

**CITY OF LITTLEFIELD**

**LITTLEFIELD, TEXAS**

*ANNUAL FINANCIAL REPORT*

FOR THE YEAR ENDED  
SEPTEMBER 30, 2020

**Webb, Webb, and Wright**  
Certified Public Accountants

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## Independent Auditor's Report

Honorable Mayor & City Council  
City of Littlefield  
301 XIT Drive  
Littlefield, Texas 79339

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littlefield, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Littlefield's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littlefield as of September 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Littlefield's basic financial statements. The combining fund financial statements and other supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements.

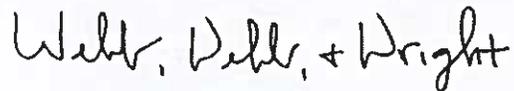
The combining fund financial statements and other supplementary information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing 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 fund financial statements and other supplementary information 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 March 15, 2021, on our consideration of the City of Littlefield'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 solely 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 the effectiveness of the City of Littlefield's 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 the City of Littlefield's internal control over financial reporting and compliance.

Respectfully submitted,



WEBB, WEBB AND WRIGHT, CPA's  
March 15, 2021

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

Our discussion and analysis of the City of Littlefield's financial performance provides an overview of the City's financial activities for the fiscal year ended September 30, 2020. Please read it in conjunction with the City's financial statements.

### **USING THIS ANNUAL REPORT**

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 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 well 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.

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

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

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

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The City's revenues are divided into those provided by business functions that are intended to recover a portion of their costs through user fees and charges and general revenues provided by the taxpayers. All the City'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 the City's net position and changes in them. The City's net position (the difference between assets, plus deferred outflows of resources less liabilities, less deferred inflows of resources) provide one measure of the City's financial health, or financial position. Over time, increases or decreases in the City's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the City, however, you should consider nonfinancial factors as well, such as changes in the City's property tax base and the condition of the City's facilities.

In the Statement of Net Position and the Statement of Activities, the City operates under two kinds of activities:

*Governmental activities* – Most of the City's basic services are reported here, including general government, police, fire, EMS, refuse, streets and other. Property taxes and fees finance most of these activities.

*Business-type activities* – The City charges a fee to customers to help it cover all or most of the cost of services it provides in water and sewer services.

*Component Unit* - The City includes one separate legal entity in its report - The Littlefield Economic Development Corporation. Although legally separate, this component unit is important because the City is financially accountable for it.

## **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. The City's administration establishes many funds to help it control and manage money for particular purposes.

*Governmental Funds* – The City reports most of its basic services in governmental funds. These use the 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 they 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 governmental 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 same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, the City’s enterprise fund (one category of proprietary funds) is the business-type activity reported in the government-wide statements but containing more detail and some additional information, such as cash flows.

#### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following analysis focuses on the net position (Table 1) and changes in net position (Table 2) of the City’s activities.

Net position of the City’s governmental activities increased from the total of \$3,990,691 to \$4,441,498. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was \$476,220 at September 30, 2020.

This increase in governmental net position was the net result of the City’s revenues exceeding the expenses by \$450,807.

The net position of our business-type activities increased by \$2,628,683. This increase is significant to the overall operations of the City as it provides significant services to the community. Factors contributing to this increase are shown in Exhibit B-1.

**Table 1**  
**City of Littlefield**

**Net Position**  
in thousands

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
Current and other assets	1,647	1,383	4,286	2,240	5,933	3,623	63.8%
Capital assets	3,740	4,039	12,306	12,337	16,047	16,376	-2.0%
Total assets	5,387	5,422	16,592	14,577	21,980	19,999	9.9%
Total deferred outflows of resources	537	715	397	536	935	1,251	-25.3%
Long-term liabilities	412	1,204	2,628	3,473	3,040	4,678	-35.0%
Other liabilities	284	566	933	942	1,217	1,509	-19.3%
Total liabilities	696	1,770	3,561	4,416	4,257	6,186	-31.2%
Total deferred inflows of resources	787	376	196	93	983	469	109.6%
Net position:							
Net investment in capital assets	3,570	3,614	9,091	8,457	12,661	12,071	4.9%
Restricted	396	496	949	497	1,344	993	35.4%
Unrestricted (Deficit)	476	(119)	3,193	1,650	3,669	1,530	139.7%
Total net position	4,441	3,991	13,233	10,604	17,674	14,595	21.1%

**Table 2**

**City of Littlefield**

**Changes in Net Position**

in thousands

	Governmental Activities		Business-Type Activities		Total Primary Government		Total Percentage Change
	2020	2019	2020	2019	2020	2019	2019-2020
<b>Revenues:</b>							
<b>Net program revenues:</b>							
Charges for services	1,956	1,837	4,456	3,766	6,412	5,603	14.4%
Operating grants and contributions	37	2			37	2	1750.0%
Capital grants and contributions	349	286			349	286	22.0%
<b>General revenues:</b>							
Property taxes	1,085	1,091	146	140	1,230	1,231	-0.1%
Other taxes	1,063	995			1,063	995	6.8%
Investment earnings	21	52	5	16	27	68	-60.3%
Other	441	422	95	161	536	583	-8.1%
Gain (Loss) on sale of assets	12	51	-	-	12	51	-76.5%
Gain (Loss) on insurance recovery	10	-	-	-	10	-	
<b>Total revenues</b>	<b>4,974</b>	<b>4,737</b>	<b>4,702</b>	<b>4,083</b>	<b>9,676</b>	<b>8,819</b>	<b>9.7%</b>
<b>Expenses:</b>							
General government	1,343	1,106			1,343	1,106	21.4%
Police	1,071	1,052			1,071	1,052	1.8%
Dispatch	215	198			215	198	8.6%
Fire	184	186			184	186	-1.1%
EMS	1,019	941			1,019	941	8.3%
Refuse	468	535			468	535	-12.5%
Residential Collection	168	177			168	177	-5.1%
Public services	129	110			129	110	17.3%
Public works	432	502			432	502	-13.9%
Other	-	57			-	57	-100.0%
Interest on long-term debt	10	17			10	17	-41.2%
Water and Sewer			1,476	1,292	1,476	1,292	14.2%
BCDC			412	458	412	458	-10.0%
<b>Total expenses</b>	<b>5,037</b>	<b>4,881</b>	<b>1,889</b>	<b>1,749</b>	<b>6,927</b>	<b>6,631</b>	<b>4.5%</b>
<b>Increase (decrease) in net position before contributions and transfers</b>							
	(63)	(144)	2,813	2,334	2,749	2,190	25.5%
Capital Contribution	(325)		325		-	-	
Transfers	839	682	(509)	(432)	330	250	32.0%
<b>Change in net position</b>	<b>451</b>	<b>538</b>	<b>2,629</b>	<b>1,902</b>	<b>3,079</b>	<b>2,440</b>	<b>26.2%</b>
<b>Net position-beginning</b>	<b>3,991</b>	<b>3,452</b>	<b>10,604</b>	<b>8,702</b>	<b>14,595</b>	<b>12,154</b>	<b>20.1%</b>
<b>Net position-ending</b>	<b>4,441</b>	<b>3,991</b>	<b>13,233</b>	<b>10,604</b>	<b>17,674</b>	<b>14,595</b>	<b>21.1%</b>

The City's total revenues increased over \$884,000 this year. The total cost of all programs and services increased over \$396,000 this year.

Total revenues for the City increased primarily in the business-type activities. In the Water and Sewer Fund, revenues increased due to sales of water to the Continental Dairy Facility as their production increased. In addition, the Texas Civil Commitment Center continues to expand its program resulting in more revenue for the BCDC Fund. Total expenses for the City increased in large part due to the COVID-19 pandemic. Large increases can be seen in the Emergency Medical Services department where most of the resources required to deal with the pandemic were evident. In the Water and Sewer Fund, more aggressive strategies were used to deal with aging infrastructure resulting in higher costs as well.

The cost of all governmental and business-type activities this year was \$6,925,838. However, as shown in the Statement of Activities, the amount that our taxpayers ultimately financed for these activities through City taxes was only \$2,293,279 because \$6,411,662 of the costs were paid by those who directly benefited from the programs and \$386,050 by other governments and organizations that subsidized certain programs with grants and contributions.

## **THE CITY'S FUNDS**

As the City completed the year, its governmental funds reported a combined fund balance of \$1,317,420 which is significantly more than last year's total of \$922,185. Included in this year's total change in fund balance is an increase of \$562,913 in the City's General Fund.

The City's proprietary funds reported a net position of \$13,232,644 which is significantly higher than last year's total of \$10,603,961.

The details of the above summarized information can be found on Exhibit C-3 and Exhibit D-2. Furthermore, due to the City's current strategy of reducing debt and improving operating cash balances, the City has seen an increase in fund balances for both the governmental and proprietary funds.

### ***General Fund Budgetary Highlights***

The City's General Fund balance of \$1,070,348 differs significantly from the General Fund's budgetary fund balance of \$293,444. This difference is shown on the Budgetary Comparison Schedule (Exhibit E-1).

