mayor Moore to approve the amended abatement to

abate the carport only at the above captioned property (708 Ohio), seconded by Council Member Hughes.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno

NAYS: None 0

MOTION PASSED

Close Public Hearings

MOTION WAS MADE BY Mayor Moore to close the above captioned public hearings, seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno

NAYS: None 0

MOTION PASSED

City Manager's Report

City Manager's report on the following items:

- Update - Large Item Pickup, District 4
- Month of October is Fire Prevention Month
- New Codification Program with American Legal
- Appraisal District Board Nominee
- City Holiday - November 11th - Veteran's Day
- Reminder - Two City Council Meetings on November 12, 2024

Todd Darden, City Manager, reported on the above captioned items as follows: Large item pickup for District 4 picked up 2 1/2 tons; Month of October is Fire Prevention Month; The new codification Program with American Legal is now available on the City website; The Central Appraisal District Board still needs a nominee and the Mayor suggested John Cline and will be on the next agenda; City offices will be closed on November 11th in observance of Veteran's Day; A reminder that there will be 2 council meetings on November 12th; and welcomed the new Community Services Director, Susan Himes.

Consent Items

Approval of the City Council Minutes of the Regular Meeting of October 8, 2024.

Final Reading of an Ordinance Establishing the Pay Schedule for Classified Positions Within the Police Department Effective October 1, 2024; Providing for Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date

Final Reading of an Ordinance Establishing the Fire Department Pay Scale Effective October 1, 2024 in Accordance with Chapter 143 of the Texas Local Government Code; Providing for the Repeal of Ordinances in Conflict Herewith; and Providing for an Effective Date

Final Reading of an Ordinance Establishing Compensation and Benefits for the Presiding Judge and Associate Judges of the Municipal Court of Big Spring, Texas

MOTION WAS MADE BY Mayor Pro Tem Tompkins to approve the above captioned minutes and ordinances, seconded by Council Member Ornelas.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Vouchers

Vouchers for 10/10/24 \$ 1,029,165.67

Vouchers for 10/18/24 \$ 622,334.25

Council Member Wilkerson reviewed the above captioned vouchers.

MOTION WAS MADE BY Council Member Wilkerson to approve the above captioned vouchers, seconded by Council Member Yanez.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None 0

MOTION PASSED

Bids

Consideration and Possible Action on Awarding a Bid For Airport Remarking Project at McMahon-Wrinkle Airport and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Mayor Pro Tem Tompkins to award the above captioned bid to Hi-Lite Airfield Services LLC in the amount of \$614,242.50, seconded by Council Member Hughes.

**YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno**

NAYS: None

0

MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a 14-Yard Dump Truck for the Street Department and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Rush Truck Center in the amount of \$183,120.19, seconded by Mayor Moore.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a Kubota Mid-Sized Utility Tractor for the Roy Anderson Sports Complex and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Kaige Kubota in the amount of \$36,789.65, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

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MOTION PASSED

Consideration and Possible Action on Awarding a Bid for a Trimax 320 Snake Mower for the Roy Anderson Sports Complex and Authorizing the City Manager or His Designee to Execute any Necessary Documents

MOTION WAS MADE BY Council Member Hughes to award the above captioned bid to Trimax in the amount of \$44,378.81, seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem Tompkins, Council Member Moreno

7

NAYS: None

0

MOTION PASSED

New Business

Consideration and Possible Action on Accepting a Donation from Oxy Petroleum Corporation to the Fire Department

MOTION WAS MADE BY Council Member Hughes to accept the above captioned

donation in the amount of \$10,000.00 to be used for purchasing equipment,
seconded by Council Member Ornelas.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None 0

MOTION PASSED

Consideration and Possible Action on Accepting a Donation of a Greens Roller from the
Mens Golf Association for the Golf Course

MOTION WAS MADE BY Mayor Moore to accept the above captioned donation,
seconded by Council Member Yanez.

YEAS: Mayor Moore, Council Member Ornelas, Council Member Yanez, 7
Council Member Hughes, Council Member Wilkerson, Mayor Pro Tem
Tompkins, Council Member Moreno
NAYS: None 0

MOTION PASSED

Council Input

Input

All Council Members welcomed the new Community Services Director, Susan
Himes.

Adjourn

Mayor Moore adjourned the City Council meeting at 6:03 p.m.



Robert H. Moore III, Mayor

ATTEST:



Tami L. Davis, City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, TO AMEND THE BIG SPRING ZONING REGULATIONS, ARTICLE 6 “DISTRICT REGULATIONS”, SECTION 6-6 “DISTRICTS AND PERMITTED USES BY ADDING “SHOOTING RANGE—INDOOR ONLY” AS A PERMITTED USE IN THE CA, CENTRAL AREA DISTRICT IN THE CITY OF BIG SPRING, HOWARD COUNTY, TEXAS; PROVIDING FOR SEVERABILITY; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the City of Big Spring is a Texas home-rule municipality; and

WHEREAS, the Planning and Zoning Commission held a public hearing during a regular meeting on April 1, 2025 and gave its final recommendation for approval to amend the city’s zoning regulations by adding “Shooting Range—Indoor Only” to Article 6 – District Regulations, Section 6-6 – Districts and Permitted Uses, CA, Central Area District (a)(2); and

WHEREAS, the Planning and Zoning Commission considered the preliminary report; and

WHEREAS, the Planning and Zoning Commission voted 5-0 to approve the preliminary report; and

WHEREAS, the City Council held a public hearing during a regular meeting on April 8, 2025; and

WHEREAS, the Planning and Zoning Commission presented its final report recommending to the City Council for consideration concerning shooting ranges be a permitted use in the Central Area (CA) District; and

WHEREAS, City Council wishes to accept the recommendation of the Planning and Zoning Commission; and

WHEREAS, adopting this ordinance is in the public interest and is necessary to protect public health, safety, morals, and the general welfare, and to protect and preserve places and areas of historical, cultural, or architectural importance and significance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, THAT:

SECTION 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2. The Big Spring Zoning Ordinance, Article 6 “District Regulations,” Article 6-6 “Districts and Permitted Uses,” subsection entitled “CA, Central Area District,” is hereby amended as follows:

CA, Central Area District

(a) *Use.* A building or premises shall be used only for the following uses.

...

(2) Airport landing field or heliport, amusements (commercial indoor or outdoor), animal clinic or hospital (without outside runs or pens), antique shop, auto repair (minor), auto parts sales (new), bakery (retail or wholesale), building material sales, cafeteria, carwash, clothing manufacturer or light compounding or fabrication, custom personal service, dry cleaning, florist, fraternal organization, lodge or civic club, gasoline/service center, greenhouse or plant nursery, handicraft shop, hauling or storage company, heavy machinery sales and storage, home or treatment center for care of alcoholic, narcotic, or psychiatric patients, hotel or motel, household appliance sales, service and repair, laundry or cleaning self-service, mortuary or funeral parlor, office supply sales, motor freight terminal, paint shop, parking lot (commercial—autos only), parking lot (commercial—autos and trucks), pawn shop, pharmacy, places of entertainment or eating serving alcoholic beverages, plaza, print shop, radio and television tower (monopole only), railroad freight terminal, railroad passenger station, railroad team track, restaurant with or without drive-in service, retail sale of alcoholic beverages for off-premises consumption, retail stores and shops (other), wireless communication tower, or shooting range—indoor only.

SECTION 3. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 4. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 5. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 6. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 7. This Ordinance shall become effective upon its second publication according to law.

SECTION 8. This Ordinance is ordered to be codified.

SECTION 10. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ____ day of _____, ____, with all members of the Council present voting "aye" for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ____ day of _____, ____ with all members of the Council present voting "aye" for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary



CITY OF
Big Spring

MEMORANDUM

Date: April 22, 2025

To: Mayor Moore, Big Spring City Council Members and Todd Darden, City Manager

From: Mike Feeley A.A.E., Airport Director

Re: Authorization for an award of a bid from SKC A/C LLC, for the purchase of Two 5 Ton 15 SEER2 Arco Aire Brand Gas Up flow air conditioning Systems for Westside Daycare on McMahon-Wrinkle Airport

Staff received a quote for the much-needed upgrades to the Westside Daycare Center from SKC A/C LLC. Since SKC A/C LLC is state certified and guaranteed to be the best price no other bids were necessary. SKC A/C/ LLC quoted the replacement of the two (2) existing systems, which are over 20 years old.

The replacement HVAC systems include two (2) 5 Ton 15 SEER2 Arco Aire Brand Gas Up-flow air conditioning Systems. The total purchase price for removal of the old systems and installation of the new units included in the upgrade is \$25,995 dollars.

The resources used for this improvement will come from the Buildings Special Projects Fund Account 410-021-610-6201 (current balance \$270,000, \$70,000 of which was budgeted for this purpose).

Based on this bid and their state certification, staff recommend awarding this project to SKC A/C LLC.



SKC A/C LLC

Shane Clark, Owner/Operator
P.O. BOX 3363, BIG SPRING, TX 79721
(432) 466-6025 TX License #TACLA72704E
skc.airheat@gmail.com www.skcair.com
TDLR Complaints 800-803-9202

1 of 1

PROPOSAL

PROPOSAL SUBMITTED TO CITY OF BS AIR PARK – Mike Feeley		TODAY'S DATE April 14, 2025	DATE OF PLANS/PAGE #'S TBD
PHONE NUMBER (432) 264-2362	EMAIL ADDRESS mfeeley@mybigspring.com	JOB NAME Two 5 Ton Gas Upflow System Replacements	
ADDRESS, CITY, STATE, ZIP 3200 Rickabaugh Dr, Big Spring, TX		JOB LOCATION 2300 Simler Dr – West Side Daycare	

TIPS-USA Contract Purchasing Vendor #241001

We propose hereby to furnish material and labor necessary for the completion of:

Removal/disposal of both existing HVAC systems. Purchase permit from City of Big Spring to install two new 5 Ton Gas Upflow Single-Phase SEER2 (EER2-January 1, 2023 DOE Compliant) AHRI Matching System(s) to include:

Outside – setting the new condensers in the same location as the existing condensers-one condenser on a new condenser pad; installing two new electrical whips from each condenser to each existing disconnect box; installing two metal line set covers.

Inside – setting each new furnace/evaporator coils on new easy-change filter bases with filters; installing new black gas pipe through to the outside of each furnace cabinet then to each gas flex line and sealing per code; thoroughly flushing both sets of customer's copper line sets and replacing supply line insulation where needed; connecting new equipment to existing power and thermostat wire; customizing/installing new duct adapter(s) to existing plenum and sealing per code; flushing/reconnecting to customer's PVC condensate drainage system and adjusting as needed; installing new 4" double-wall vent pipe and sealing per code; connecting to two new digital programmable thermostat; installing new battery-powered carbon monoxide detectors and testing; pressuring for leaks; pulling tight vacuums; performing heating and cooling cycle tests; verifying proper operation throughout; registering all equipment online.

Two 5 Ton 15 SEER2 ArcoAire brand (by ICP/Carrier) Gas Upflow Systems
Commercial Warranty: 10-yrs Heat Exchanger, 5-yrs Compressor, 1-yrs Parts, 2-yrs SKC Labor

TOTAL COST: \$25,995.00
(AHRI #TBD)

Thank you for considering us!!

We propose hereby to furnish material and labor – complete in accordance with above specifications for the sum of:
Twenty-Five Thousand, Nine Hundred, Ninety-five Dollars & no/100** dollars (\$ 25,995.00)
Payment as follows: Per City Remittance

All material is guaranteed to be as specified if accepted within the time frame noted below. All work to be completed in a substantial workmanlike manner according to specifications submitted, per standard practices. Any alteration or deviation from above specifications involving extra costs will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado and other necessary insurance. If either party commences legal action to enforce its rights pursuant to this agreement, the prevailing party in said legal action shall be entitled to recover its reasonable attorney's fees and costs of litigation relating to said legal action, as determined by a court of competent jurisdiction. **Note:** Should equipment prices fluctuate more than 8% before down payment is received or financing is obtained the total of this proposal will increase accordingly upon immediate notification to responsible party above.

Authorized
Signature

Charlie Clark

Note: this proposal may be withdrawn by us
if not accepted within 30 days.

ACCEPTANCE OF PROPOSAL The above prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

Signature

Signature

Date of Acceptance



MEMORANDUM

Date: April 17, 2025
To: Mayor Robert H. Moore, Big Spring City Council, and Todd Darden, City Manager
From: Albert Belez, Purchasing Agent
Subject: Purchase Approval – Sideload Rollout Refuse Truck

Action Requested: Administration is requesting the City Council's approval to acquire a one (1) 31-yard Labrie sideload rollout refuse truck for the Sanitation Department.

Background Information: This unit will replace unit 9566, a retired 2012 Peterbilt 320 West Texas side load refuse truck. Over its operational lifespan, unit 9566 has incurred total repair costs of \$291,527.00.

Financial Considerations:

Expenditure amount requested:	\$ 406,006
What fund/department account will this amount be drawn from?	Sanitation Fund/330
Budgeted	\$425,000
Would this expenditure be made within the budget for the current fiscal year?	Yes
Does this commit the City to spending funds beyond the current fiscal year?	No

Vendor Bids/Quotations: We obtained three formal quotes. Rush Truck Centers of Texas provided specifications and details for a Peterbilt chassis with a Heil body in the amount of \$421,197.83. Bond Equipment of Dallas, Texas presented specifications for a Battle chassis with a Labrie body in the amount of \$406,006.00. Bond Equipment offered specifications for a Battle chassis with a Heil body, for a total of \$408,720.00. All quotes are based on HGAC cooperative pricing.

Budget: The approved budget designated \$425,000 for this project.

Staff Opinion as to Feasibility and Timeline: Staff recommend accepting the lowest bid of \$406,006.00 from Bond Equipment of Dallas to move forward with the purchase of this refuse truck. The anticipated delivery time is approximately 30-45 days.