Over the course of the year, the City recommended and the council approved several revisions to the original General Fund budgeted revenue and appropriations. The final amended budget reflected an excess of expenditures over revenues of \$1,022,991 and the actual was \$236,455. Management continues to implement conservative strategies in regards to budgeting and resource allocation.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### *Capital Assets*

At the end of 2020, the City had \$39,317,250 invested in a broad range of capital assets, including administrative facilities and equipment, public safety facilities and equipment, and maintenance buildings and equipment. This amount represents a net increase of \$504,519, or 1.30%, above last year.

This year's major additions included:

4 - Chevrolet Pickups	\$	45,800
Fuel Tank		67,957
Washer/Extractor		11,769
Drying Cabinet		6,749
EMS Equipment		116,646
2 - Chevrolet Tahoe's		101,703
Kawasaki Lawnmower		8,899
2 - Water Booster Pumps		15,385
Other Water System Repairs		51,959
SCAD System & Aerators		324,929
Total	\$	<u>751,796</u>

The City's planned capital expenditures for FYE 2021 are as follows: a new Chevy Tahoe for EMS, a new Chevy Tahoe for Emergency Management, a new side load truck for Refuse Collection, a new office building at the landfill, a new Dodge Durango for the Police Department, and improvements associated with a downtown improvement grant. No new debt will be taken on to fund the aforementioned upcoming capital expenditures. A new aquatic center will also be built in the upcoming year.

### *Debt*

At year-end, the City had \$3,385,895 in bonds and a note payable outstanding versus \$4,304,825 last year. More detailed information about the City's long-term liabilities is presented in Exhibit G-2 and Exhibit G-3 as well as Notes 7 and 8 to the Financial Statements.

The City will fund the new aquatic center with a Combination Tax & Revenue Certificate of Obligation Bond.

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

The City's elected officials and appointed officials consider many factors when setting the FYE 2021 budget and tax rates. No increases in taxes or fees were considered at budget time due to conservative spending and consistent revenue streams. The City continues to monitor and be proactive in its spending habits to assure compliance with the budget while still providing city services to the citizens of Littlefield. The City plans to make sure current infrastructure can be maintained correctly and efficiently.

## **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 Business Office.

BASIC FINANCIAL STATEMENTS

CITY OF LITTLEFIELD  
STATEMENT OF NET POSITION  
SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government			Component Unit
	Governmental Activities	Business - Type Activities	Total	Major Component Unit
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 410,146	\$ 2,670,975	\$ 3,081,121	\$ 1,230,029
Accounts Receivable, Net	933,200	666,570	1,599,770	-
Due from Other Governments	50,418	-	50,418	50,418
Restricted - Cash	253,138	948,744	1,201,882	-
Capital Assets:				
Land	1,095,310	507,595	1,602,905	-
Buildings & Structures, Net	672,979	10,917,748	11,590,727	-
Machinery & Equipment, Net	1,962,541	880,747	2,843,288	-
Furniture & Fixtures, Net	9,614	-	9,614	-
Total Assets	<u>5,387,346</u>	<u>16,592,378</u>	<u>21,979,724</u>	<u>1,280,448</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred Charge for Refunding	-	263,004	263,004	-
Deferred Outflow Related to Pension Plan	506,555	126,639	633,194	-
Deferred Outflow Related to OPEB	30,826	7,707	38,533	-
Total Deferred Outflows of Resources	<u>537,381</u>	<u>397,350</u>	<u>934,731</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts Payable	68,756	1,997	70,753	-
Accrued Liabilities	33,582	55,855	89,437	-
Customer Deposits	-	179,274	179,274	-
Retainage Payable	63,635	-	63,635	-
Due to Others	5,678	-	5,678	-
Unearned Revenues	-	20,433	20,433	-
Noncurrent Liabilities:				
Debt Due Within One Year	112,796	675,000	787,796	-
Debt Due in More Than One Year	58,099	2,540,000	2,598,099	-
Net Pension Liability	173,370	43,343	216,713	-
Net OPEB Liability	180,534	45,134	225,668	-
Total Liabilities	<u>696,450</u>	<u>3,561,036</u>	<u>4,257,486</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Inflow Related to Pension Plan	769,237	192,309	961,546	-
Deferred Inflow Related to OPEB	14,954	3,739	18,693	-
Deferred Resource Inflow Related to PEG Fees	2,588	-	2,588	-
Total Deferred Inflows of Resources	<u>786,779</u>	<u>196,048</u>	<u>982,827</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	3,569,549	9,091,088	12,660,637	-
Restricted for:				
Restricted for Technology Improvements	8,938	-	8,938	-
Restricted for Public Relations	113,359	-	113,359	-
Restricted for Parks & Recreation	139,413	-	139,413	-
Restricted for Ambulance Purchase	134,019	-	134,019	-
Restricted for Debt Service	-	948,744	948,744	-
Unrestricted	476,220	3,192,813	3,669,033	1,280,448
Total Net Position	<u>\$ 4,441,498</u>	<u>\$ 13,232,644</u>	<u>\$ 17,674,142</u>	<u>\$ 1,280,448</u>

The notes to the financial statements are an integral part of this statement.

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CITY OF LITTLEFIELD  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
<b>GOVERNMENTAL ACTIVITIES:</b>				
General Government	\$ 1,343,451	\$ 94,538	\$ -	\$ 63,130
Police	1,070,502	-	16,480	-
Dispatch	214,711	-	-	-
Fire Protection	183,710	15,000	-	13,889
Emergency Medical Services	1,018,977	836,103	20,651	218,600
Refuse	467,505	929,933	-	53,300
Residential Collection	167,543	-	-	-
Public Services	128,618	80,272	-	-
Public Works	432,107	-	-	-
Interest on Debt	9,864	-	-	-
Total Governmental Activities	5,036,988	1,955,846	37,131	348,919
<b>BUSINESS-TYPE ACTIVITIES:</b>				
Water & Sewer Fund	1,476,455	3,456,547	-	-
BCDC Fund	412,395	999,269	-	-
Total Business-Type Activities	1,888,850	4,455,816	-	-
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 6,925,838</b>	<b>\$ 6,411,662</b>	<b>\$ 37,131</b>	<b>\$ 348,919</b>
<b>Component Unit:</b>				
Nonmajor Component Unit	\$ 250,647	\$ -	\$ -	\$ -
<b>TOTAL COMPONENT UNIT</b>	<b>\$ 250,647</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

General Revenues:

Taxes:

- Property Taxes
- City Sales Tax
- Hotel/Motel Tax
- Franchise Tax
- Penalty and Interest on Taxes
- Gain on Sale of Capital Asset
- Gain on Insurance Recovery
- Miscellaneous Revenue
- Investment Earnings
- Capital Contribution
- Transfers In (Out)

Total General Revenues, Capital Contribution, and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

The notes to the financial statements are an integral part of this statement.

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Major Component Unit
\$ (1,185,783)	\$ -	\$ (1,185,783)	\$ -
(1,054,022)	-	(1,054,022)	-
(214,711)	-	(214,711)	-
(154,821)	-	(154,821)	-
56,377	-	56,377	-
515,728	-	515,728	-
(167,543)	-	(167,543)	-
(48,346)	-	(48,346)	-
(432,107)	-	(432,107)	-
(9,864)	-	(9,864)	-
<u>(2,695,092)</u>	<u>-</u>	<u>(2,695,092)</u>	<u>-</u>
-	1,980,092	1,980,092	-
-	586,874	586,874	-
<u>-</u>	<u>2,566,966</u>	<u>2,566,966</u>	<u>-</u>
(2,695,092)	2,566,966	(128,126)	-
-	-	-	(250,647)
-	-	-	(250,647)
1,084,564	145,649	1,230,213	-
661,078	-	661,078	661,078
39,151	-	39,151	-
326,477	-	326,477	-
36,360	-	36,360	10,476
11,886	-	11,886	-
10,156	-	10,156	-
441,073	94,859	535,932	-
21,070	5,430	26,500	-
(324,929)	324,929	-	-
839,013	(509,150)	329,863	(329,862)
<u>3,145,899</u>	<u>61,717</u>	<u>3,207,616</u>	<u>341,691</u>
450,807	2,628,683	3,079,490	91,044
3,990,691	10,603,961	14,594,652	1,189,404
<u>\$ 4,441,498</u>	<u>\$ 13,232,644</u>	<u>\$ 17,674,142</u>	<u>\$ 1,280,448</u>

CITY OF LITTLEFIELD  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
SEPTEMBER 30, 2020

	General Fund	Federal and State Grant Fund	Other Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 405,665	\$ 4,298	\$ 183	\$ 410,146
Taxes Receivable	183,279	-	-	183,279
Allowance for Uncollectible Taxes (credit)	(27,492)	-	-	(27,492)
Accounts Receivable, Net	600,222	172,835	4,356	777,413
Due from Other Governments	50,418	-	-	50,418
Restricted - Cash	122,297	-	130,841	253,138
<b>Total Assets</b>	<b>\$ 1,334,389</b>	<b>\$ 177,133</b>	<b>\$ 135,380</b>	<b>\$ 1,646,902</b>
<b>LIABILITIES</b>				
Accounts Payable	\$ 5,902	\$ 62,853	\$ -	\$ 68,755
Accrued Liabilities	33,039	-	-	33,039
Landfill Closure Liability	63,635	-	-	63,635
Due to Others	5,678	-	-	5,678
<b>Total Liabilities</b>	<b>108,254</b>	<b>62,853</b>	<b>-</b>	<b>171,107</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	155,787	-	-	155,787
Unavailable Revenue - PEG Fees	-	2,588	-	2,588
<b>Total Deferred Inflows of Resources</b>	<b>155,787</b>	<b>2,588</b>	<b>-</b>	<b>158,375</b>
<b>FUND BALANCES</b>				
Restricted Fund Balance:				
Technology Improvements	8,938	-	-	8,938
Public Relations	113,359	-	-	113,359
Parks & Recreation	-	-	139,413	139,413
Ambulance Purchase	-	134,019	-	134,019
Assigned Fund Balance:				
Retirement of Loans or Notes Payable	170,895	-	-	170,895
Other Purposes	-	-	9,969	9,969
Unassigned Fund Balance	777,156	(22,327)	(14,002)	740,827
<b>Total Fund Balances</b>	<b>1,070,348</b>	<b>111,692</b>	<b>135,380</b>	<b>1,317,420</b>
<b>Total Liabilities, Deferred Inflows &amp; Fund Balances</b>	<b>\$ 1,334,389</b>	<b>\$ 177,133</b>	<b>\$ 135,380</b>	<b>\$ 1,646,902</b>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
 STATEMENT OF NET POSITION  
 SEPTEMBER 30, 2020

<b>Total Fund Balances - Governmental Funds</b>	\$	1,317,420
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.		3,740,444
A reclassification is necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting, and thereby recognizing unavailable revenue from property taxes as revenue.		155,787
Long-term liability used in governmental activities are not due and payable in the current period and therefore not reported in the funds.		(170,895)
Liabilities for long-term debt interest are not due and payable in the current period and therefore not reported in the funds.		(544)
Recognition of the City's net pension liability not reported in the funds.		(173,370)
Deferred outflow related to pensions not reported in the funds.		506,555
Deferred inflow related to pensions not reported in the funds.		(769,237)
Recognition of the City's total OPEB liability not reported in the funds.		(180,534)
Deferred outflow related to OPEB not reported in the funds.		30,826
Deferred inflow related to OPEB not reported in the funds.		(14,954)
<b>Net Position of Governmental Activities</b>	<b>\$</b>	<b>4,441,498</b>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT C-3

	General Fund	Federal and State Grant Fund	Other Funds	Total Governmental Funds
<b>REVENUES:</b>				
Taxes:				
Current Property Taxes	\$ 1,025,418	\$ -	\$ -	\$ 1,025,418
Delinquent Property Taxes	51,639	-	-	51,639
City Sales Tax	661,078	-	-	661,078
Hotel/Motel Tax	39,151	-	-	39,151
Franchise Tax	326,477	-	-	326,477
Penalty and Interest on Taxes	36,360	-	-	36,360
Plumbing	2,913	-	-	2,913
Electrical	1,637	-	-	1,637
Building	13,657	-	-	13,657
Other	18,751	-	-	18,751
Intergovernmental Revenues & Grants	-	368,218	-	368,218
Federal/State	17,832	-	-	17,832
Refuse Collection	885,450	-	-	885,450
Fire Service	15,000	-	-	15,000
Emergency Medical Service Fees	836,103	-	-	836,103
Vector Control	40,107	-	-	40,107
Landfill Operations	44,483	-	-	44,483
Other	3,207	-	-	3,207
Fines - Municipal Court	32,965	-	-	32,965
Interest	21,070	-	-	21,070
Land Rental	30,388	-	-	30,388
Penalties	17,955	-	-	17,955
Ambulance Subsidies	36,658	-	-	36,658
LEDC Assistance Fund	172,550	-	-	172,550
Local Funds	-	6,556	55,017	61,573
Other Revenue	78,657	-	-	78,657
Total Revenues	<u>4,409,506</u>	<u>374,774</u>	<u>55,017</u>	<u>4,839,297</u>
<b>EXPENDITURES:</b>				
Current:				
General Government	1,043,111	254,977	156,432	1,454,520
Police	962,528	-	-	962,528
Dispatch	214,711	-	-	214,711
Fire Protection	133,398	-	-	133,398
Emergency Medical Services	884,385	-	-	884,385
Refuse	317,065	-	-	317,065
Residential Collection	167,543	-	-	167,543
Public Services	128,618	-	-	128,618
Public Works	407,036	-	-	407,036
Debt Service:				
Principal on Debt	253,661	-	-	253,661
Interest on Debt	12,179	-	-	12,179
Capital Outlay:				
Capital Outlay	121,726	238,848	8,899	369,473
Total Expenditures	<u>4,645,961</u>	<u>493,825</u>	<u>165,331</u>	<u>5,305,117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(236,455)</u>	<u>(119,051)</u>	<u>(110,314)</u>	<u>(465,820)</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Sale of Real and Personal Property	2,000	-	9,886	11,886
Transfers In	810,000	51,801	-	861,801
Insurance Proceeds	10,156	-	-	10,156
Transfers Out	(22,788)	-	-	(22,788)
Total Other Financing Sources (Uses)	<u>799,368</u>	<u>51,801</u>	<u>9,886</u>	<u>861,055</u>
Net Change in Fund Balances	562,913	(67,250)	(100,428)	395,235
Fund Balance - October 1 (Beginning)	507,435	178,942	235,808	922,185
Fund Balance - September 30 (Ending)	<u>\$ 1,070,348</u>	<u>\$ 111,692</u>	<u>\$ 135,380</u>	<u>\$ 1,317,420</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

<b>Total Net Change in Fund Balances - Governmental Funds</b>	\$	395,235
Capital outlays are not reported as expenses in the Statement of Activities		359,524
Capital assets contributed by governmental funds to proprietary funds reduce net position but do not reduce fund balance.		(225,603)
Capital asset depreciation used in governmental activities is not reported in the funds.		(432,484)
Revenues in the SOA that do not provide current financial resources are not reported as revenues in the funds.		7,507
Some expenditures (e.g. principal debt payment) on fund statements are not expenses on the Statement of Activities.		253,661
(Increase) or decrease in accrued interest payable from beginning of period to end of period.		2,314
Pension income/(expense) relating to GASB #68 is recorded in the Statement of Activities but not in the funds.		104,865
OPEB income/(expense) relating to GASB #75 is recorded in the SOA but not in the funds.		(14,212)
<b>Change in Net Position of Governmental Activities</b>	<b>\$</b>	<b><u>450,807</u></b>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Fund	BCDC Fund	Total Enterprise Funds
<b>ASSETS</b>			
Current Assets:			
Cash and Cash Equivalents	\$ 2,670,975	\$ -	\$ 2,670,975
Restricted Assets - Current:			
Restricted - Cash	94,576	854,168	948,744
Taxes Receivable	-	20,433	20,433
Accounts Receivable, Net	562,050	84,087	646,137
Due from Other Funds	3,011,759	-	3,011,759
Total Current Assets	<u>6,339,360</u>	<u>958,688</u>	<u>7,298,048</u>
Noncurrent Assets:			
Capital Assets:			
Land	325,933	181,662	507,595
Buildings & Structures, Net	3,721,136	7,196,612	10,917,748
Machinery & Equipment, Net	818,048	62,699	880,747
Total Noncurrent Assets	<u>4,865,116</u>	<u>7,440,973</u>	<u>12,306,089</u>
Total Assets	<u>11,204,476</u>	<u>8,399,661</u>	<u>19,604,137</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Charge for Refunding	-	263,004	263,004
Deferred Outflow Related to Pension Plan	126,639	-	126,639
Deferred Outflow Related to OPEB	7,707	-	7,707
Total Deferred Outflows of Resources	<u>134,346</u>	<u>263,004</u>	<u>397,350</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	1,997	-	1,997
Accrued Liabilities	3,826	52,029	55,855
Customer Deposits	179,274	-	179,274
Due to Other Funds	-	3,011,759	3,011,759
Unearned Revenues	-	20,433	20,433
Bonds Payable - Current	105,000	570,000	675,000
Total Current Liabilities	<u>290,097</u>	<u>3,654,221</u>	<u>3,944,318</u>
Noncurrent Liabilities:			
Bonds Payable - Noncurrent	710,000	1,830,000	2,540,000
Net Pension Liability	43,343	-	43,343
Net OPEB Liability	45,134	-	45,134
Total Noncurrent Liabilities	<u>798,477</u>	<u>1,830,000</u>	<u>2,628,477</u>
Total Liabilities	<u>1,088,574</u>	<u>5,484,221</u>	<u>6,572,795</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflow Related to Pension Plan	192,309	-	192,309
Deferred Inflow Related to OPEB	3,739	-	3,739
Total Deferred Inflows of Resources	<u>196,048</u>	<u>-</u>	<u>196,048</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	4,050,115	5,040,973	9,091,088
Restricted for Debt Service	94,576	854,168	948,744
Unrestricted	5,909,509	(2,716,696)	3,192,813
Total Net Position	<u>\$ 10,054,200</u>	<u>\$ 3,178,444</u>	<u>\$ 13,232,644</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Fund	BCDC Fund	Total Enterprise Funds
<b>OPERATING REVENUES:</b>			
Property Taxes	\$ -	\$ 145,649	\$ 145,649
Charges for Services	865,621	-	865,621
Fee Revenue	-	999,269	999,269
Water Sales	2,590,926	-	2,590,926
Other Revenue	94,828	31	94,859
Total Operating Revenues	<u>3,551,375</u>	<u>1,144,949</u>	<u>4,696,324</u>
<b>OPERATING EXPENSES:</b>			
Personnel Services - Salaries and Wages	377,304	-	377,304
Personnel Services - Employee Benefits	54,508	-	54,508
Contractual Services	408,223	38,778	447,001
Supplies & Materials	370,519	-	370,519
Depreciation	234,280	188,932	423,212
Total Operating Expenses	<u>1,444,834</u>	<u>227,710</u>	<u>1,672,544</u>
Operating Income	<u>2,106,541</u>	<u>917,239</u>	<u>3,023,780</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>			
Bond Amortization	-	(93,908)	(93,908)
Investment Earnings	623	4,807	5,430
Bond and Capital Lease Interest	(31,621)	(90,777)	(122,398)
Total Nonoperating Revenue (Expenses)	<u>(30,998)</u>	<u>(179,878)</u>	<u>(210,876)</u>
Income Before Contributions & Transfers	2,075,543	737,361	2,812,904
Capital Contributions	324,929	-	324,929
Operating Transfers In	1,854	300,000	301,854
Operating Transfers Out	(811,004)	-	(811,004)
Change in Net Position	<u>1,591,322</u>	<u>1,037,361</u>	<u>2,628,683</u>
Total Net Position - October 1 (Beginning)	<u>8,462,878</u>	<u>2,141,083</u>	<u>10,603,961</u>
Total Net Position - September 30 (Ending)	<u>\$ 10,054,200</u>	<u>\$ 3,178,444</u>	<u>\$ 13,232,644</u>