Equipment Detail

Quantity	Equipment Description
1	31yd Automizer (27 4)
1	Hopper floor liner: 0.250 Hardox 450 steel
1	Larger clean out doors and foldable ladder
1	Retainer teeth under breaker bar
1	CAUTION THIS VEHICLE STOPS AND BACKS FREQUENTLY, 74.5in x 23.5in
1	Fire Extinguisher- 20 lbs
1	4 Cameras with 9" Monitor and DVR - hopper, tailgate, CS Alley, Arm Post
1	Protection on Cameras
1	Auxiliary arm controls in-cab: RH-side, (Mini-joystick style)
1	Packer control on joystick
1	Crusher Panel
1	Automatic pump shut off at 50 km/h- 32 mph
1	Spill Shield
1	Grabber counting device: counts number of carts dumped
1	Multifunction Lights Package:
1	Back up lights: Qty 2 additional on tailgate position 2/3 - 4" LED type
1	Hydraulic Cooler



CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%

GENERAL FUND

REVENUES	Original Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
40-FEES	19,744,800		19,744,800	12,603,617	7,141,183	63.83%
41-LICENSES & PERMITS	721,450		721,450	102,670	618,780	14.23%
42-GRANTS & OTHER AGENCIE	8,850		8,850	12,228	(3,378)	138.16%
44-FINES & FEES	206,505		206,505	102,101	104,404	49.44%
45-RECREATION	1,120,130		1,120,130	504,340	615,790	45.03%
46-INTEREST INCOME	300,000		300,000	604,196	(304,196)	201.40%
47-PROPERTY	2,301,150		2,301,150	717,804	1,583,346	31.19%
49-MISCELLANEOUS	2,471,457		2,471,457	1,225,141	1,246,316	49.57%
TOTAL REVENUES	26,874,342	-	26,874,342	15,872,096	11,002,246	59.06%
EXPENDITURES	Original Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
000-NON-DEPARTMENTAL	1,250,330		1,250,330	536,092	714,238	42.88%
110-CITY COUNCIL	169,312		169,312	88,417	80,895	52.22%
130-CITY MANAGER	326,625		326,625	158,336	168,289	48.48%
150-LEGAL	489,089		489,089	208,589	280,500	42.65%
170-SPECIAL PROJECTS	400,000		400,000	111,793	288,207	27.95%
180-ECONOMIC DEVELOPMENT	-	1	-	77,485	(77,485)	0.00%
190-PLANNING	10,625		10,625	3,811	6,814	35.87%
120-FINANCE DEPARTMENT	814,597		814,597	458,864	355,733	56.33%
140-INFORMATION TECHNOLOG	394,169		394,169	288,111	106,058	73.09%
160-HUMAN RESOURCES	585,094		585,094	287,566	297,528	49.15%
200-POLICE	6,526,412		6,526,412	2,946,274	3,580,138	45.14%
201-NARCOTICS TASK FORCE	221,902		221,902	26,761	195,141	12.06%
240-ANIMAL CONTROL	480,334		480,334	224,912	255,422	46.82%
210-FIRE	6,180,027	11,835	6,191,862	3,063,307	3,128,555	49.47%
230-FIRE MARSHAL	190,459		190,459	92,142	98,317	48.38%
220-MUNICIPAL COURT	361,589		361,589	195,081	166,508	53.95%
300-CODE ENFORCEMENT/INSP	677,888		677,888	347,305	330,583	51.23%
310-GENERAL MAINTENANCE	83,753		83,753	21,435	62,318	25.59%
320-STREETS	4,162,807		4,162,807	897,013	3,265,794	21.55%
370-PARKS	877,072	80,000	957,072	338,194	618,878	35.34%
375-SPORTS COMPLEX	608,246		608,246	334,784	273,462	55.04%
380-AQUATIC CENTER	482,764		482,764	56,434	426,330	11.69%
390-GOLF COURSE	1,145,844		1,145,844	690,491	455,353	60.26%
410-LAKE	79,665		79,665	22,175	57,490	27.84%
420-CITY HALL	94,700		94,700	65,795	28,905	69.48%
000-NON-DEPARTMENTAL - DEBT SERVICE	227,314		227,314	13,866	213,448	6.10%
000-NON-DEPARTMENTAL - TRANSFERS	1,270,757		1,270,757	465,961	804,796	36.67%
TOTAL BUDGETED EXPENSES	28,111,374	91,835	28,203,209	12,020,993	16,182,216	42.62%
NET INCREASE (DECREASE)	(1,237,032)	(91,835)	(1,328,867)	3,851,103	5,179,969	

Overview - Revenues

Sales tax collections have dropped for the year averaging 6.21% decrease through April compared to the same periods last year. The total collection to-date is \$4,791,375 compared to last year's collection to-date of \$5,108,401.

Budget Analysis – The November through April sales tax collections underperformed last year's collections by \$317,026. If this trend continues our budget forecast will need to be reduced by \$650K - \$1M. The current sales tax budget is \$10M.

Inflation (Bureau of Labor Statistics) is 1.83% for April averaging 1.52% YTD.

Oil royalties have decreased considerably over last year. Revenues are 37.7% of what they were this time last year. The decline is natural, but quicker than we had anticipated. At this trend, we will be below budget by 50%.

As of March 31, 2025, 91.31% of the property taxes have been collected.

Overview - Expenditures

Expenditures overall are tracking below budget. The departments that are tracking more than 5% over budget are as follows:

Finance - G. Blackburn retired and her leave payout was not budgeted (should be made up by the vacancy of her position)

IT - the maintenance agreements and software fees usually are paid during the 1st part of the fiscal year.

Golf Course - Special Services; we have contracted tree trimming and turf management

City Hall - the carpet was torn out and laminate was laid down.

Footnotes:

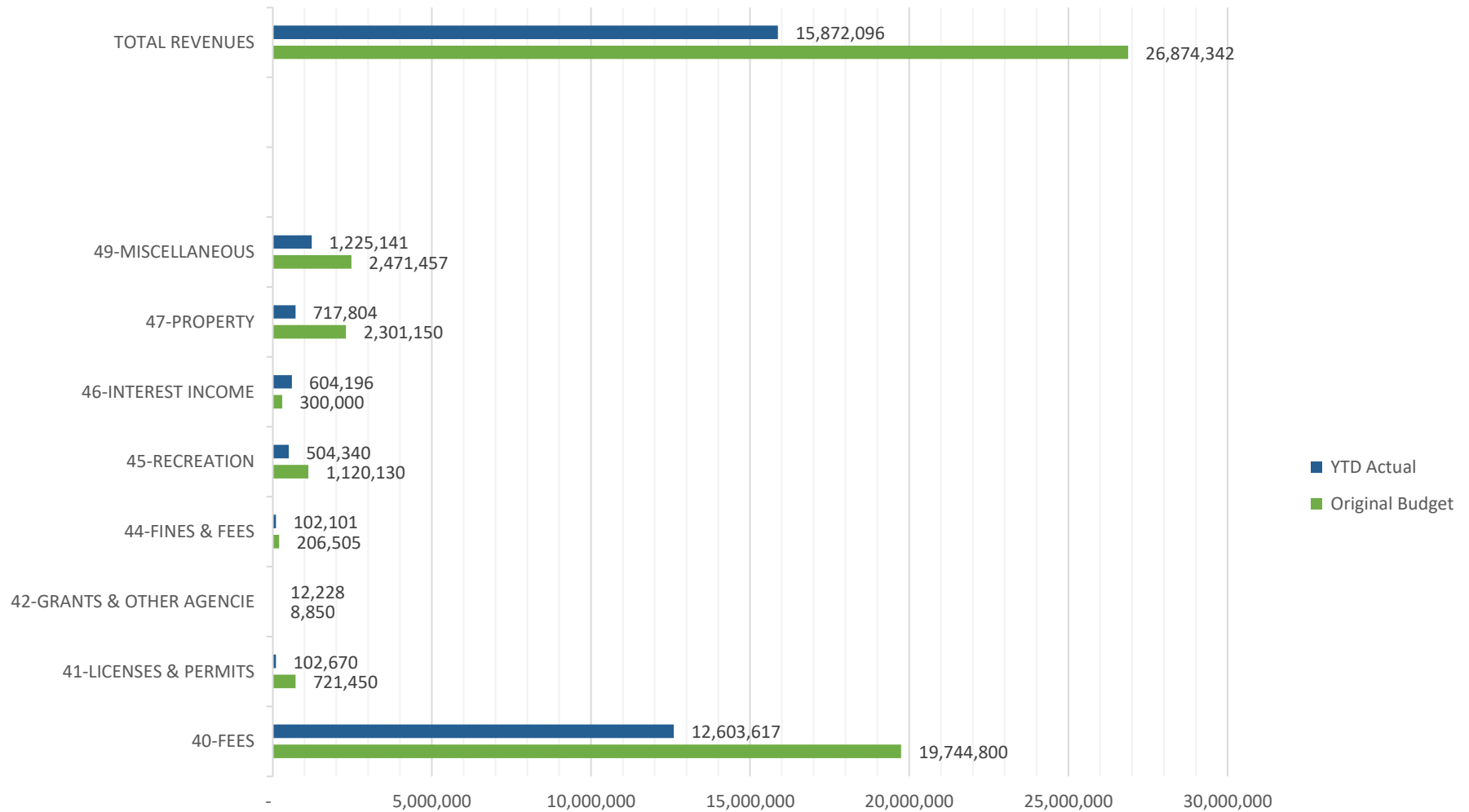
¹⁾ Economic Development reimburses the City for all payroll expenditures.

Budget Amendments:

² Bunker gear extractors

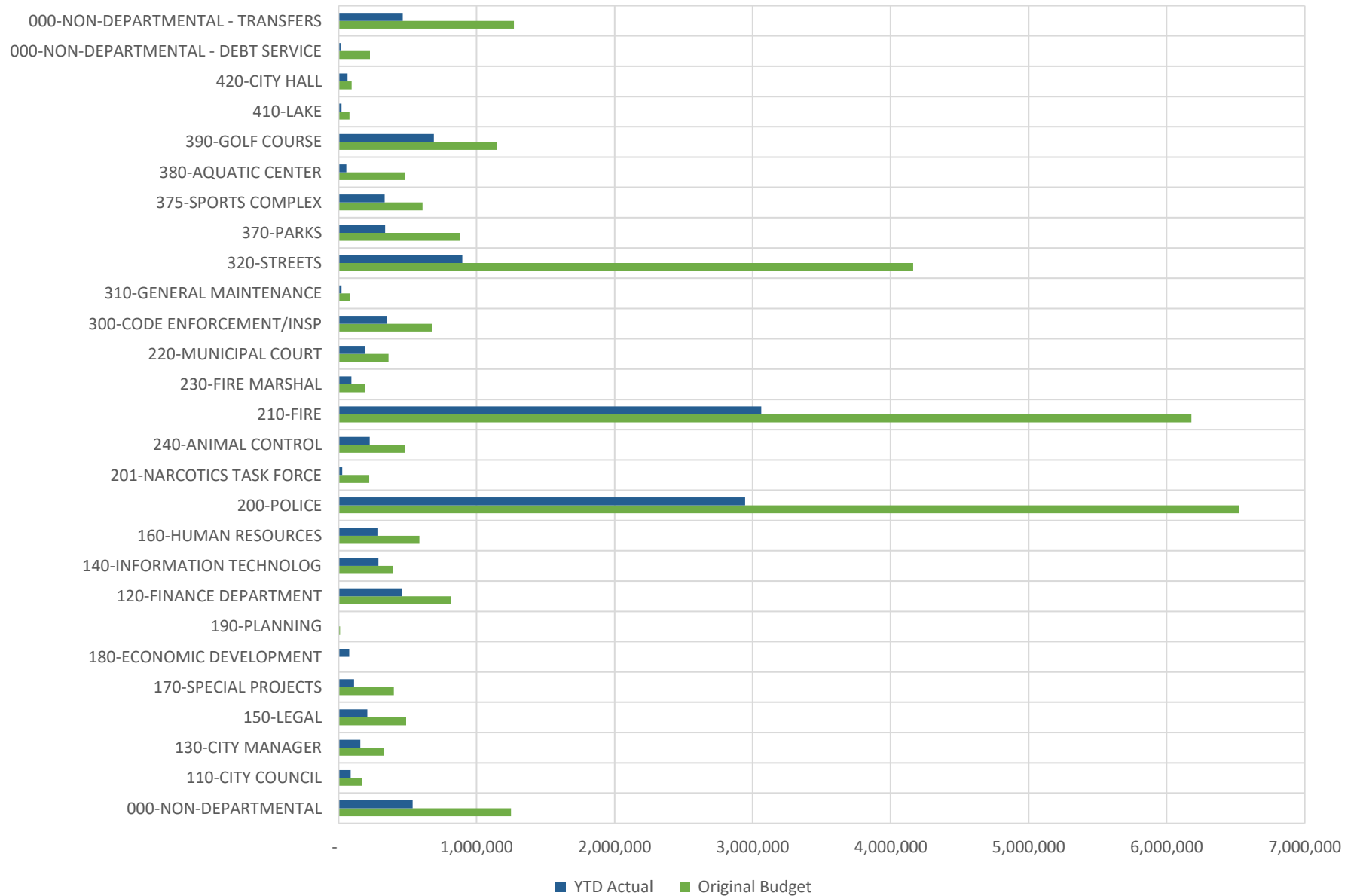
³ All Ages All Abilities playground parking lot

General Fund-Revenues



	40-FEES	41-LICENSES & PERMITS	42-GRANTS & OTHER AGENCY	44-FINES & FEES	45-RECREATION	46-INTEREST INCOME	47-PROPERTY	49-MISCELLANEOUS			TOTAL REVENUES
■ YTD Actual	12,603,617	102,670	12,228	102,101	504,340	604,196	717,804	1,225,141			15,872,096
■ Original Budget	19,744,800	721,450	8,850	206,505	1,120,130	300,000	2,301,150	2,471,457			26,874,342