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Fund	BCDC Fund	Total Enterprise Funds
<b><u>Cash Flows from Operating Activities:</u></b>			
Cash Received from Customers	\$ 3,411,484	\$ -	\$ 3,411,484
Cash Payments for Goods & Services	(783,399)	(38,778)	(822,177)
Cash Payments to Employees	(455,225)	-	(455,225)
Other Operating Income	95,577	1,140,524	1,236,101
Net Cash Provided by Operating Activities	<u>2,268,437</u>	<u>1,101,746</u>	<u>3,370,183</u>
<b><u>Cash Flows from Non-Capital Financing Activities:</u></b>			
Operating Transfer In	1,854	300,000	301,854
Operating Transfers (Out)	(811,004)	-	(811,004)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(809,150)</u>	<u>300,000</u>	<u>(509,150)</u>
<b><u>Cash Flows from Capital and Related Financing Activities:</u></b>			
Acquisition of Capital Assets	(67,345)	-	(67,345)
Capital Lease Payments	(15,269)	-	(15,269)
Principal Paid on Bonds	(105,000)	(545,000)	(650,000)
Interest Paid on Bonds & Capital Leases	(32,402)	(102,486)	(134,888)
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(220,016)</u>	<u>(647,486)</u>	<u>(867,502)</u>
<b><u>Cash Flows from Investing Activities:</u></b>			
Interest Earnings on Cash & Investments	623	4,807	5,430
Net Increase in Cash and Cash Equivalents	1,547,992	450,970	1,998,962
Cash and Cash Equivalents at the Beginning of the Year	<u>1,217,559</u>	<u>403,198</u>	<u>1,620,757</u>
Cash and Cash Equivalents at the End of the Year	<u>\$ 2,765,551</u>	<u>\$ 854,168</u>	<u>\$ 3,619,719</u>

CITY OF LITTLEFIELD  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Business-Type Activities - Enterprise Funds		
	Water & Sewer Fund	BCDC Fund	Total Enterprise Funds
<b>Reconciliation of Operating Income to Net Cash</b>			
<b>Provided By Operating Activities:</b>			
Operating Income	\$ 2,106,541	\$ 917,239	\$ 3,023,780
<b>Adjustments to Reconcile Operating Income To Net Cash Provided by Operating Activities:</b>			
Depreciation	234,280	188,932	423,212
Bad Debt Write-Off	6,960	-	6,960
Pension Expense Relating to GASB #68	(26,216)	-	(26,216)
OPEB Expense Relating to GASB #75	2,803	-	2,803
Other (Gains) Losses	749	-	749
<b>Effect of Increases and Decreases in Current Assets and Liabilities:</b>			
Accounts Receivable (Increase) Decrease	(48,232)	(4,425)	(52,657)
Accts Payable & Accrued Liab Increase (Decrease)	(11,617)	-	(11,617)
Escrow & Customer Deposits Increase (Decrease)	3,169	-	3,169
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 2,268,437</b>	<b>\$ 1,101,746</b>	<b>\$ 3,370,184</b>
<b>Reconciliation of Total Cash and Cash Equivalents:</b>			
Cash & Cash Equivalents - Statement of Net Assets	\$ 2,670,975	\$ -	\$ 2,670,975
Restricted Cash -Statement of Net Assets	94,576	854,168	948,744
<b>Total Cash and Cash Equivalents</b>	<b>\$ 2,765,551</b>	<b>\$ 854,168</b>	<b>\$ 3,619,719</b>
<b>Noncash Investing, Capital and Financing Activities:</b>			
Contributions of Capital Assets from Government	\$ 324,929	\$ -	\$ 324,929

The notes to the financial statements are an integral part of this statement.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of these accounting policies follow.

**A. REPORTING ENTITY**

This report includes all of the services provided by the City to residents and businesses within its boundaries. In evaluating the City's reporting entity in accordance with GASB Statement No. 14, and GASB Statement No. 61, management has included all organizations that make up the City's legal entity and all component units. Consistent with applicable guidance, the criteria used by the City to include component units within its reporting entity are financial accountability and/or the nature and significance of the relationship with the City is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. A discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the City.

The Littlefield Economic Development Corporation (the "Entity") is legally separate from the City; however, the Entity is fiscally dependent on the City. The Entity provides marketing and economic development services to the City and the City provides custody and investment of the Entity's assets and various administrative services. The City Council appoints the board members and its operations are funded primarily through budgeted allocations of the City's sales and use taxes. There are no separately issued financial statements for the Entity. The Entity will be presented as a discretely presented component unit.

**B. BASIS OF PRESENTATION**

The basic financial statements are prepared in conformity with GASB Statement No. 34 which requires the government-wide financial statements to be prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities and activities of its discretely presented component units on the statement of net position and

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

statement of activities. Significantly, the City's statement of net position includes both noncurrent assets and noncurrent liabilities of the City. In addition, the government-wide statement of activities reflects depreciation expenses on the City's fixed assets, including infrastructure.

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the primary government. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Internal activity is eliminated to avoid "doubling up" revenues and expenses. Fiduciary funds are also excluded from the government-wide financial statements.

The government-wide Statement of Activities presents a comparison between expenses, both direct and indirect, and program revenues for each segment of the City's governmental programs. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Statement No. 34 also requires the City to present a Management's Discussion and Analysis (MD&A) which provides an analytical overview of the City's financial activities. Although it is Required Supplementary Information (RSI), the City is required to present the MD&A before the basic financial statements. In addition, a budgetary comparison statement that compares the adopted and modified General Fund budget with actual results is required to be presented as RSI.

In addition to the government-wide financial statements, the City has prepared fund financial statements, which continue to use the modified accrual basis of accounting and the current financial resources measurement focus. The accrual basis of accounting is utilized by proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Accordingly, the accounting and financial reporting of the City's General Fund is similar to that previously presented in the City's financial statements, although the format of financial statements has been modified by Statement No. 34.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

The City has presented the following Major Governmental Funds:

General Fund (GF) The City accounts for financial resources used for general operations in this fund. It is a budgeted fund, and any fund balances are considered resources available for current operations. The general fund accounts for all financial resources except those required to be accounted for in another fund.

Federal and State Grant Fund This fund is used to account for the proceeds of grants that are legally restricted to expenditures for specific purposes.

The City has presented the following Major Proprietary Funds:

Water and Sewer Fund This fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the funds.

BCDC Fund This fund is used to account for revenues and expenses associated in managing a correctional facility. The fund also accounts for the accumulation of resources for, and the payment of, long-term debt principal and interest associated with this facility.

The City also reports the following Nonmajor Funds:

Special Revenue Funds These funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds. The primary effect of internal activity has been eliminated from the government-wide financial statements.

CITY OF LITTLEFIELD

Notes to Financial Statements  
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Fund financial statements report detailed information about the City. The focus of governmental and enterprise fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column.

All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Proprietary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable.

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. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

When the City incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the City's policy to use restricted resources first, then unrestricted resources.

**D. CASH AND CASH EQUIVALENTS**

For purposes of reporting cash flows, all highly liquid investments (including restricted assets) purchased with a maturity of three months or less are considered to be cash equivalents.

**E. RECEIVABLE AND PAYABLE BALANCES**

The City believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

CITY OF LITTLEFIELD

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**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. INVENTORIES AND PREPAID ITEMS**

The City records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**H. RESTRICTED ASSETS**

Restricted cash assets in the General Fund and Other Governmental Funds are to be used for technology improvements, public relations and parks and recreation. Restricted cash assets in the Water & Sewer Fund and the BCDC Fund are to be used for debt service.