General Fund-Expenditures



CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
HOTEL/MOTEL

	Revised Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUE						
40-FEES	1,351,600		1,350,400	700,364	650,036	51.86%
45-RECREATION	2,200		2,200	-	2,200	0.00%
46-INTEREST INCOME	21,000		21,000	65,292	(44,292)	310.91%
47-PROPERTY	2,325		2,325	3,320	(995)	142.80%
49-MISCELLANEOUS	-		-	-	-	0.00%
TOTAL REVENUES	1,377,125	-	1,375,925	768,976	606,949	55.89%
EXPENDITURES						
000-NON-DEPARTMENTAL	140,880		140,880	120,021	20,859	85.19%
510-DORA ROBERTS COMMUN.	175,000		175,000	-	175,000	0.00%
520-POTTON HOUSE	13,025		13,025	1,600	11,425	12.28%
530-AUDITORIUM	115,500		115,500	46,961	68,539	40.66%
540-SPECIAL PROJECTS	30,000		30,000	1,374	28,626	4.58%
560-CVB	774,155		774,155	422,703	351,452	54.60%
570-HISTORIC SPRING	30,750		52,500	20,967	31,533	39.94%
000-NON-DEPARTMENTAL	-		-	-	-	0.00%
000-NON-DEPARTMENTAL	-		-	-	-	0.00%
TOTAL BUDGETED EXPENSES	1,279,310	-	1,301,060	613,626	687,434	47.16%
NET INCREASE (DECREASE)	97,815	-	74,865	155,350	80,485	

Overview - Revenues

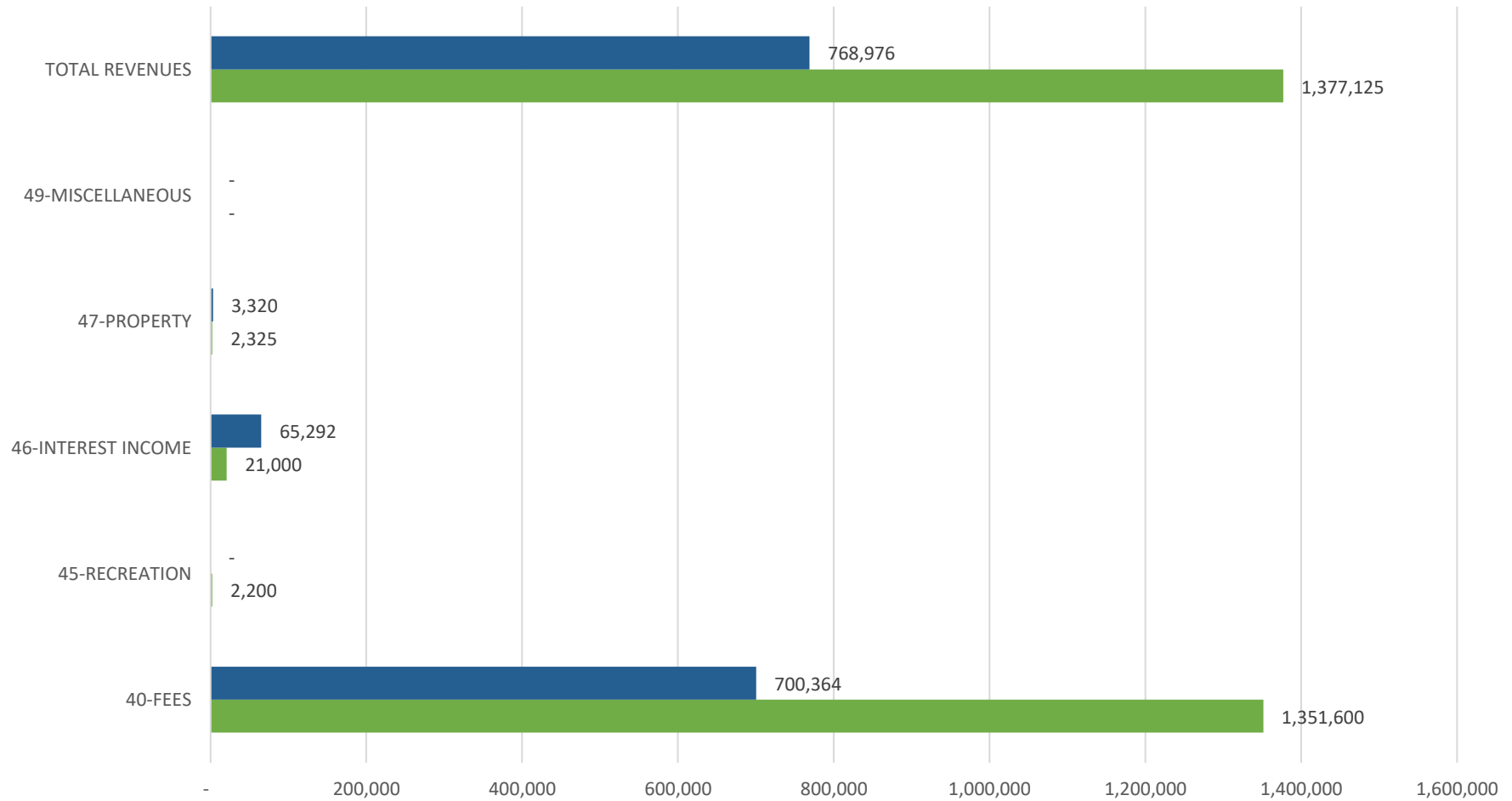
The Hotel Occupancy Tax (HOT) is 41% above last year's revenue, and tracking with the budget at 51.86% collected.

Overview - Expenditures

Non-Departmental is the department that supports the Heritage Museum, State Park and Hangar 25 Museum and those donations have been made. That is why they are at 85% of their budget spent.

All other departments are either at or below budget.

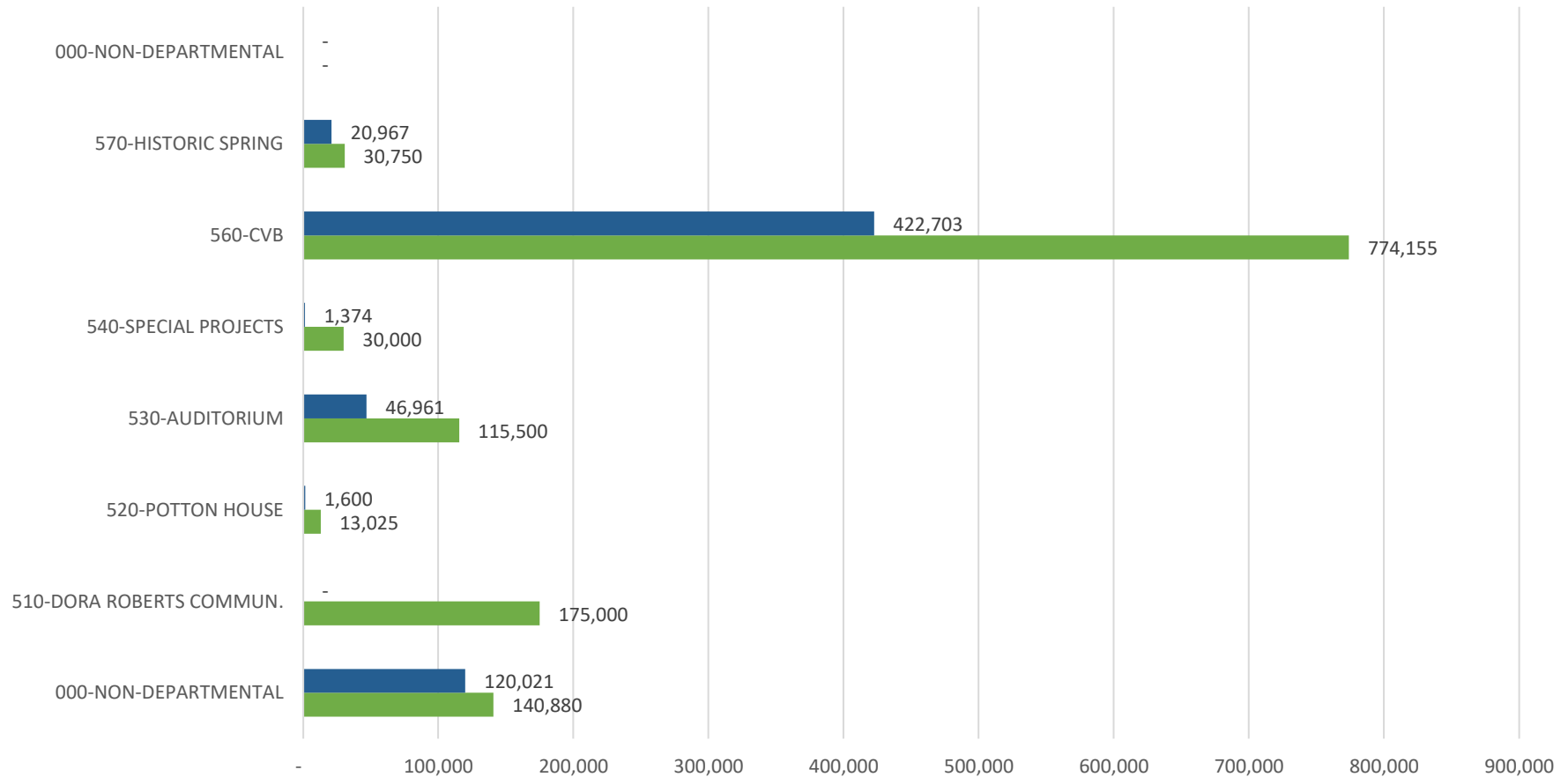
Hotel/Motel Fund-Revenues



	40-FEES	45-RECREATION	46-INTEREST INCOME	47-PROPERTY	49-MISCELLANEOUS	TOTAL REVENUES
■ YTD Actual	700,364	-	65,292	3,320	-	768,976
■ Revised Budget	1,351,600	2,200	21,000	2,325	-	1,377,125

■ YTD Actual ■ Revised Budget

Hotel/Motel-Expenditures



	000-NON-DEPARTMENTAL	510-DORA ROBERTS COMMUN.	520-POTTON HOUSE	530-AUDITORIUM	540-SPECIAL PROJECTS	560-CVB	570-HISTORIC SPRING	000-NON-DEPARTMENTAL
■ YTD Actual	120,021	-	1,600	46,961	1,374	422,703	20,967	-
■ Revised Budget	140,880	175,000	13,025	115,500	30,000	774,155	30,750	-

■ YTD Actual ■ Revised Budget

CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
UTILITY FUND

	Revised Budget	Budget Amendment	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUES						
42-GRANTS & OTHER AGENCIES (ARPA)	2,360,588		2,360,588	-		
43-GENERAL SALES/OTHER SE	13,186,700		13,186,700	5,827,327	7,359,373	44.19%
46-INTEREST INCOME	245,000		245,000	344,559	(99,559)	140.64%
48-TRANSFER FROM OTHER FU	-		-	-	-	0.00%
49-MISCELLANEOUS	19,700		19,700	9,827	9,873	49.88%
TOTAL REVENUES	15,811,988	-	15,811,988	6,181,712	9,630,276	39.10%
EXPENDITURES						
735-WATER OFFICE-CUSTOMER	848,455		848,455	442,860	405,595	52.20%
000-NON-DEPARTMENTAL	5,080,364		5,080,364	1,836,593	3,243,771	36.15%
705-WATER TREATMENT	3,152,584		3,152,584	1,621,602	1,530,982	51.44%
710-DISTRIBUTION & COLLEC	4,351,515		4,351,515	1,402,333	2,949,182	32.23%
740-WASTEWATER TREATMENT	1,865,536		1,865,536	846,031	1,019,506	45.35%
745-MATERIAL CONTROL	242,194		242,194	101,592	140,602	41.95%
780-CITY HALL ANNEX	30,700		30,700	15,715	14,985	51.19%
000-NON-DEPARTMENTAL - DEBT SERVICE	60,950		60,950	24	60,926	0.04%
000-NON-DEPARTMENTAL - TRANSFERS	117,828		117,828	42,979	74,849	36.48%
409-ARPA/Multi Year Projects				620,763		
TOTAL BUDGETED EXPENSES	15,750,127	-	15,750,127	6,930,491	9,440,399	44.00%
NET INCREASE (DECREASE)	61,861	-	61,861	(748,779)	(189,877)	

Overview - Revenues

Water sales are trending with lasts year, and the higher consumption months are just beginning.
Fund 409 - ARPA does have offsetting revenue that will be recognized at year end.

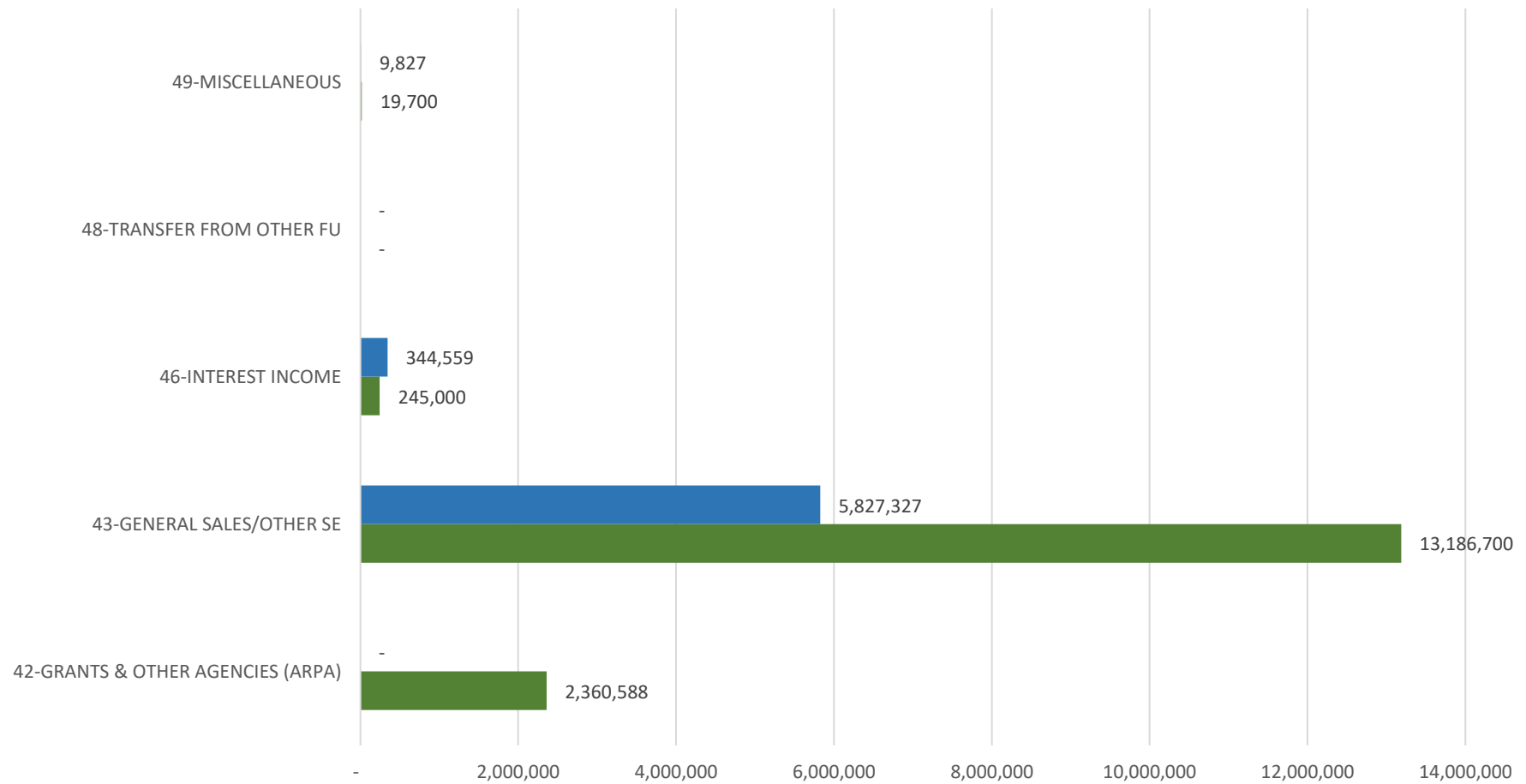
Overview - Expenditures

Overall departmental revenues are trending right at or slightly below budget.

Footnotes:

Budget Amendments

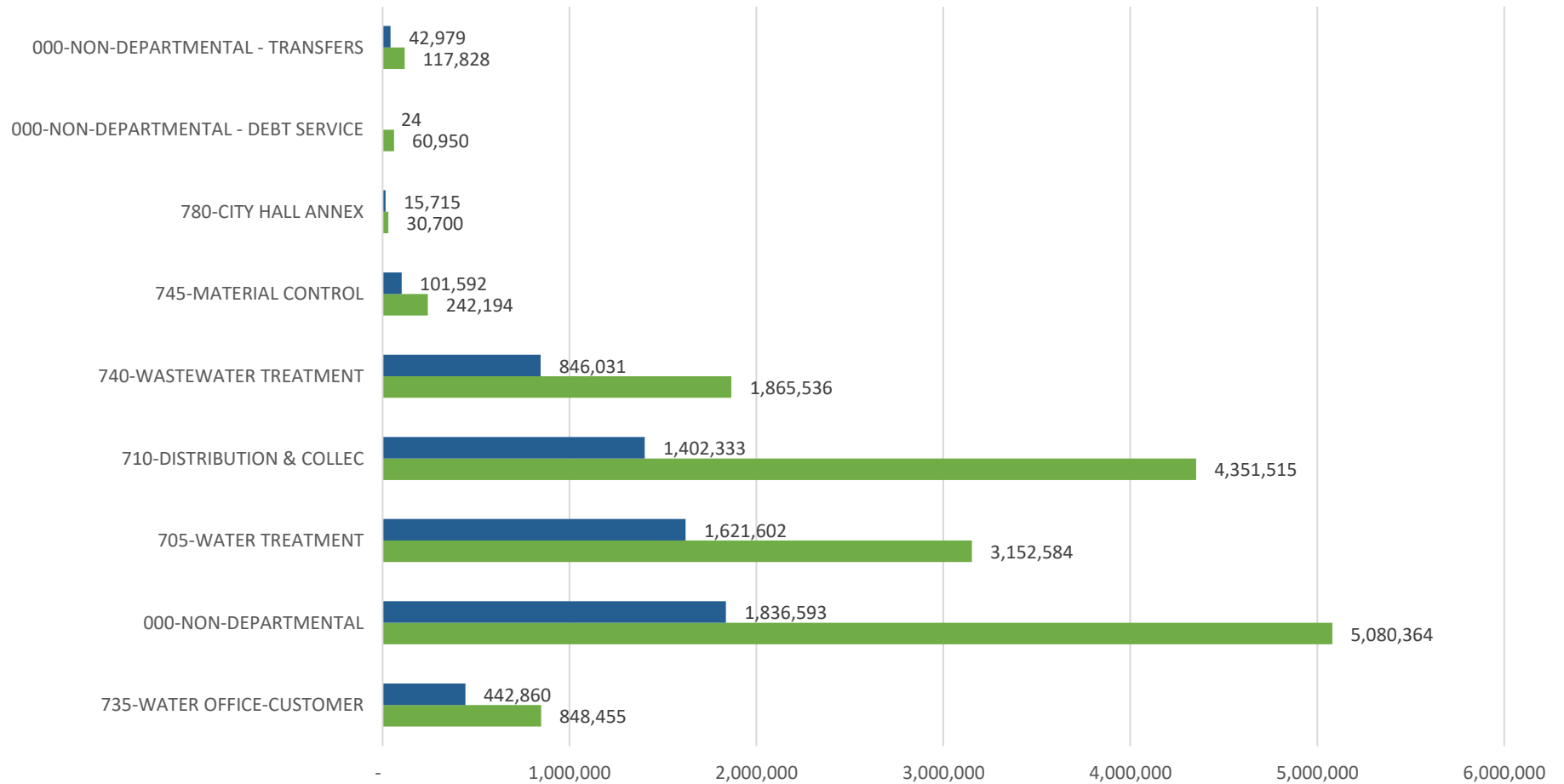
Utilities-Revenue



	42-GRANTS & OTHER AGENCIES (ARPA)	43-GENERAL SALES/OTHER SE	46-INTEREST INCOME	48-TRANSFER FROM OTHER FU	49-MISCELLANEOUS
■ YTD Actual	-	5,827,327	344,559	-	9,827
■ Revised Budget	2,360,588	13,186,700	245,000	-	19,700

■ YTD Actual ■ Revised Budget

Utilities-Expenditures



	735-WATER OFFICE- CUSTOMER	000-NON- DEPARTMENTAL	705-WATER TREATMENT	710- DISTRIBUTION & COLLEC	740- WASTEWATER TREATMENT	745-MATERIAL CONTROL	780-CITY HALL ANNEX	000-NON- DEPARTMENTAL - DEBT SERVICE	000-NON- DEPARTMENTAL - TRANSFERS
■ YTD Actual	442,860	1,836,593	1,621,602	1,402,333	846,031	101,592	15,715	24	42,979
■ Revised Budget	848,455	5,080,364	3,152,584	4,351,515	1,865,536	242,194	30,700	60,950	117,828

■ YTD Actual ■ Revised
Budget

CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
AIRPARK FUND

REVENUE SUMMARY

	Revised Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUES						
46-INTEREST INCOME	200,000		200,000	606,976	(406,976)	303.49%
47-PROPERTY	5,384,900		5,384,900	2,426,816	2,958,084	45.07%
49-MISCELLANEOUS	-		-	66,467	(66,467)	0.00%
TOTAL REVENUES	5,584,900	-	5,584,900	3,100,258	2,484,642	55.51%

DEPARTMENT EXPENSE SUMMARY

	Revised Budget		Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
EXPENDITURES						
000-NON-DEPARTMENTAL	-	¹	-	1,113	(1,113)	
610-AIRPARK	5,258,764	254,700	5,513,464	2,996,317	2,517,147	54.35%
000-NON-DEPARTMENTAL - DEBT SERVICE	90,583		90,583	33	90,550	0.04%
000-NON-DEPARTMENTAL - TRANSFER	4,041		4,041	3,066	975	75.87%
TOTAL BUDGETED EXPENSES	5,353,388	254,700	5,608,088	3,000,529	2,607,559	53.50%
NET INCREASE (DECREASE)	231,512	(254,700)	(23,188)	99,729	(122,917)	

Overview - Revenues

Royalties are trending 7% below last year's revenue. If royalties stay consistent, we should meet budget.

Overview - Expenses

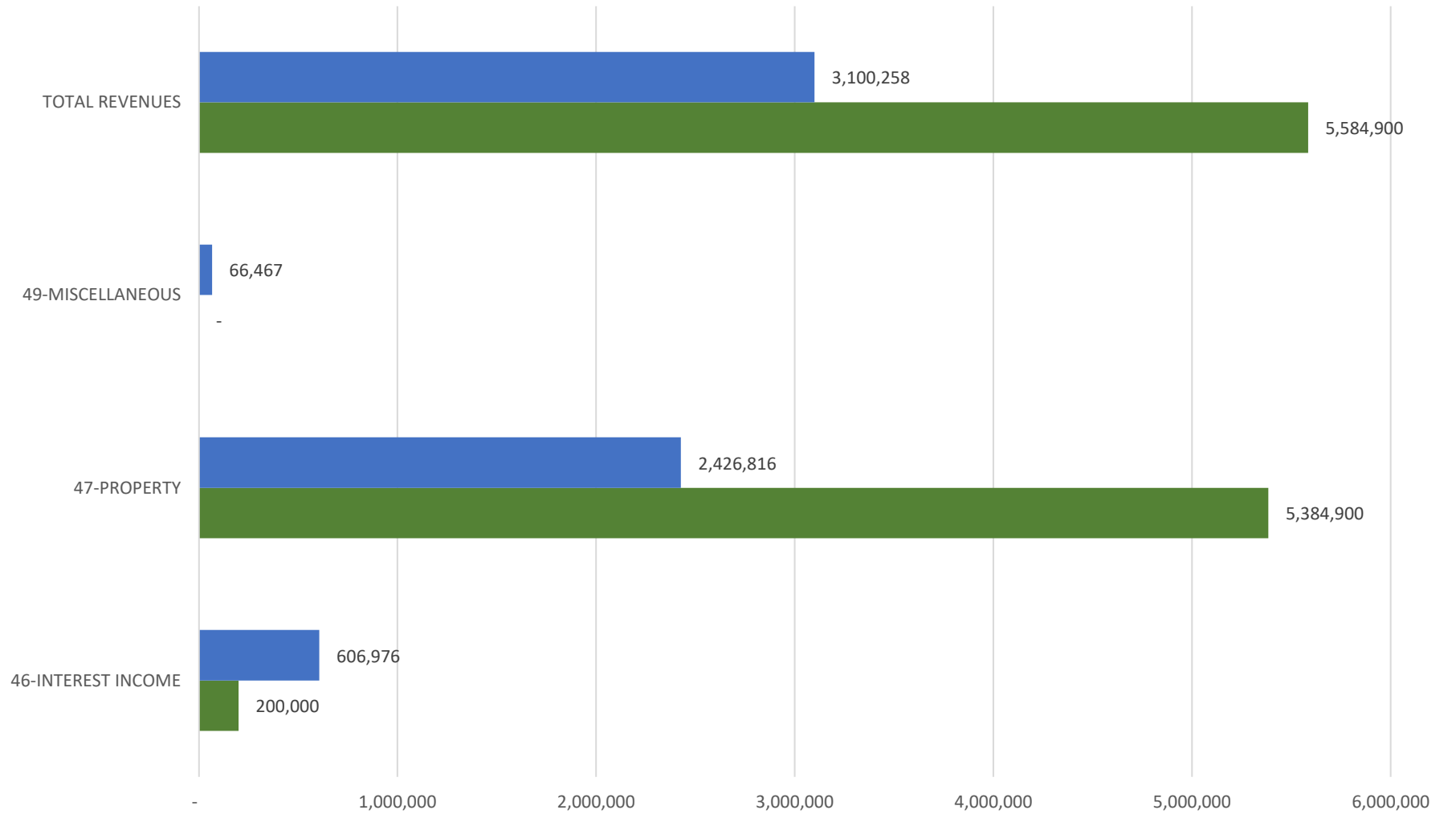
Footnotes:

¹ Credit Card Fees

Budget Amendments:

Kubota utility tractor and batwing attachment	45,000
Pavement Study (for weight bearing)	64,700
Runway 06/24	145,000
	<u>254,700</u>

Airpark-Revenue

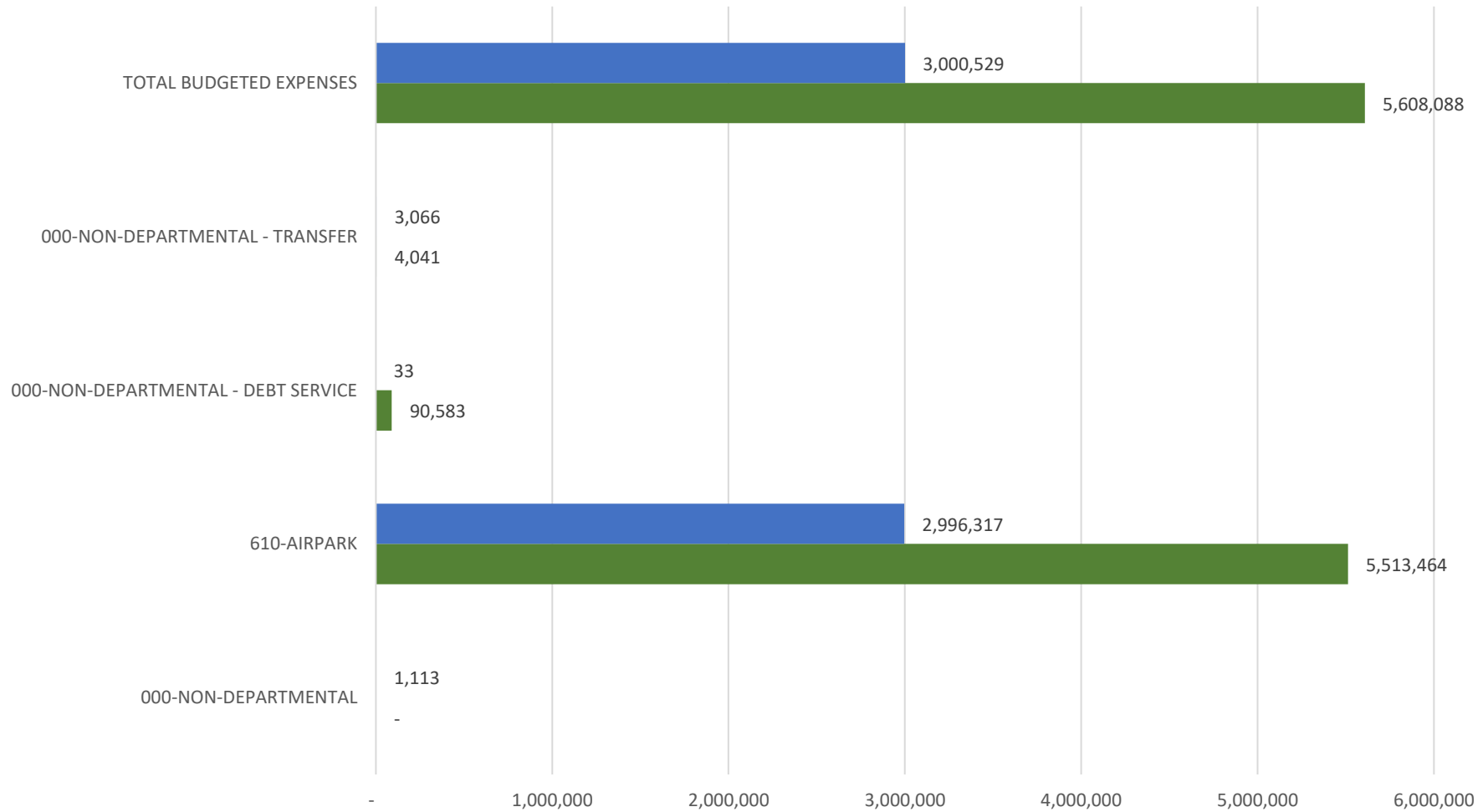


	46-INTEREST INCOME	47-PROPERTY	49-MISCELLANEOUS	TOTAL REVENUES
■ YTD Actual	606,976	2,426,816	66,467	3,100,258
■ Amended Budget	200,000	5,384,900	-	5,584,900