**I. CAPITAL ASSETS**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Interest costs incurred during construction of capital assets are 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 Class -----	Estimated Useful Lives (Years) -----
Buildings & Structures	5-50
Machinery & Equipment	5-50
Furniture & Fixtures	5-20

CITY OF LITTLEFIELD

Notes to Financial Statements  
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**J. DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) 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 and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial 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 net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

**K. ACCUMULATED UNPAID VACATION AND SICK PAY**

Vacation time is earned based on years of service. Vacation time does not accumulate from year to year. Employees receive twelve days of sick leave per year. Sick leave may accumulate up to a total of sixty days. Sick leave does not vest, and is only paid as used by the employee.

**L. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of The Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**M. OTHER POSTEMPLOYMENT BENEFITS**

The fiduciary net position of the TMRS Supplemental Death Benefits Plan (SDBP) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities and additions to/deductions from SDBP's fiduciary net position. Benefit payments

CITY OF LITTLEFIELD

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(including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

**N. FUND BALANCES**

Fund balances of the governmental funds are classified as follows:

*Non-spendable Fund Balance* - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

*Restricted Fund Balance* - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

*Committed Fund Balance* - represents amounts that can only be used for a specific purpose because of a formal action by the City's governing body. Committed amounts cannot be used for any other purpose unless the governing body removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the governing body. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

*Assigned Fund Balance* - represents amounts which the City intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the governing body or by an official or body to which the governing body delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the City itself.

*Unassigned Fund Balance* - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned

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fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

**Net Position on the Government-wide Statement:**

In the government-wide statements, net position is reported in three components - net investment in capital assets, restricted, and unrestricted. Net investment in capital assets consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any debt issued to acquire, construct or improve those assets. Restricted net position is reported when constraints placed on net position use is either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or by enabling legislation. Unrestricted net position does not meet the definition of either of the two categories of net assets listed above.

Unrestricted net position is assets available for use by the City for legal purposes. As of September 30, 2020, the City's BCDC Fund's unrestricted net position was a deficit balance of \$2,716,697. The deficit amount is a result of governments recognizing a liability, such as claims and judgements, compensated absences, and loans, on the government-wide statements of net position as soon as the obligation is incurred. Because governments raise resources based on when liabilities are to be paid rather than when they are incurred, a deficit balance in the unrestricted position occurs. A deficit in unrestricted net position provides a measure of how much the City has already committed its future resources.

When the City incurs an expense for which it may use either restricted or unrestricted position, it uses the restricted position first whenever they will have to be returned if they are not used.

**O. USE OF ESTIMATES**

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

**P. NEW PRONOUNCEMENTS ISSUED BUT NOT YET EFFECTIVE**

In January 2017, GASB issued Statement No. 84 ("GASB 84"), *Fiduciary Activities*. GASB 84 establishes criteria for identifying fiduciary activities. GASB 84 originally had to be implemented for the fiscal period ending June 30, 2020; however, due to the COVID-19 pandemic the implementation date has been postponed by one year.

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In August 2018, GASB issued Statement No. 90 ("GASB 90"), *Majority Equity Interests*. GASB 90 improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and improves the relevance of financial statement information for certain component units. GASB 90 originally had to be implemented for the fiscal period ending June 30, 2020; however, due to the COVID-19 pandemic the implementation date has been postponed by one year.

In May 2020, GASB issued Statement No. 95 ("GASB 95"), *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of GASB 95 is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*

The effective date of the following pronouncement was postponed by 18 months:

- Statement No. 87, *Leases*

The City does not currently have any AROs and does not expect that implementation of the pronouncement will have an impact on the financial statements.

**NOTE 2: COMPLIANCE AND ACCOUNTABILITY**

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No.38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

2. Deficit Fund Balance or Deficit Net Position of Individual Nonmajor Fund

The following are funds having deficit fund balances or deficit 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>
Airport Fund	\$ 14,002	Nonmajor Fund

**NOTE 3: DEPOSITS AND INVESTMENTS**

The City's funds are required to be deposited and invested under the terms of 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") coverage.

Cash Deposits:

At September 30, 2020, the carrying amount of the City's deposits (cash, certificates of deposit, and interest-bearing savings accounts) included in cash was \$5,513,034 and the bank balance was \$5,644,017. The City's cash deposits at September 30, 2020 and during the year ended September 30, 2020, were entirely covered by FDIC insurance and by pledged collateral held by the City's agent bank in the City's name.

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 ("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.

CITY OF LITTLEFIELD

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Additionally, investment practices of the City were in accordance with local policies.

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

The City's investments at September 30, 2020 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
None	N/A	\$ -0-
		-----
Total Investments		\$ -0-
		=====

Analysis of Specific Deposit and Investment Risks:

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

*a. Credit Risk*

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the City was not significantly exposed to credit risk.

*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.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the City's name.

At year end, the City was not exposed to custodial credit risk.

CITY OF LITTLEFIELD

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*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. At year end, the City was not exposed to concentration of credit risk.

*d. Interest Rate Risk*

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the City was not exposed to interest rate risk.

*e. Foreign Currency Risk*

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the City was not exposed to foreign currency risk.

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.

**NOTE 4: PROPERTY TAX**

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 February 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 and Proprietary Fund - BCDC are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the City is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

CITY OF LITTLEFIELD

Notes to Financial Statements  
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**NOTE 5: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2020, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental Activities</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 1,095,310	\$ -	\$ -	\$ 1,095,310
Construction In Progress	225,603	99,326	(324,929)	-
Total capital assets not being depreciated	<u>\$ 1,320,913</u>	<u>\$ 99,326</u>	<u>\$ (324,929)</u>	<u>\$ 1,095,310</u>
<i>Capital assets being depreciated:</i>				
Buildings and Structures	\$ 6,758,896	\$ -	\$ -	\$ 6,758,896
Machinery and Equipment	4,375,848	359,524	947,212	5,682,583
Furniture and Fixtures	209,736			209,736
Capital Leases	968,341		(968,341)	-
Total capital assets being depreciated	<u>\$ 12,312,822</u>	<u>\$ 359,524</u>	<u>\$ (21,129)</u>	<u>\$ 12,651,216</u>
<i>Less accumulated depreciation:</i>				
Buildings and Structures	\$ (6,036,953)	\$ (48,965)	\$ -	\$ (6,085,918)
Machinery and Equipment	(2,989,104)	(316,901)	(414,037)	(3,720,042)
Furniture and Fixtures	(197,187)	(2,935)		(200,122)
Capital Leases	(371,484)	(63,683)	435,166	-
Total accumulated depreciation	<u>\$ (9,594,728)</u>	<u>\$ (432,484)</u>	<u>\$ 21,129</u>	<u>\$ (10,006,082)</u>
Total capital assets being depreciated, net	<u>\$ 2,718,094</u>	<u>\$ (72,960)</u>	<u>\$ -</u>	<u>\$ 2,645,134</u>
Governmental activities capital assets, net	<u>\$ 4,039,007</u>	<u>\$ 26,366</u>	<u>\$ (324,929)</u>	<u>\$ 3,740,444</u>

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Business-type Activities</u>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 507,595	\$ -	\$ -	\$ 507,595
Total capital assets not being depreciated	\$ 507,595	\$ -	\$ -	\$ 507,595
<i>Capital assets being depreciated:</i>				
Buildings and Structures	\$ 20,010,390	\$ -	\$ -	\$ 20,010,390
Machinery and Equipment	4,362,862	392,274	97,750	4,852,886
Furniture and Fixtures	199,854			199,854
Capital Leases	97,750		(97,750)	-
Total capital assets being depreciated	\$ 24,670,855	\$ 392,274	\$ -	\$ 25,063,129
<i>Less accumulated depreciation:</i>				
Buildings and Structures	\$ (8,762,601)	\$ (330,042)	\$ -	\$ (9,092,643)
Machinery and Equipment	(3,825,206)	(83,395)	(63,538)	(3,972,139)
Furniture and Fixtures	(199,854)			(199,854)
Capital Leases	(53,763)	(9,775)	63,538	-
Total accumulated depreciation	\$ (12,841,424)	\$ (423,212)	\$ -	\$ (13,264,636)
Total capital assets being depreciated, net	\$ 11,829,432	\$ (30,938)	\$ -	\$ 11,798,493
Business-type activities capital assets, net	\$ 12,337,026	\$ (30,938)	\$ -	\$ 12,306,088

Depreciation expense, including capital lease amortization expense when applicable, was charged to functions/programs of the primary government as follows:

Governmental activities:		
Administrative		\$ 35,938
Police		50,938
Fire		49,362
Refuse		150,440
Public Works		25,041
EMS		120,765
		-----
Total depreciation expense - Governmental activities		\$ 432,484
		=====
Business-type activities:		
Water and Sewer		\$ 234,280
BCDC		188,932
		-----
Total depreciation expense - Business-type activities		\$ 423,212
		=====

CITY OF LITTLEFIELD

Notes to Financial Statements  
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**NOTE 6: MUNICIPAL SOLID WASTE LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS**

State and federal laws and regulations require the City to place a final cover on its 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 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.