■ YTD Actual

■ Amended Budget

Airpark-Expenditures



	000-NON-DEPARTMENTAL	610-AIRPARK	000-NON-DEPARTMENTAL - DEBT SERVICE	000-NON-DEPARTMENTAL - TRANSFER	TOTAL BUDGETED EXPENSES
■ YTD Actual	1,113	2,996,317	33	3,066	3,000,529
■ Amended Budget	-	5,513,464	90,583	4,041	5,608,088

■ YTD Actual ■ Amended Budget

CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
EMERGENCY MEDICAL SERVICES

REVENUE SUMMARY

	Revised Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUES						
42-GRANTS & OTHER AGENCIES	450,000		450,000	225,000	225,000	50.00%
46-INTEREST INCOME	-		-	-	-	0.00%
47-PROPERTY	-		-	2,704	(2,704)	
48- TRANSFER FROM OTHER FUNDS	1,060,000		1,060,000	530,000	530,000	50.00%
49-MISCELLANEOUS	-		-	2,443	(2,443)	0.00%
TOTAL REVENUES	1,510,000	-	1,510,000	760,147	749,853	50.34%

DEPARTMENT EXPENSE SUMMARY

	Revised Budget		Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
EXPENDITURES						
012-MISCELLANEOUS		1				
430-EMS	2,703,719		2,703,719	1,458,114	1,245,605	53.93%
000-NON-DEPARTMENTAL - DEBT SERVICE	23,737		23,737	102	23,635	0.00%
000-NON-DEPARTMENTAL - TRANSFERS	8,706		8,706	7,496	1,210	86.10%
TOTAL BUDGETED EXPENSES	2,736,162	-	2,736,162	1,465,712	1,270,450	53.57%
	1					
NET INCREASE (DECREASE)	(1,226,162)	-	(1,226,162)	(705,565)	(520,597)	

Overview - Revenues

The only income for EMS are the County's and City's annual contributions. Allegiance is receiving all the revenues per the contract.

Overview - Expenses

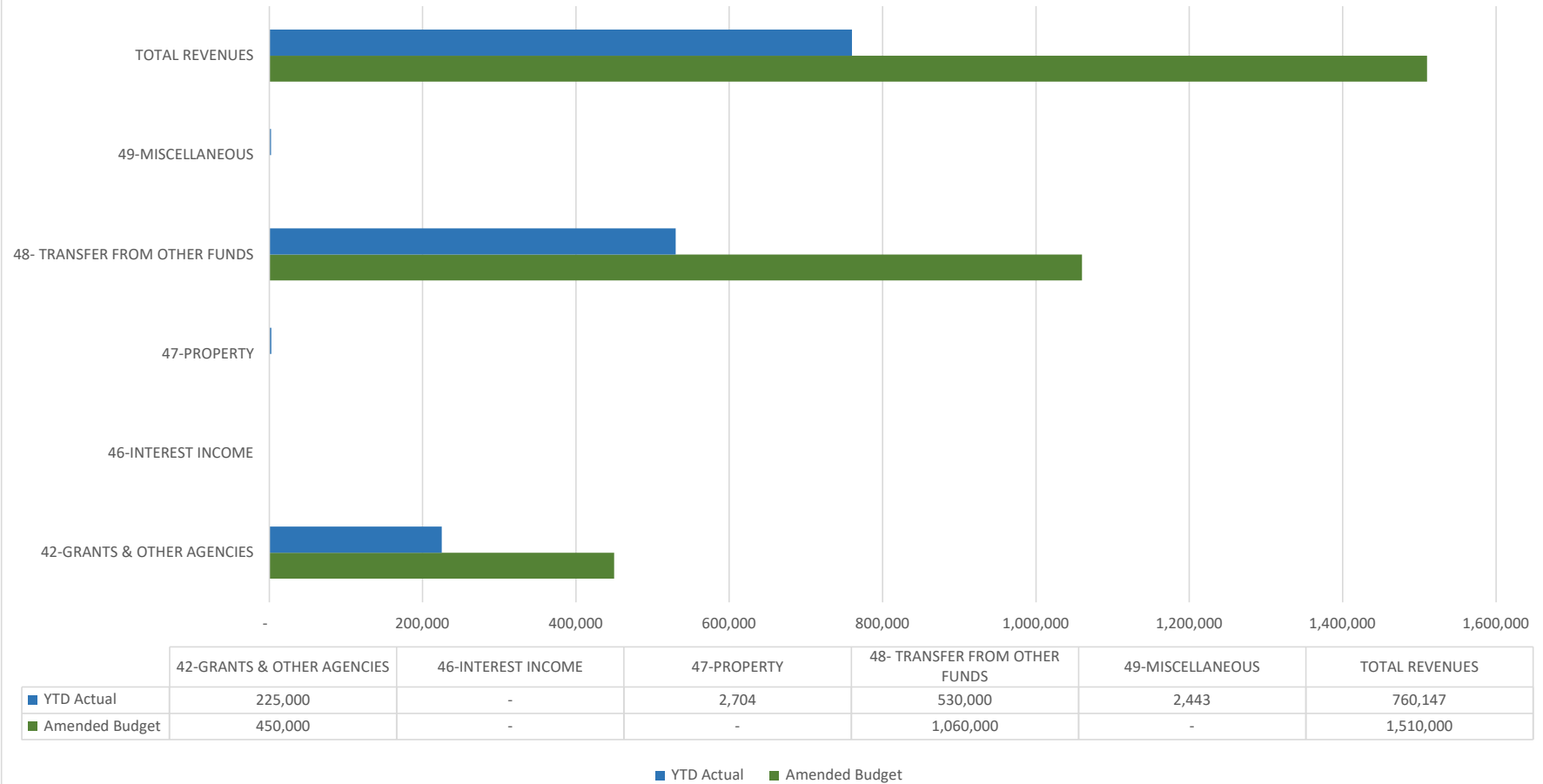
The Fire/EMS departments are almost fully staffed, there is only 1 vacancy.

Footnotes:

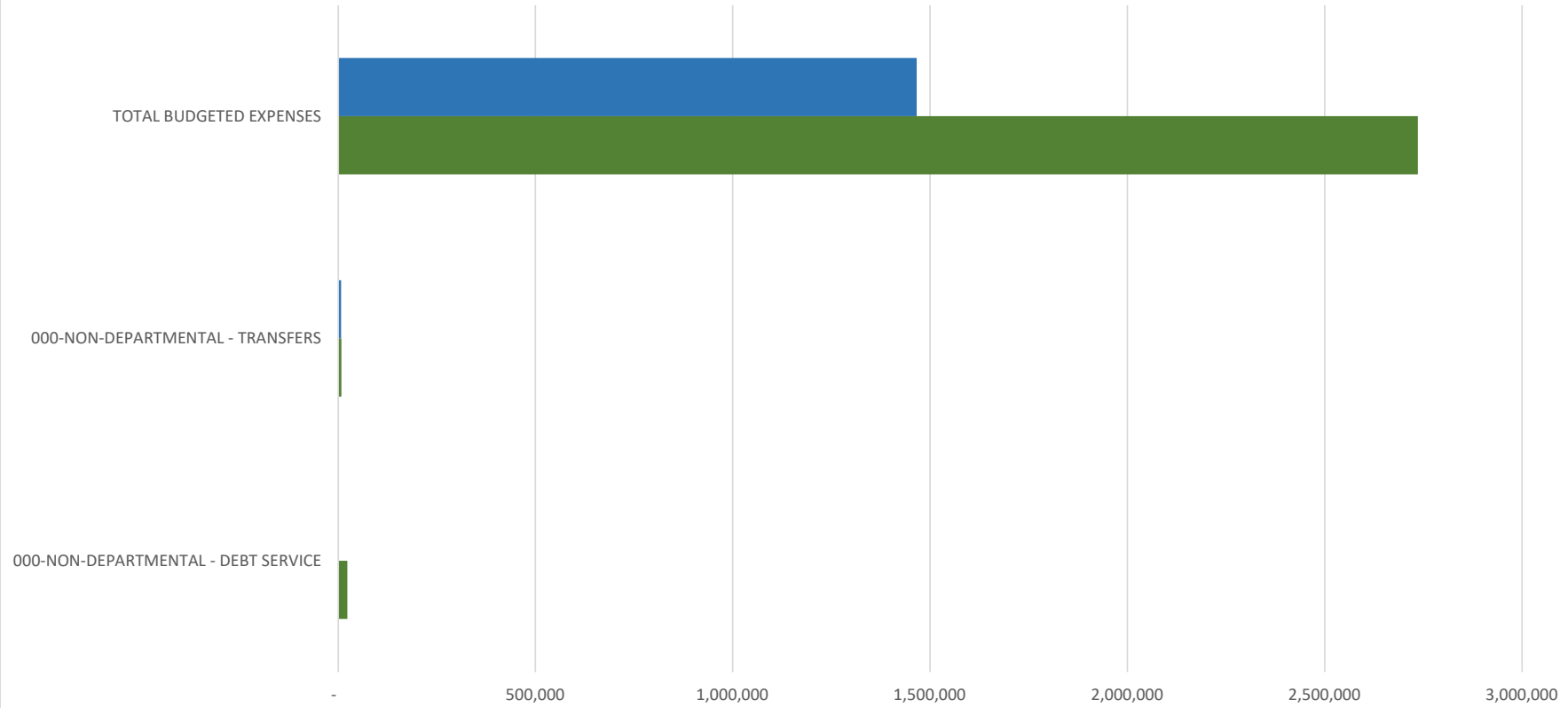
¹ Depreciation Expense

Budget Amendments

EMS-Revenue



EMS-Expenditures



	000-NON-DEPARTMENTAL - DEBT SERVICE	000-NON-DEPARTMENTAL - TRANSFERS	TOTAL BUDGETED EXPENSES
■ YTD Actual	102	7,496	1,465,712
■ Amended Budget	23,737	8,706	2,736,162

■ YTD Actual ■ Amended Budget

CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
LANDFILL

	Revised Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUES						
41-LICENSES & PERMITS	117,500		117,500	50,590	66,910	43.06%
42-GRANTS & OTHER AGENCIE	-		-	-	-	0.00%
43-GENERAL SALES/OTHER SE	2,479,600		2,479,600	1,018,569	1,461,031	41.08%
46-INTEREST INCOME	275,000		275,000	137,955	137,045	50.17%
48-TRANSFER FROM OTHER FUNDS	1,000,000		1,000,000	500,000	500,000	50.00%
49-MISCELLANEOUS	30		30	165,881	(165,851)	552938.00%
TOTAL REVENUES	3,872,130	-	3,872,130	1,872,995	1,999,135	48.37%
EXPENDITURES	Revised Budget			YTD Actual	Budget Balance	% of Budget to Date
000-NON-DEPARTMENTAL				4,344		
350-LANDFILL	1,875,250		1,875,250	912,863	962,387	48.68%
000-NON-DEPARTMENTAL - DEBT SERVICE	73,439		73,439	74	73,365	0.00%
000-NON-DEPARTMENTAL - TRANSFERS	5,721		5,721	3,086	2,635	53.94%
TOTAL BUDGETED EXPENSES	1,954,410	-	1,954,410	920,366	1,038,387	47.09%
NET INCREASE (DECREASE)	1,917,720	-	1,917,720	952,629	960,748	