\$63,636 reported as landfill closure and post-closure care liability at September 30, 2020 represents the cumulative amount reported to date based on the use of 100% of the estimated capacity of the Type IV landfill and the use of 19% of the estimated capacity of the Type I landfill. The City will recognize the remaining estimated cost of closure and post-closure care of \$232,905 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. The City has begun the process of closing the Type IV landfill and expects to close the Type I landfill in the year 2092. Actual cost may be higher because of inflation, changes in technology, or changes in regulations.

The City is required by state and federal laws to meet Financial Assurance Requirements concerning closure and post-closure care costs. The City has filed a letter of credit through AimBank with the Texas Commission on Environmental Quality in order to meet this Financial Assurance Requirement.

**NOTE 7: LONG-TERM DEBT**

On October 20, 2006, the City originally issued \$1,910,000 of combination tax and revenue certificates of obligation, Series 2006. This bond obligation, with effective interest rates ranging from 3.00% to 3.80%, is accounted for in the Water and Sewer Fund and matures on February 15, 2027. The amount of interest paid in FYE 2020 was \$31,986.

A summary of changes in long-term debt for the year ended September 30, 2020, is as follows:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Series 2006	\$ 920,000	\$ -0-	\$105,000	\$ 815,000	\$ 105,000
Totals	\$ 920,000	\$ -0-	\$105,000	\$ 815,000	\$ 105,000

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

Debt service requirements are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
-----	-----	-----	-----
2021	\$ 105,000	\$ 28,259	\$ 133,259
2022	110,000	24,388	134,388
2023	115,000	20,281	135,281
2024	120,000	15,962	135,962
2025	125,000	11,399	136,399
2026-2027	240,000	8,707	248,707
Totals	\$ 815,000	\$ 108,996	\$ 923,996
	=====	=====	=====

On September 20, 2016, the City issued \$7,895,000 of General Obligation Taxable Refunding Bonds, Series 2016 to refund \$7,880,000 of the City's outstanding Refunding Bonds, Series 2014 and 2014A in order to convert tax exempt refunding bonds over to taxable refunding bonds. This bond obligation, with an effective interest rate of 3.48%, is accounted for in the BCDC Fund and matures on February 15, 2024. The amount of interest paid in FYE 2020 was \$102,486.

A summary of changes in long-term debt for the year ended September 30, 2020, is as follows:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
-----	-----	-----	-----	-----	-----
Series 2016	\$ 2,945,000	\$ -0-	\$ 545,000	\$ 2,400,000	\$ 570,000
Totals	\$ 2,945,000	\$ -0-	\$ 545,000	\$ 2,400,000	\$ 570,000
	=====	=====	=====	=====	=====

Debt service requirements are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
-----	-----	-----	-----
2021	\$ 570,000	\$ 83,520	\$ 653,520
2022	590,000	100,650	690,650
2023	610,000	68,200	678,200
2024	630,000	34,650	664,650
Totals	\$ 2,400,000	\$ 287,020	\$ 2,687,020
	=====	=====	=====

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The City of Littlefield 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 of Littlefield.

In February of 2018, the City secured a 5.00% fixed rate note payable to AimBank for the purchase of a John Deere Model a 755K Crawler Loader and a Caterpillar Model 826G Landfill Compactor. This direct borrowing note is accounted for in the General Fund. The City is to make quarterly installments of \$29,485 (including principal and interest). The note will mature on March 1, 2022. The note is collateralized by the purchased equipment.

The amount of interest paid in FYE 2020 was \$9,535.

A summary of changes in long-term debt for the year ended September 30, 2020, is as follows:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Note From Direct Borrowing	\$ 279,300	\$ 0	\$ 108,405	\$ 170,895	\$ 112,796
Totals	\$ 279,300	\$ 0	\$ 108,405	\$ 170,895	\$ 112,796

Debt service requirements are as follows:

Year Ending September 30	Principal	Interest	Total Requirements
2021	112,796	5,145	117,941
2022	58,099	871	58,970
Totals	\$ 170,895	\$ 6,016	\$ 176,911

As of September 30, 2019, there was one capital lease agreement related to the General Fund and one related to the Water and Sewer Fund. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date. Both capital leases were paid off in the current year and the amount of interest paid on all capital leases in the current year was \$3,059.

See Exhibit G-3 for detailed information on each capital lease.

The City had no current year direct placements and/or direct borrowings and no unused lines of credit.

CITY OF LITTLEFIELD

Notes to Financial Statements  
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**NOTE 8: CHANGES IN OTHER LONG-TERM DEBT**

Governmental Activities:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Capital Leases	\$ 145,256	\$ -0-	\$ 145,256	\$ -0-	\$ -0-
Landfill Liability	236,254	-0-	3,349	232,905	-0-
Net Pension Liability *	879,254	687,347	1,393,231	173,370	-0-
Total OPEB Liability *	154,051	39,979	13,496	180,534	-0-
Totals	\$1,414,815	\$ 727,326	\$1,555,332	\$ 586,809	\$ -0-

Business-Type Activities:

Description	Beginning Balance	Increase	Decrease	Ending Balance	Due Within One Year
Capital Leases	\$ 15,269	\$ -0-	\$ 15,269	\$ -0-	\$ -0-
Net Pension Liability *	219,814	171,837	348,308	43,343	-0-
Total OPEB Liability *	38,513	9,995	3,374	45,134	-0-
Totals	\$ 273,596	\$ 181,832	\$ 366,951	\$ 88,477	\$ -0-

\* Other long-term liabilities

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

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General
Net Pension Liability *	Business-Type	Water & Sewer
Total OPEB Liability *	Governmental	General
Total OPEB Liability *	Business-Type	Water & Sewer

**NOTE 9: INTERFUND BALANCES AND ACTIVITIES**

1. Due To and From Other Funds

Balances due to and from other funds at September 30, 2020 consisted of the following:

Due To Fund	Due From Fund	Amount
Water & Sewer Fund	BCDC Fund	\$ 3,011,759
Total		\$ 3,011,759

Interfund balances are short-term loans to cover temporary cash deficits in various funds. The repayment of all amounts due from the BCDC fund is subject to the net cash provided by operating activities of the Bill Clayton Detention Center.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

2. Transfers To and From Other Funds

Transfers to and from other funds at September 30, 2020 consisted of the following:

Transfers From -----	Transfers To -----	Amount -----
General Fund	Water & Sewer Fund	\$ 1,854
General Fund	Special Revenue Fund	20,935
Water & Sewer Fund	General Fund	810,000
Water & Sewer Fund	Special Revenue Fund	1,004
Special Revenue Fund	BCDC Fund	300,000
Special Revenue Fund	Special Revenue Fund	29,862
	Total	----- \$1,163,655 -----

Interfund transfers are subsidy transfers from unrestricted funds and adjustments for bookkeeping purposes.

**NOTE 10: RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year end 2020, the City purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**NOTE 11: SELF-INSURED INSURANCE**

The City is a member of the Texas Municipal League Intergovernmental Risk Pool, a public entity risk pool currently operating as a common risk management and insurance program for Workers' Compensation, Liability and Property/Casualty coverage. The City pays an annual premium to the pool for its general insurance coverage. The agreement for formation of the Texas Municipal League Intergovernmental Risk Pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of insured amounts.

**NOTE 12: SUBSEQUENT EVENTS**

There has been no significant subsequent event which would have a material effect on the financial statements as of the Independent Auditor's Report date.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

**NOTE 13: COMMITMENTS AND CONTINGENCIES**

The City participates in state and federal 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 financial statements for such contingencies.

The City has published the Notice of Intent and Request for Proposal for construction bids for construction of an Aquatic Center (Municipal Swimming Pool). This project is to be financed with the issuance of \$4,335,000 in combination tax and revenue certificates of obligation, series 2020. The sale of the certificates of obligation was approved on September 15, 2020. The construction bid was awarded on October 15, 2020.

**NOTE 14: LITIGATION**

The City was not involved in any significant litigation as of September 30, 2020.

**NOTE 15: DEFINED BENEFIT PENSION PLAN**

**A. PLAN DESCRIPTION**

The City of Littlefield participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at [www.tmr.com](http://www.tmr.com).

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

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

**B. BENEFITS PROVIDED**

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

Upon retirement, benefits depend on the sum of an employee's contributions, with interest, and the city-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a percentage adopted by the City, of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan.

Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, either annually or on an annually repeating basis, another type of monetary credit referred to as an Updated Service Credit. This monetary credit is determined by hypothetically re-computing the member's account balance by assuming that the current member deposit rate has always been in effect. The computation also assumes that the member's salary has always been the member's average salary-using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical account balance is increased by 3% each year and increased by the city match currently in effect. The resulting sum is then compared to the member's actual account balance increased by the actual city match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or Updated Service Credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

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.

Members can retire at ages 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

*Employees covered by benefit terms.*

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	44
Inactive employees entitled to but not yet receiving benefits	54
Active employees	57
	-----
	155

**C. CONTRIBUTIONS**

The required contribution rate in TMRS for employees of the City of Littlefield is 5% of employee gross earnings, and the city matching ratio is currently 2 to 1, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for the 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. The City's contributions to TMRS for the FYE 2020 were \$216,727, and were equal to the required contributions.

**D. NET PENSION LIABILITY**

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

*Actuarial assumptions:*

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were 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

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

mortality tables for healthy retirees are 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 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 real rates of return for each major asset class in FY 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

*Discount Rate*

The discount rate used to measure the Total Pension Liability was 6.75%; the municipal bond rate is 2.75% based on the Fidelity 20-Year Municipal GO AA Index daily rate closest to but not later than the Measurement Date. 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 the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$8,685,009	\$7,585,941	\$ 1,099,068
Changes for the year:			
Service cost	268,928		268,928
Interest	583,430		583,430
Changes in current period benefits			
Difference between expected and actual experience	(224,268)		(224,268)
Changes of assumptions	(12,126)		(12,126)
Contributions - employer		216,687	(216,687)
Contributions - employee		117,129	(117,129)
Net investment income		1,171,329	(1,171,329)
Benefit payments, including refunds of employee contributions	(352,137)	(352,137)	
Administrative expense		(6,627)	6,627
Other changes		(199)	199
Net changes	\$ 263,827	\$1,146,182	\$ (882,355)
Balance at 12/31/2019	\$8,948,836	\$8,732,123	\$ 216,713

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

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 1,518,557	\$ 216,713	\$ (836,994)

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Notes to Financial Statements  
September 30, 2020

*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](http://www.tmr.com).

**E. PENSION EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS**

For the year ended September 30, 2020, the City recognized pension expense (income) of \$85,644.

At September 30, 2020, 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 economic experience	\$ -0-	\$226,007
Changes in actuarial assumptions		8,264
Difference between projected and actual investment earnings	466,815	727,275
Contributions subsequent to the measurement date	166,379	
<b>TOTAL</b>	<b>\$633,194</b>	<b>\$961,546</b>

\$166,379 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending September 30

2021	\$ (215,603)
2022	(160,484)
2023	13,210
2024	(131,854)
	-----
	\$ (494,731)

**NOTE 16: OTHER POSTEMPLOYMENT BENEFITS**

**A. PLAN DESCRIPTION**

The City of Littlefield also participates in a single-employer, defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF) that is administered by the Texas Municipal Retirement System (TMRS). The City elected, by ordinance, to provide group-term life insurance coverage ("Supplemental Death Benefits") for

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

their active members, including retirees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1. The SDBF covers both active and retiree participants, with no segregation of assets, and therefore does not meet the definition of a trust under GASB Statement No. 75. As such, the SDBF is considered to be a single employer unfunded OPEB plan (i.e., no assets are accumulated).

The City of Littlefield is one of 766 municipalities having the benefit plan operated by TMRS. Each of the 766 municipalities has an annual, individual actuarial valuation performed. A summary of actuarial assumptions and definitions can be found in the 2019 TMRS Comprehensive Annual Report, a copy of which may be obtained from TMRS' website at [WWW.TMRS.com](http://WWW.TMRS.com).

**B. BENEFITS PROVIDED**

Payments from the SDBF are similar to group-term life insurance benefits, and are paid to designated beneficiaries upon the receipt of an approved application for payment. 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 other postemployment benefit ("OPEB") and is a fixed amount of \$7,500.

*EMPLOYEES COVERED BY BENEFIT TERMS*

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits	32
Inactive employees entitled to but not yet receiving benefits	11
Active employees	57
	----
Total	100

**C. TOTAL OPEB LIABILITY**

The City's total OPEB of \$225,668 was measured as of December 31, 2019, and was determined by an actuarial valuation as of that date.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

*Actuarial Assumptions and Other Inputs*

The Total OPEB Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all period included in the measurement, unless otherwise specified.

Inflation	2.5%
Salary increases	3.50% to 11.50% including inflation
Discount rate*	2.75%
Retirees' share of benefit-related costs	\$0
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates - service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates - disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% 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 with Scale UMP to account for future mortality improvements subject to the floor.

\* The discount rate was based on the Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2019.

Note: The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period December 31, 2014 to December 31, 2018.

*Changes in Total OPEB Liability*

	Total OPEB Liability
Balance at 12/31/2018	\$192,564
Changes for the year:	
Service cost	8,199
Interest on total OPEB liability	7,253
Changes of benefit terms	
Difference between expected and actual experience	(14,527)
Changes in assumptions or other inputs	34,522
Benefit payments*	(2,343)
Net changes	\$ 33,104
Balance at 12/31/2019	\$225,668

\* Due to the SDBF being considered an unfunded OPEB plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:*

The following presents the total OPEB liability of the City, calculated using the discount rate of 2.75%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.75%) or 1-percentage-point higher (3.75%) than the current rate:

	1% Decrease in Discount Rate (1.75%)	Discount Rate (2.75%)	1% Increase in Discount Rate (3.75%)
	-----	-----	-----
City's total OPEB liability	\$ 269,305	\$ 225,668	\$ 191,556

**D. OPEB EXPENSE AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO OPEB**

For the year ended September 30, 2020, the City recognized OPEB expense (income) of \$20,277.

OPEB Expense

Service cost		\$ 8,199
Interest on total OPEB liability		7,253
Changes in benefit terms including TMRs plan participation		0
Employer administrative costs		0
Recognition of deferred outflows/inflows of resources:		
Differences between expected and actual experience		(2,639)
Changes in assumptions or other inputs*		7,464
Total OPEB Expense		\$20,277

\* Generally, this will only be the annual change in the municipal bond index rate. However, for this valuation, the changes in assumption also include the changes in the actuarial assumptions adopted in 2019.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$1,103	\$11,507
Changes in assumptions and other inputs	32,586	7,186
Contributions subsequent to the measurement date	4,844	
<b>TOTAL</b>	<b>\$38,533</b>	<b>\$18,693</b>

\$4,844 reported as deferred outflows of resources related to OPEB resulting from contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability for the year

CITY OF LITTLEFIELD

Notes to Financial Statements  
September 30, 2020

ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending September 30

2021	\$	4,825
2022		4,520
2023		2,284
2024		3,367
		-----
	\$	14,996

**NOTE 17: HEALTHCARE COVERAGE**

During the year ended September 30, 2020, employees of the City were covered by a healthcare insurance plan provided through the TML MultiState Intergovernmental Employee Benefits Pool. The City pays up to \$425 in premiums per month per employee and 0% of the cost of premiums for dependents. This plan is renewable October 1, 2020, and the terms of coverage and contribution costs are included in the contractual provisions.

The TML MultiState Intergovernmental Employee Benefits Pool has liability for all claims. The Pool is protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Standard Life Insurance Company, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$125,000, and for aggregate loss.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LITTLEFIELD  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES:</b>				
Taxes:				
Current Property Taxes	\$ 1,060,000	\$ 1,060,000	\$ 1,025,418	\$ (34,582)
Delinquent Property Taxes	32,000	32,000	51,639	19,639
City Sales Tax	560,000	560,000	661,078	101,078
Hotel/Motel Tax	34,500	34,500	39,151	4,651
Franchise Tax	315,000	315,000	326,477	11,477
Penalty and Interest on Taxes	25,000	25,000	36,360	11,360
Plumbing	1,000	1,000	2,913	1,913
Electrical	1,000	1,000	1,637	637
Building	4,500	4,500	13,657	9,157
Other	18,500	18,500	18,751	251
Federal/State	1,400	1,400	17,832	16,432
Refuse Collection	905,000	905,000	885,450	(19,550)
Fire Service	10,000	10,000	15,000	5,000
Emergency Medical Service Fees	625,000	695,358	836,103	140,745
Vector Control	41,000	41,000	40,107	(893)
Landfill Operations	40,000	40,000	44,483	4,483
Other	1,750	1,750	3,207	1,457
Fines - Municipal Court	41,800	41,800	32,965	(8,835)
Interest	24,000	24,000	21,070	(2,930)
Land Rental	25,000	25,000	30,388	5,388
Penalties	18,000	18,000	17,955	(45)
Ambulance Subsidies	38,039	38,039	36,658	(1,381)
LEDC Assistance Fund	153,918	153,918	172,550	18,632
Other Revenue	20,300	20,300	78,657	58,357
<b>Total Revenues</b>	<b>3,996,707</b>	<b>4,067,065</b>	<b>4,409,506</b>	<b>342,441</b>
<b>EXPENDITURES:</b>				
Current:				
Legislative	29,584	29,584	18,876	10,708
Municipal Court	103,350	103,350	86,095	17,255
Administrative	228,848	228,848	220,173	8,675
Building & Maintenance	541,395	597,395	546,630	50,765
Fleet Services	62,096	62,096	5,799	56,297
LEDC	128,918	142,918	142,190	728
Emergency Management	25,745	25,745	23,348	2,397
Police	978,537	1,005,537	962,528	43,009
Dispatch	221,772	221,772	214,711	7,061
Fire Protection	144,340	144,340	133,398	10,942
Emergency Medical Services	851,540	893,540	884,385	9,155
Refuse	266,826	338,326	317,065	21,261
Residential Collection	211,661	211,661	167,543	44,118
Public Services	123,358	129,858	128,618	1,240
Public Works	515,505	525,505	407,036	118,469
Debt Service:				
Principal on Debt	253,662	253,662	253,661	1
Interest on Debt	12,179	12,179	12,179	-
Capital Outlay:				
Capital Outlay	131,282	163,740	121,726	42,014
<b>Total Expenditures</b>	<b>4,830,598</b>	<b>5,090,056</b>	<b>4,645,961</b>	<b>444,095</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(833,891)</b>	<b>(1,022,991)</b>	<b>(236,455)</b>	<b>786,536</b>
<b>OTHER FINANCING SOURCES (USES):</b>				