Overview - Revenue

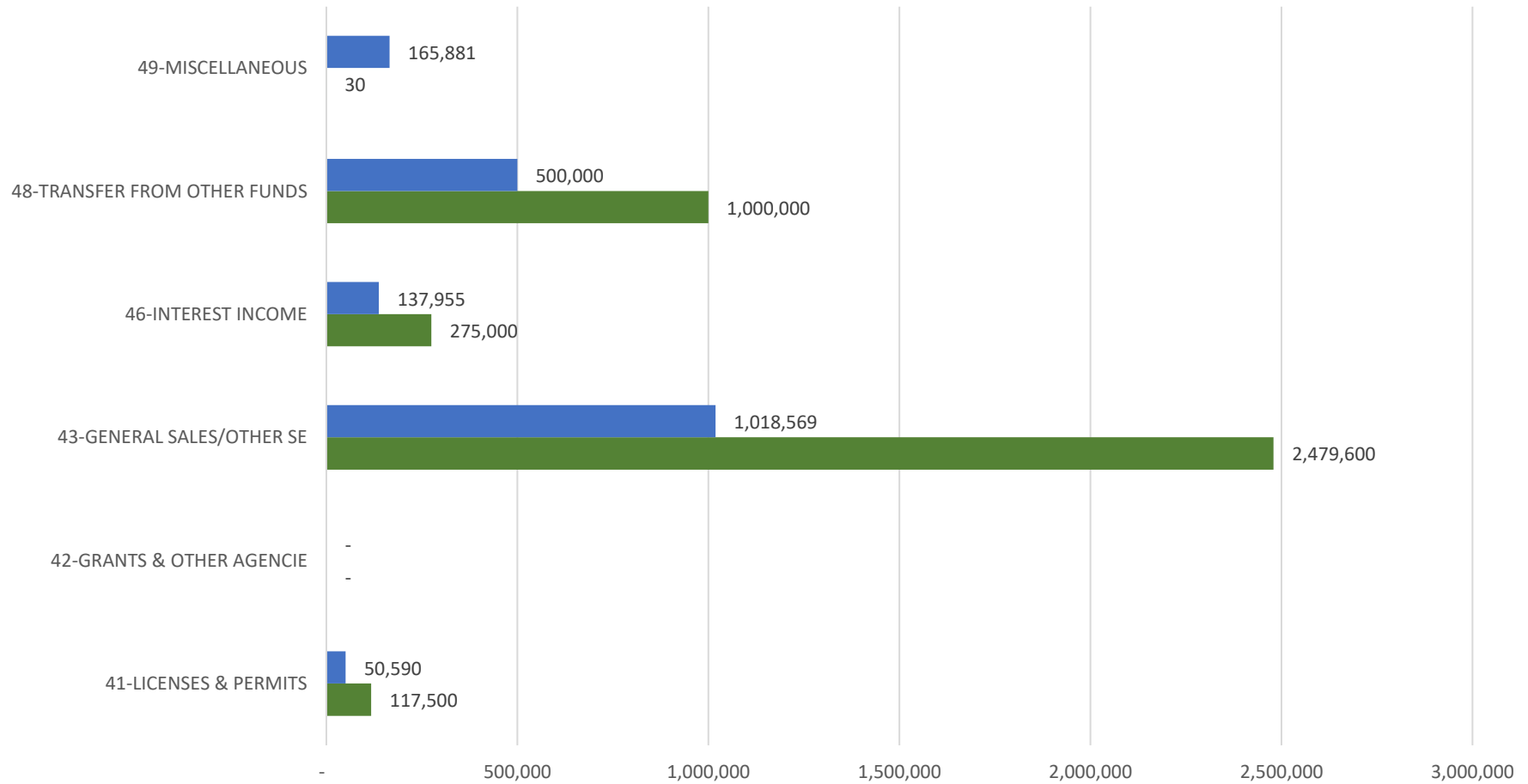
This chart compares 2nd Qtr 23-24 to Current Fiscal Year

	23-24	24-25	Difference	% of Increase
Revenue from Sanitation	391,440	398,617	7,177	1.83%
Revenue from Tipping Fees	558,153	565,337	7,184	1.29%
	949,593	963,954	14,361	1.51%

Overview - Expenses

Budget Amendments

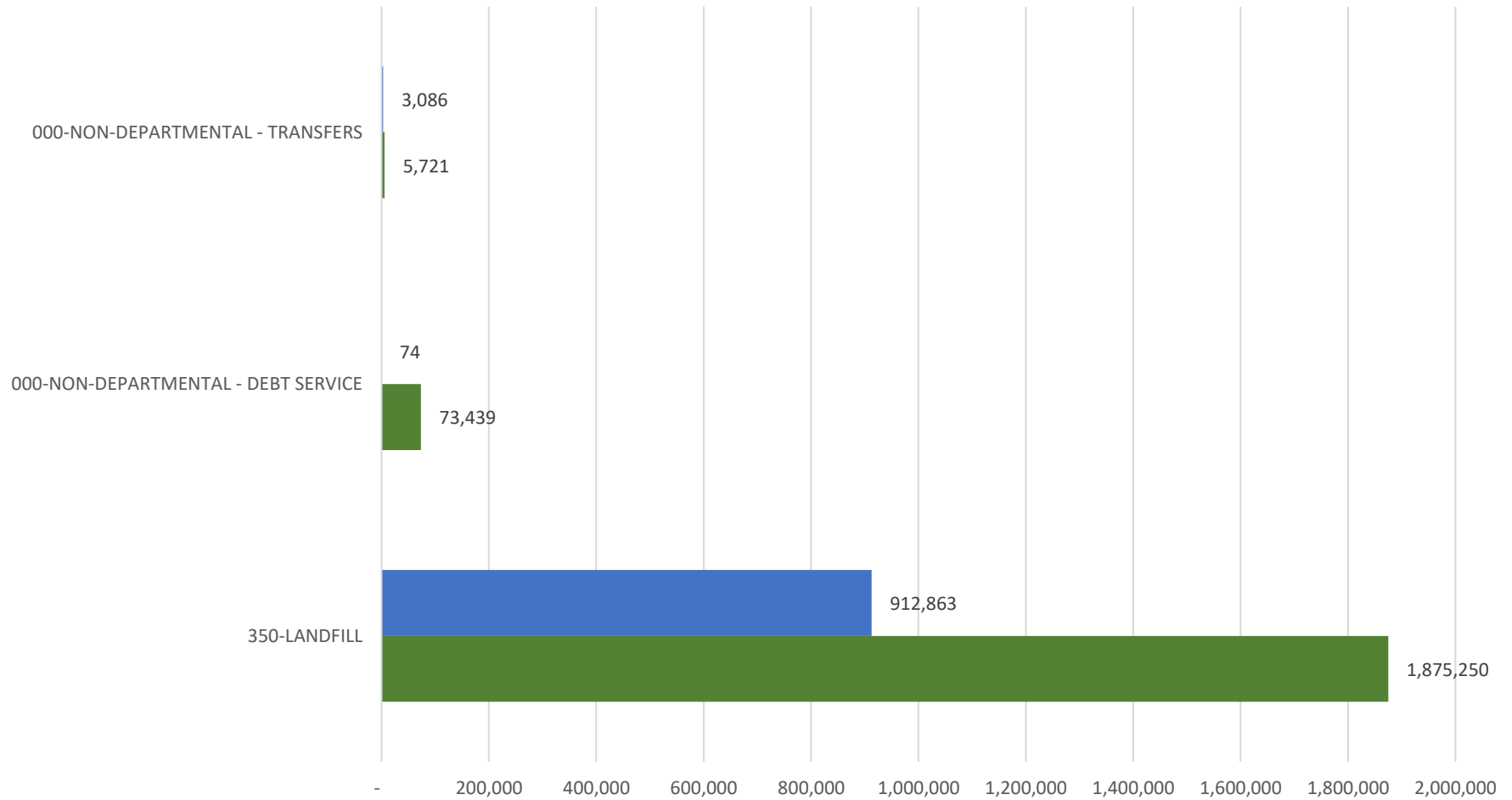
Landfill-Revenue



	41-LICENSES & PERMITS	42-GRANTS & OTHER AGENCIE	43-GENERAL SALES/OTHER SE	46-INTEREST INCOME	48-TRANSFER FROM OTHER FUNDS	49-MISCELLANEOUS
■ YTD Actual	50,590	-	1,018,569	137,955	500,000	165,881
■ Revised Budget	117,500	-	2,479,600	275,000	1,000,000	30

■ YTD Actual ■ Revised Budget

Landfill-Expenditures



	350-LANDFILL	000-NON-DEPARTMENTAL - DEBT SERVICE	000-NON-DEPARTMENTAL - TRANSFERS
■ YTD Actual	912,863	74	3,086
■ Revised Budget	1,875,250	73,439	5,721

■ YTD Actual ■ Revised Budget

CITY OF BIG SPRING
YEAR TO DATE OCTOBER 1, 2023 TO MARCH 31, 2025
2nd QTR - 50%
SANITATION FUND

	Revised Budget	Budget Amendments	Amended Budget	YTD Actual	Budget Balance	% of Budget to Date
REVENUES						
43-GENERAL SALES/OTHER SE	3,945,000		3,945,000	1,818,681	2,126,319	46.10%
46-INTEREST INCOME	7,800		7,800	-	7,800	0.00%
47-PROPERTY	95,000		95,000	45,810	49,190	48.22%
49-MISCELLANEOUS	-		-	433	(433)	0.00%
TOTAL REVENUES	4,047,800	-	4,047,800	1,864,925	2,182,875	46.07%
EXPENDITURES						
330-SANITATION	4,689,394		4,689,394	1,579,616	3,109,778	33.68%
000-NON-DEPARTMENTAL - DEBT SERVICE	134,620		134,620	920	133,700	0.68%
000-NON-DEPARTMENTAL - TRANSFERS	1,019,486		1,019,486	503,086	516,400	0.00%
TOTAL BUDGETED EXPENSES	5,843,500	-	5,843,500	2,083,622	3,759,878	35.66%
NET INCREASE (DECREASE)	(1,795,700)	-	(1,795,700)	(218,697)	(1,577,003)	

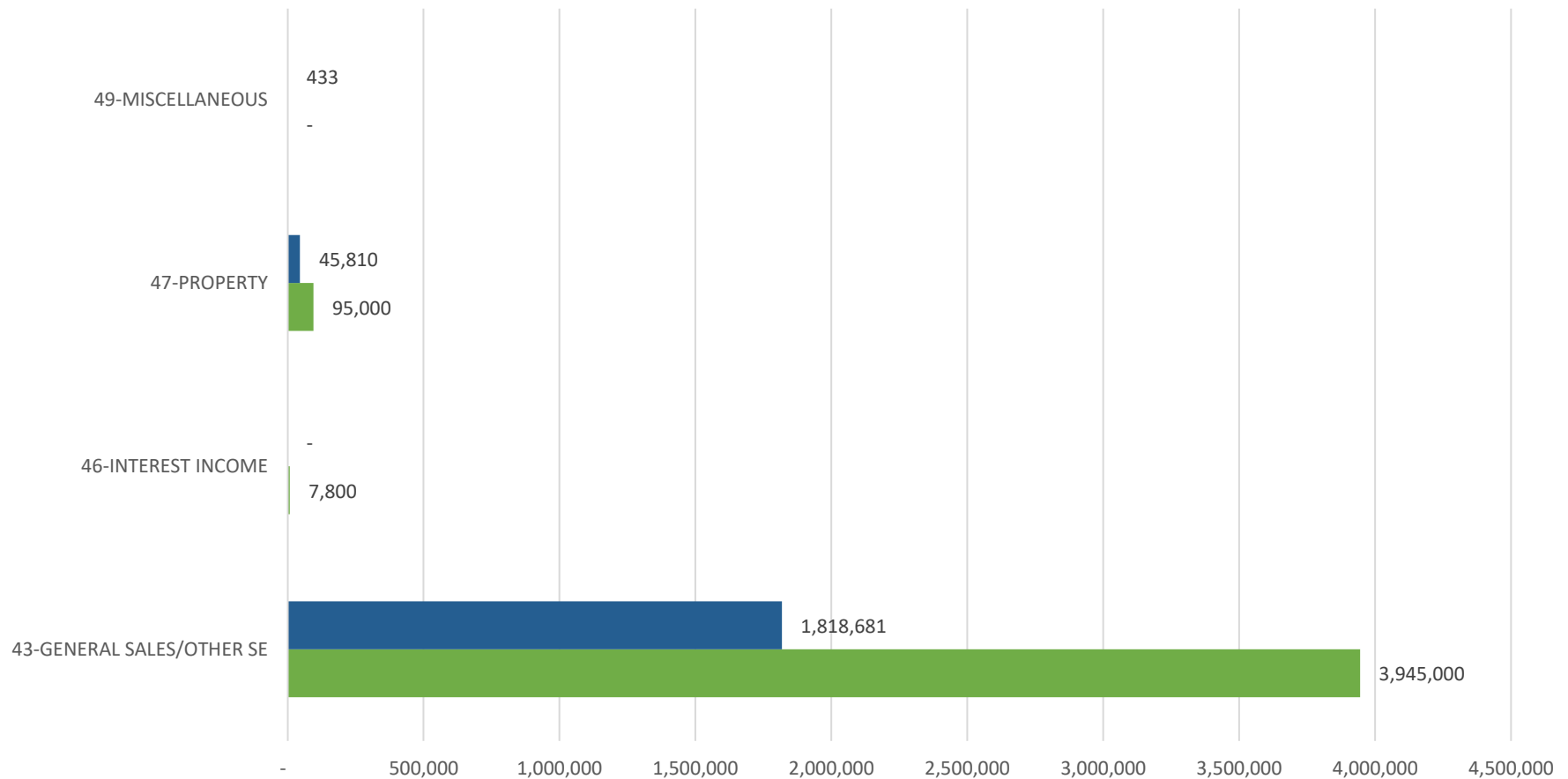
Overview - Revenue

Revenue is trending about the same as last year, and right on track to meet budget.

Overview - Expenses

Operational expenditures are 9% overbudget, however overall they are underbudget because the capital equipment (2 Sanitation Trucks) has not been purchased.

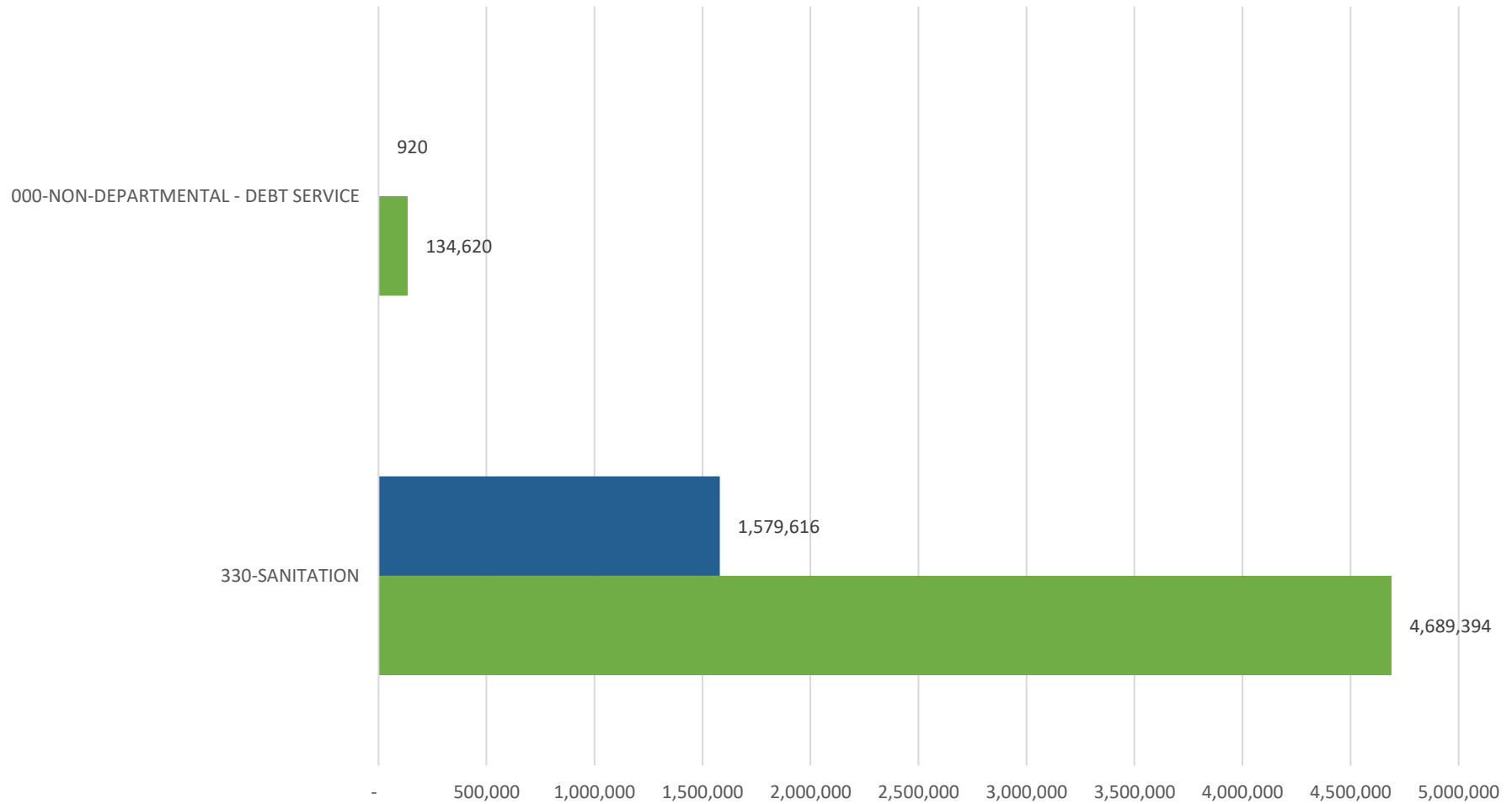
Sanitation-Revenues



	43-GENERAL SALES/OTHER SE	46-INTEREST INCOME	47-PROPERTY	49-MISCELLANEOUS
■ YTD Actual	1,818,681	-	45,810	433
■ Revised Budget	3,945,000	7,800	95,000	-

■ YTD Actual ■ Revised Budget

Sanitation-Expenditures



	330-SANITATION	000-NON-DEPARTMENTAL - DEBT SERVICE
■ YTD Actual	1,579,616	920
■ Revised Budget	4,689,394	134,620

■ YTD Actual ■ Revised Budget



Pooled Cash Report

Big Spring, TX

For the Period Ending 3/31/2025

ACCOUNT #	ACCOUNT NAME	BEGINNING BALANCE	CURRENT ACTIVITY	CURRENT BALANCE
CLAIM ON CASH				
002-1003-000	CLAIM ON CASH	20,531,730.36	1,701,642.59	22,233,372.95
002-1030-000	CASH-LIVING TREE MEM. ESCROW	3,799.28	0.00	3,799.28
002-1032-000	CASH-MUN COURT PMT PLAN FEES	358.11	76.07	434.18
110-1003-000	CLAIM ON CASH	2,138,632.69	58,239.18	2,196,871.87
130-1003-000	CLAIM ON CASH	97,623.89	(519.70)	97,104.19
140-1003-000	CLAIM ON CASH	26,918.33	620.04	27,538.37
141-1003-000	CLAIM ON CASH	0.00	0.00	0.00
142-1003-000	CLAIM ON CASH	14,283.64	497.36	14,781.00
143-1003-000	CLAIM ON CASH	10,815.23	703.78	11,519.01
144-1003-000	CLAIM ON CASH	195.36	11.05	206.41
145-1003-000	CLAIM ON CASH	3,834.22	248.09	4,082.31
160-1003-000	CLAIM ON CASH	45,347.95	0.00	45,347.95
170-1003-000	CLAIM ON CASH	297,892.33	(454.25)	297,438.08
180-1003-000	CLAIM ON CASH	107,926.63	0.00	107,926.63
182-1003-000	CLAIM ON CASH	143,963.67	8,791.50	152,755.17
183-1003-000	CLAIM ON CASH	71,221.69	0.00	71,221.69
185-1003-000	CLAIM ON CASH	0.08	0.00	0.08
258-1003-000	CLAIM ON CASH	(437,636.48)	213,559.79	(224,076.69)
259-1003-000	CLAIM ON CASH	110,285.68	68,326.38	178,612.06
405-1003-000	CLAIM ON CASH	13,033,998.15	35,273.61	13,069,271.76
408-1003-000	CLAIM ON CASH	(118,240.91)	0.00	(118,240.91)
409-1003-000	CLAIM ON CASH	(3,799,198.05)	(125,653.45)	(3,924,851.50)
410-1003-000	CLAIM ON CASH	23,167,956.80	168,668.44	23,336,625.24
410-1050-000	CASH IN BANK-CUSTOMER DEPOSITS	56,656.64	0.00	56,656.64
430-1003-000	CLAIM ON CASH	(1,385,594.58)	(57,573.06)	(1,443,167.64)
440-1003-000	CLAIM ON CASH	(4,101,575.74)	63,675.79	(4,037,899.95)
440-1005-000	CASH-LANDFILL CLOSURE	1,735,228.43	24,307.53	1,759,535.96
445-1003-000	CLAIM ON CASH	(710,784.25)	15,474.27	(695,309.98)
480-1003-000	CLAIM ON CASH	819,464.14	0.00	819,464.14
482-1003-000	CLAIM ON CASH	(441,065.51)	4,605.80	(436,459.71)
483-1003-000	CLAIM ON CASH	118,366.62	0.00	118,366.62
505-1003-000	CLAIM ON CASH	(94,460.96)	86,493.93	(7,967.03)
625-1003-000	CLAIM ON CASH	65,029.90	3,549.67	68,579.57
635-1003-000	CLAIM ON CASH	39,965.94	0.00	39,965.94
655-1003-000	CLAIM ON CASH	(69,990.08)	(1,551.74)	(71,541.82)
720-1003-000	CLAIM ON CASH	1,235,446.95	(35,398.40)	1,200,048.55
TOTAL CLAIM ON CASH		52,718,396.15	2,233,614.27	54,952,010.42
CASH IN BANK				
Cash in Bank				
999-1002-000	POOLED CHECKING	7,532,894.22	2,243,163.77	9,776,057.99
999-1060-000	CASH IN BANK PAYROLL	540,850.37	(9,281.46)	531,568.91
999-1080-000	SAFEKEEPING US BANK	33,912,709.04	668,834.88	34,581,543.92
999-1081-000	TEXPOOL INVESTMENT	3,478,181.52	0.00	3,478,181.52
999-1084-000	MONEY MARKET INVESTMENT	7,253,761.00	0.00	7,253,761.00
999-2900-000	BROKERAGE CD INTEREST SUSPENSE	0.00	(234,455.38)	(234,455.38)
999-2901-000	UNREALIZED GAIN/(LOSS) SUSPENSE	0.00	(434,647.54)	(434,647.54)
TOTAL: Cash in Bank		52,718,396.15	2,233,614.27	54,952,010.42
Wages Payable				
999-2005-000	WAGES PAYABLE	0.00	0.00	0.00

ACCOUNT #	ACCOUNT NAME	BEGINNING BALANCE	CURRENT ACTIVITY	CURRENT BALANCE	
TOTAL: Wages Payable		0.00	0.00	0.00	
TOTAL CASH IN BANK		52,718,396.15	2,233,614.27	54,952,010.42	
<u>DUE TO OTHER FUNDS</u>					
999-2151-000	DUE TO OTHER FUNDS	52,718,396.15	2,233,614.27	54,952,010.42	
TOTAL DUE TO OTHER FUNDS		52,718,396.15	2,233,614.27	54,952,010.42	
Claim on Cash	54,952,010.42	Claim on Cash	54,952,010.42	Cash in Bank	54,952,010.42
Cash in Bank	54,952,010.42	Due To Other Funds	54,952,010.42	Due To Other Funds	54,952,010.42
Difference	0.00	Difference	0.00	Difference	0.00

ACCOUNT #	ACCOUNT NAME	BEGINNING BALANCE	CURRENT ACTIVITY	CURRENT BALANCE
ACCOUNTS PAYABLE PENDING				
002-2000-000	A/P PENDING	15,624.48	(15,623.91)	0.57
110-2000-000	A/P PENDING	(94.86)	91.59	(3.27)
130-2000-000	A/P PENDING	0.00	0.00	0.00
140-2000-000	A/P PENDING	0.00	0.00	0.00
141-2000-000	A/P PENDING	0.00	0.00	0.00
142-2000-000	A/P PENDING	0.00	0.00	0.00
143-2000-000	A/P PENDING	0.00	0.00	0.00
144-2000-000	A/P PENDING	0.00	0.00	0.00
145-2000-000	A/P PENDING	0.00	0.00	0.00
160-2000-000	A/P PENDING	0.00	0.00	0.00
170-2000-000	A/P PENDING	0.00	0.00	0.00
182-2000-000	A/P PENDING	0.00	0.00	0.00
185-2000-000	A/P PENDING	0.00	0.00	0.00
258-2000-000	A/P PENDING	0.00	0.00	0.00
259-2000-000	A/P PENDING	0.00	0.00	0.00
405-2000-000	A/P PENDING	17,294.74	(17,294.18)	0.56
409-2000-000	A/P PENDING	0.00	0.00	0.00
410-2000-000	A/P PENDING	859.43	(859.43)	0.00
430-2000-000	A/P PENDING	(389.73)	389.73	0.00
440-2000-000	A/P PENDING	9,703.89	(9,703.89)	0.00
445-2000-000	A/P PENDING	11,084.71	(11,084.71)	0.00
480-2000-000	A/P PENDING	0.00	0.00	0.00
482-2000-000	A/P PENDING	0.00	0.00	0.00
483-2000-000	A/P PENDING	0.00	0.00	0.00
505-2000-000	A/P PENDING	224.53	(224.53)	0.00
625-2000-000	A/P PENDING	17.66	(17.66)	0.00
635-2000-000	A/P PENDING	0.00	0.00	0.00
720-2000-000	A/P PENDING	11,808.88	(11,786.22)	22.66
TOTAL ACCOUNTS PAYABLE PENDING		<u>66,133.73</u>	<u>(66,113.21)</u>	<u>20.52</u>
DUE FROM OTHER FUNDS				
999-1230-002	DUE FROM 002	(15,624.48)	15,623.91	(0.57)
999-1230-110	DUE FROM 110	94.86	(91.59)	3.27
999-1230-130	DUE FROM 130	0.00	0.00	0.00
999-1230-140	DUE FROM 140	0.00	0.00	0.00
999-1230-141	DUE FROM 141	0.00	0.00	0.00
999-1230-142	DUE FROM 142	0.00	0.00	0.00
999-1230-143	DUE FROM 143	0.00	0.00	0.00
999-1230-144	DUE FROM 144	0.00	0.00	0.00
999-1230-145	DUE FROM 145	0.00	0.00	0.00
999-1230-160	DUE FROM 160	0.00	0.00	0.00
999-1230-170	DUE FROM 170	0.00	0.00	0.00
999-1230-182	DUE FROM 182	0.00	0.00	0.00
999-1230-185	DUE FROM 185	0.00	0.00	0.00
999-1230-257	DUE FROM 257	0.00	0.00	0.00
999-1230-258	DUE FROM 258	0.00	0.00	0.00
999-1230-259	DUE FROM 259	0.00	0.00	0.00
999-1230-405	DUE FROM 405	(17,294.74)	17,294.18	(0.56)
999-1230-409	DUE FROM 409	0.00	0.00	0.00
999-1230-410	DUE FROM 410	(859.43)	859.43	0.00
999-1230-430	DUE FROM 430	389.73	(389.73)	0.00
999-1230-440	DUE FROM 440	(9,703.89)	9,703.89	0.00
999-1230-445	DUE FROM 445	(11,084.71)	11,084.71	0.00
999-1230-478	DUE FROM 448	0.00	0.00	0.00
999-1230-480	DUE FROM 480	0.00	0.00	0.00
999-1230-482	DUE FROM 482	0.00	0.00	0.00
999-1230-483	DUE FROM 483	0.00	0.00	0.00
999-1230-505	DUE FROM 505	(224.53)	224.53	0.00
999-1230-615	DUE FROM 615	0.00	0.00	0.00
999-1230-625	DUE FROM 625	(17.66)	17.66	0.00

ACCOUNT #	ACCOUNT NAME	BEGINNING BALANCE	CURRENT ACTIVITY	CURRENT BALANCE	
999-1230-635	DUE FROM 635	0.00	0.00	0.00	
999-1230-720	DUE FROM 720	(11,808.88)	11,786.22	(22.66)	
TOTAL DUE FROM OTHER FUNDS		(66,133.73)	66,113.21	(20.52)	
ACCOUNTS PAYABLE					
999-2001-000	VOUCHERS PAYABLE	66,133.73	(66,113.21)	20.52	
TOTAL ACCOUNTS PAYABLE		66,133.73	(66,113.21)	20.52	
AP Pending	20.52	AP Pending	20.52	Due From Other Funds	20.52
Due From Other Funds	20.52	Accounts Payable	20.52	Accounts Payable	20.52
Difference	0.00	Difference	0.00	Difference	0.00



Memorandum

Date: April 22, 2025

From: Sandy Smith, Finance Director

To: Mayor and City Council

Re: Installation of a Drive-Up Service Window

To offer better customer service for our utility customers, we are proposing the installation of a drive-up service window on the east side of the Water Office. We have had numerous high wind days that necessitate locking the front door for safety reasons, and a drive-up window would enhance ADA accessibility.

The project will involve the removal of the existing window and a rebrick of the opening before the installation of the new drive-up window. The awning over the driveway will also have to be extended to cover the window and the kiosk.

The cost estimate for this project is as follows:

Cost of QSP-713S Mini Combo Pkg (32 ¼" w x 49 ¼" h)	\$ 8,000.00
Cost of window installation	\$ 2,000.00
Cost for removal of the existing window and brickwork	<u>\$15,000.00</u>
Total Estimated Cost	<u>\$25,000.00</u>

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AMENDING ORDINANCE NUMBER 028-2024 WHICH ADOPTED THE ANNUAL BUDGET FOR THE CITY OF BIG SPRING, TEXAS FOR THE FISCAL YEAR BEGINNING OCTOBER 1, 2024 AND ENDING SEPTEMBER 30, 2025 BY INCREASING THE UTILITY FUND BUDGET FOR THE PURPOSE OF INSTALLING A DRIVE-UP SERVICE WINDOW FOR CUSTOMER CONVENIENCE; PROVIDING FOR SEVERABILITY; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS the City Council adopted the annual 2024-25 budget for the City of Big Spring, Texas on September 24, 2024 (“Budget”); and

WHEREAS the City Manager and the Finance Director recommend that the City Council increase the Utility Fund budgeted expenditures and amend the Budget previously approved;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS, AS FOLLOWS THAT:

SECTION 1. The Utility Fund Budget of the Annual Budget for the City of Big Spring, Texas for the Fiscal Year beginning October 1, 2024 and ending September 30, 2025 is hereby increased by the amount of \$25,000.00 to Department 405-002-735-6201-000 Buildings – Special Projects for the purpose of installing a drive-up service window for customer convenience. The net increase will be funded through the fund balance.

SECTION 2. The remaining portions of Ordinance Number 28-2024 shall remain in full force and effect.

SECTION 3. Should any section, paragraph, sentence, clause, phrase or word of this ordinance be declared unconstitutional or invalid for any purpose, the reminder of this ordinance shall not be affected thereby.

SECTION 4. All ordinances or parts of ordinances in conflict herewith are hereby repealed to the extent of the conflict.

SECTION 5. This ordinance shall be in full force and effective from and after its publication as required by law.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ____ day of _____, **2025** with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ____ day of _____, **2025** with all members of the Council present voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 2 OF THE BIG SPRING CITY CODE ENTITLED “ADMINISTRATION,” ARTICLE VII “BOARDS AND COMMISSIONS,” DIVISION 4 “PARKS AND RECREATION BOARD,” SECTION 2-295 BY DELETING SUBSECTION (E) TO ACTIVATE THE PARKS AND RECREATION BOARD; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring is a Texas home-rule municipality; and

WHEREAS, adopting this ordinance is in the public interest and is necessary to protect health, life and property, and to preserve the good government, order, and security of the municipality and its inhabitants;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2. The Big Spring City Code, Chapter 2 entitled “Administration,” Article VII entitled “Boards and Commissions,” Division 4 entitled “Parks and Recreation Board” Section 2-295, is hereby amended in part as follows:

Sec 2-295. – Parks and recreation board.

...

~~(e) Notwithstanding this section, the parks and recreation board shall be inactive.~~

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 3. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 4. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 5. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 6. This Ordinance is ordered to be codified.

SECTION 7. This Ordinance shall take effect immediately after passage in accordance with the provisions of the Charter of the City of Big Spring, and it is accordingly so ordained.

SECTION 8. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ____ day of _____, _____, with all members of the Council voting “aye” for the passage of same.

PASSED AND APPROVED on second reading at a regular meeting of the City Council on the ____ day of _____, _____, with all members of the Council voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS AMENDING CHAPTER 1 OF THE BIG SPRING CITY CODE; SECTION 1-2 ENTITLED “DEFINITIONS AND RULES OF CONSTRUCTION” TO DEFINE “SPORT SHOOTING RANGE” TO CONFORM TO THE DEFINITION UNDER STATE LAW, AND AMENDING CHAPTER 38 OF THE BIG SPRING CITY CODE, SECTION 38-1 ENTITLED “FIREARMS, DISCHARGE PROHIBITED” AND SECTION 38-6 ENTITLED “BB-GUNS, AIR GUNS, SLINGSHOTS, ETC” TO CONTINUE TO PROHIBIT DISCHARGE OF FIREARMS, AIR GUNS, AND SLINGSHOTS WITHIN CITY LIMITS, AND TO MAKE DISCHARGE OF SUCH ONLY AT SPORT SHOOTING RANGES EXCEPTIONS TO THE VIOLATIONS; PROVIDING FOR THE REPEAL OF CONFLICTING LEGISLATION; PROVIDING FOR SEVERABILITY; FINDING AND DETERMINING THAT THE MEETINGS AT WHICH THE ORDINANCE WAS DISCUSSED WERE OPEN TO THE PUBLIC AS REQUIRED BY LAW; PROVIDING FOR PUBLICATION; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the City of Big Spring is a Texas home-rule municipality; and

WHEREAS, Texas state law limits how a municipality may regulate sport shooting ranges by ordinance, Sections 229.001 and 250.001, Texas Local Government Code; and

WHEREAS, Texas state law recognizes defenses to accusations such as self-defense and defense of others, and such defenses are applicable to municipal ordinance violations under Section 1.03(b), Texas Penal Code; and

WHEREAS, adopting this ordinance is in the public interest and is necessary to protect health, life and property, and to preserve the good government, order, and security of the municipality and its inhabitants;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BIG SPRING, TEXAS:

SECTION 1. The facts and matters set forth in the preamble of this Ordinance are hereby found to be true and correct.

SECTION 2. The Big Spring City Code, Chapter 1 entitled “General Provisions,” Section 1-2 entitled “Definitions and Rules of Construction,” hereby amended by inserting the following definition in the appropriate order.

Sport shooting range. The term “sport shooting range” means a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting. This definition

shall be interpreted to conform with the definition of the term given in Section 250.001, Texas Local Government Code.

SECTION 3. The Big Spring City Code, Chapter 38, “Offenses and Miscellaneous Provisions,” Article I, “In General,” Section 38-1, “Firearms, discharge prohibited,” is hereby amended as follows.

It shall be unlawful for any person to discharge any gun, pistol or firearm of any kind within the city limits. This section shall not apply to peace officers acting in the line of duty. It is an exception to the application of this section that the person discharged the firearm at a sport shooting range. This ordinance does not negate legal defenses if available such as self-defense or defense of others.

~~It shall be unlawful for any person to discharge any gun, pistol or firearm of any kind within the city limits. This section shall not apply to licensed shooting galleries or to police officers acting in the line of duty, nor shall this section apply to persons exercising the legal right of self-defense or defense of others.~~

SECTION 4. The Big Spring City Code, Chapter 38, “Offenses and Miscellaneous Provisions,” Article I, “In General,” Section 38-6, “BB-guns, air guns, slingshots, etc.,” is hereby amended as follows.

Sec. 38-6. Air guns, slingshots, etc.

(a) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:

Air gun means any gun that discharges a pellet, BB, or paintball by means of compressed air, gas propellant, or a spring. This definition shall be interpreted to conform with the definition of the term given in Section 229.001, Texas Local Government Code.

Slingshot means a forked stick or forked piece of wood, plastic or other hard material, with a rubber band or other type of elastic material capable of shooting, discharging, or catapulting hard objects.

(b) It shall be unlawful for any person to shoot or in any manner whatsoever discharge an air gun within the corporate limits of the city. It is an exception to the application of this subsection that the person discharged the air gun at a sport shooting range.

(c) Shooting slingshots. It shall be unlawful for any person to shoot a slingshot, or catapult or discharge therefrom any object, within the corporate limits of the city. It is an exception to the application of this subsection that the person discharged the slingshot at a sport shooting range.

~~(a) Definitions. The following words, terms and phrases, when used in this section, shall have the meanings ascribed to them in this subsection, except where the context clearly indicates a different meaning:~~

~~— *Pellet gun, air gun, air pistol or BB gun* means a gun that discharges shots, pellets, BB's, or any other solid objects by means of compressed air, compressed gas, springs, or other similar means.~~

~~— *Slingshot* means a forked stick or forked piece of wood, plastic or other hard material, with a rubber band or other type of elastic material capable of shooting, discharging, or catapulting hard objects.~~

~~— (b) *Shooting guns*. It shall be unlawful for any person to shoot or in any manner whatsoever discharge any kind, brand, or type of pellet gun, air gun, air pistol, or BB gun within the corporate limits of the city.~~

~~— (c) *Shooting slingshots*. It shall be unlawful for any person to shoot a slingshot, or catapult or discharge therefrom any object, within the corporate limits of the city.~~

NOTE* Language to be added appears underlined and language to be deleted is ~~stricken~~.

SECTION 5. All provisions of any ordinance, rule, regulation, or order of the City in conflict with this Ordinance are hereby repealed to the extent they are in conflict.

SECTION 6. Should any one or more sections or clauses of this Ordinance be adjudged unconstitutional or invalid, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, and the remaining provisions of the Ordinance shall be interpreted as if the offending section or clause never existed.

SECTION 7. It is hereby officially found and determined that the meetings at which this Ordinance was adopted were open to the public and that public notice of the time, place and purpose of said meetings was given as required by law.

SECTION 8. The City Secretary is hereby authorized and directed to cause the publication of this ordinance in accordance with law.

SECTION 9. This Ordinance shall become effective upon its second publication according to law.

SECTION 10. This Ordinance is ordered to be codified.

SECTION 11. This Ordinance shall be construed and enforced in accordance with the laws of the State of Texas and of the United States of America.

PASSED AND APPROVED on first reading at a regular meeting of the City Council on the ____ day of _____, ____ with all members of the Council present voting “aye” for the passage of same.

PASSED AND APPROVED on second and final reading at a regular meeting of the City Council on the ____ day of _____, ____ with all members of the Council present voting “aye” for the passage of same.

Robert H. Moore III, Mayor

ATTEST:

Tami L. Davis, City Secretary

THIRD AMENDMENT TO OIL & GAS LEASE

STATE OF TEXAS *
 *
COUNTY OF HOWARD *

WHEREAS, effective May 22, 2019, The City of Big Spring, as “**Lessor**”, did execute and deliver to HighPeak Energy Assets II, LLC (“**HighPeak**”), as Lessee, an Oil & Gas Lease, being recorded in Volume 1829, Page 559, Official Public Records of Howard County, Texas (the “**Lease**”); and

WHEREAS, the Lease was amended to (i) extend the primary term and (ii) add additional lands by that certain Amendment to Oil & Gas Lease recorded in Volume 2039, Page 75, Official Public Records of Howard County, Texas (the “**First Amendment**”); and

WHEREAS, the Lease was amended again to extend the primary term by that certain Second Amendment to Oil & Gas Lease recorded in Volume 2191, Page 285, Official Public Records of Howard County, Texas (the “**Second Amendment**”); and

WHEREAS, HighPeak partially released certain lands covered by the Lease by virtue of that certain Partial Release of Oil and Gas Lease recorded in Volume 2197, Page 142, Official Public Records of Howard County, Texas (the “**Partial Release**”); and

WHEREAS, HighPeak Energy Assets, LLC is the successor to HighPeak Energy Assets II, LLC; and

WHEREAS, the undersigned, representing the current mineral owners and/or successor(s) to Lessor, and HighPeak desire to further amend the Lease to extend the primary term by two (2) additional years.

NOW, for and in consideration of Ten and no/100 Dollars (\$10.00) and other good and valuable consideration paid by HighPeak, whose address is 421 West 3rd Street, Suite 1000, Fort Worth, Texas 76102-3758, the receipt and sufficiency of which is hereby acknowledged and confessed, the undersigned parties do hereby MODIFY and AMEND the Lease as hereinafter set forth:

- 1. The primary term of the Lease shall be extended for two (2) additional years. For the avoidance of doubt, it is agreed and understood that the primary term shall be extended through May 22, 2027.**

Except as modified (i) herein, (ii) as previously amended by the First Amendment and the Second Amendment, and (iii) by the Partial Release, the above described Lease remains as originally executed and delivered, and the undersigned parties hereby ratify, adopt and confirm the Lease and do hereby grant, lease and let unto HighPeak, their heirs, successors and assigns, the lands hereinabove described for the purposes of and upon the terms and conditions set forth in the Lease, as herein amended.

This instrument may be executed as one document signed by all parties, or in multiple counterparts, with the same effect as if all parties executed the same instrument. To facilitate recording, the applicable signature and acknowledgment pages of each counterpart copy of this instrument may be removed from such counterpart copy and prior to recording, attached to the original of this instrument. This instrument shall be binding upon the undersigned and their respective heirs, administrators, personal representatives, successors and assigns.

Executed and effective this ____ day of _____, 2025.

LESSOR:

THE CITY OF BIG SPRING, TEXAS

By: _____

Name:

Title:

LESSEE:

HIGHPEAK ENERGY ASSETS, LLC

By: _____

James C. Gresham, Jr., CPL

Vice President-Land

STATE OF TEXAS

COUNTY OF HOWARD

BEFORE ME, the undersigned authority, on this day personally appeared _____, acting as _____ on behalf of the City of Big Spring, Texas, known to me to be the person whose names is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same for the purposes and consideration therein expressed, in the capacity therein stated.

GIVEN under my hand and seal of office on this the _____ day of _____, 2025.

Notary Public in and for the
State of Texas

STATE OF TEXAS

COUNTY OF TARRANT

BEFORE ME, the undersigned authority, on this day personally appeared James C. Gresham, Jr., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and for the act and deed of HighPeak Energy Assets, LLC.

GIVEN under my hand and seal of office on this the _____ day of _____, 2025.

Notary Public in and for the
State of Texas