CITY OF LITTLEFIELD  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL - GENERAL FUND  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
Sale of Real and Personal Property	10,000	10,000	2,000	(8,000)
Transfers In	810,000	810,000	810,000	-
Insurance Proceeds	-	-	10,156	10,156
Transfers Out	(11,000)	(11,000)	(22,788)	(11,788)
<b>Total Other Financing Sources (Uses)</b>	<b>809,000</b>	<b>809,000</b>	<b>799,368</b>	<b>(9,632)</b>
<b>Net Change in Fund Balances</b>	<b>(24,891)</b>	<b>(213,991)</b>	<b>562,913</b>	<b>776,904</b>
Fund Balance - October 1 (Beginning)	507,435	507,435	507,435	-
<b>Fund Balance - September 30 (Ending)</b>	<b>\$ 482,544</b>	<b>\$ 293,444</b>	<b>\$ 1,070,348</b>	<b>\$ 776,904</b>

CITY OF LITTLEFIELD

SCHEDULE OF CHANGES IN NET PENSION LIABILITY (ASSET) AND RELATED RATIOS  
MEASUREMENT YEAR ENDED DECEMBER 31  
LAST 10 YEARS (will ultimately be displayed)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Total Pension Liability</b>										
Service Cost	\$ 184,328	\$ 230,612	\$ 230,269	\$ 240,820	\$ 252,541	\$ 268,928	\$ -	\$ -	\$ -	\$ -
Interest (on the Total Pension Liability)	472,991	503,147	517,311	547,395	567,142	583,430				
Changes of benefit terms	-	-	-	-	-	-				
Difference between expected and actual experience	93,249	58,267	(2,145)	(100,615)	(169,018)	(224,268)				
Change of assumptions	-	(1,534)	-	-	-	(12,126)				
Benefit payments, including refunds of employee contributions	(348,455)	(337,368)	(291,176)	(318,847)	(482,984)	(352,137)				
<b>Net change in total pension liability</b>	402,113	453,124	454,259	368,753	167,681	263,827				
<b>Total pension liability - beginning</b>	6,839,079	7,241,192	7,694,316	8,148,575	8,517,328	8,685,009				
<b>Total pension liability - ending (a)</b>	\$ 7,241,192	\$ 7,694,316	\$ 8,148,575	\$ 8,517,328	\$ 8,685,009	\$ 8,948,836	\$ -	\$ -	\$ -	\$ -
<b>Fiduciary Net Position</b>										
Contributions - Employer	\$ 199,809	\$ 203,056	\$ 184,134	\$ 202,425	\$ 215,794	\$ 216,687	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	102,161	104,919	101,173	106,652	111,350	117,129				
Net Investment Income	360,871	9,765	445,436	973,744	(238,995)	1,171,329				
Benefit payments, including refunds of employee contributions	(348,455)	(337,368)	(291,176)	(318,847)	(482,984)	(352,137)				
Administrative Expense	(3,768)	(5,949)	(5,032)	(5,047)	(4,623)	(6,627)				
Other	(310)	(294)	(271)	(256)	(242)	(199)				
<b>Net Change in Plan Fiduciary Net Position</b>	310,308	(25,870)	434,264	958,671	(399,699)	1,146,162				
<b>Plan Fiduciary Net Position - Beginning</b>	6,308,267	6,618,575	6,592,705	7,026,969	7,985,640	7,585,941				
<b>Plan Fiduciary Net Position - Ending (b)</b>	\$ 6,618,575	\$ 6,592,705	\$ 7,026,969	\$ 7,985,640	\$ 7,585,941	\$ 8,732,123	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability - Ending (a) - (b)</b>	\$ 622,617	\$ 1,101,611	\$ 1,121,606	\$ 531,688	\$ 1,099,068	\$ 216,713	\$ -	\$ -	\$ -	\$ -
<b>Plan Fiduciary Net Position as a % of Total Pension Liability</b>	91.40%	85.68%	86.24%	93.76%	87.35%	97.58%	0.00%	0.00%	0.00%	0.00%
<b>Covered Employee Payroll</b>	\$ 2,043,228	\$ 2,098,377	\$ 2,023,455	\$ 2,133,041	\$ 2,226,993	\$ 2,342,580	\$ -	\$ -	\$ -	\$ -
<b>Net Pension Liability as a % of Covered Employee Payroll</b>	30.47%	52.50%	55.43%	24.93%	49.35%	9.25%	0.00%	0.00%	0.00%	0.00%
Notes to Schedule: N/A										

CITY OF LITTLEFIELD

EXHIBIT E-3

SCHEDULE OF PENSION CONTRIBUTIONS  
FISCAL YEAR ENDED SEPTEMBER 30  
LAST 10 YEARS (will ultimately be displayed)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially Determined Contribution	\$ 210,788	\$ 187,758	\$ 196,404	\$ 213,403	\$ 225,636	\$ 216,727	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	\$ (210,788)	\$ (187,758)	\$ (196,404)	\$ (213,403)	\$ (225,636)	\$ (216,727)	\$ -	\$ -	\$ -	\$ -
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 2,114,861	\$ 2,028,967	\$ 2,092,686	\$ 2,217,516	\$ 2,410,195	\$ 2,407,443	\$ -	\$ -	\$ -	\$ -
Contributions as a percentage of covered employee payroll	9.97%	9.25%	9.39%	9.62%	9.36%	9.00%	0.00%	0.00%	0.00%	0.00%

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	26 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.5%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%

Retirement Age Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.

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

Other Information:

Notes There were no benefit changes during the year.

CITY OF LITTLEFIELD

SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS  
 MEASUREMENT YEAR ENDED DECEMBER 31  
 LAST 10 YEARS (will ultimately be displayed)

	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
<b>Total OPEB Liability</b>										
Service Cost	\$ 7,252	\$ 8,463	\$ 8,199	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest	6,337	6,400	7,253	-	-	-	-	-	-	-
Changes of benefit terms and actual experience	-	1,865	(14,527)	-	-	-	-	-	-	-
Changes of assumptions or other inputs	13,560	(12,158)	34,522	-	-	-	-	-	-	-
Benefit payments	(1,920)	(2,227)	(2,343)	-	-	-	-	-	-	-
<b>Net change in total OPEB liability</b>	<b>25,229</b>	<b>2,343</b>	<b>33,104</b>	<b>-</b>						
<b>Total OPEB liability - beginning</b>	<b>164,992</b>	<b>190,221</b>	<b>192,564</b>	<b>-</b>						
<b>Total OPEB liability - ending (a)</b>	<b>\$ 190,221</b>	<b>\$ 192,564</b>	<b>\$ 225,668</b>	<b>\$ -</b>						
<b>Covered Employee Payroll</b>	<b>\$ 2,133,041</b>	<b>\$ 2,226,993</b>	<b>\$ 2,342,580</b>	<b>\$ -</b>						
<b>Total OPEB Liability as a % of Covered Employee Payroll</b>	<b>8.92%</b>	<b>8.65%</b>	<b>9.63%</b>	<b>0.00%</b>						
Notes to Schedule:	N/A									

CITY OF LITTLEFIELD

Notes to Required Supplementary Information  
September 30, 2020

**BUDGET**

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to October 1, the City Council 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 Council is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of an ordinance by the City Council.

Once a budget is approved, it can be amended at the department level only by approval of a majority of the members of the City Council.

Each amendment must have City Council approval. 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 as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure department level. Budgeted amounts are as amended by the City Council. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase order or contracts. Under Texas law, appropriations lapse at September 30, and encumbrances outstanding at the time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

**DEFINED BENEFIT PENSION PLAN**

*Changes of Benefit Terms*

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

*Changes of Assumptions*

The changes in assumptions include the recommendations in the actuarial experience study adopted in 2019.

CITY OF LITTLEFIELD

Notes to Required Supplementary Information  
September 30, 2020

**OTHER POSTEMPLOYMENT BENEFITS**

*Changes of Benefit Terms*

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

*Changes of Assumptions*

Generally, this will only be the annual change in the municipal bond index rate which went from 3.71% as of December 31, 2018 to 2.75% as of December 31, 2019. However, for this valuation, the changes in assumptions also include the changes in the actuarial assumptions adopted in 2019.

COMBINING FUND FINANCIAL STATEMENTS

CITY OF LITTLEFIELD  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 SEPTEMBER 30, 2020

	Police Dept Narcotics Fund	Parks and Recreation Fund	Blight Elimination Fund
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 2,574	\$ 4,720	\$ 7,395
Accounts Receivable, Net	-	3,852	-
Restricted Assets:			
Restricted - Cash	-	130,841	-
Total Assets	<u>\$ 2,574</u>	<u>\$ 139,413</u>	<u>\$ 7,395</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
Parks & Recreation	-	139,413	-
Assigned Fund Balance:			
Other Purposes	2,574	-	7,395
Unassigned Fund Balance	-	-	-
Total Fund Balances	<u>2,574</u>	<u>139,413</u>	<u>7,395</u>
Total Liabilities and Fund Balances	<u>\$ 2,574</u>	<u>\$ 139,413</u>	<u>\$ 7,395</u>

Airport Fund	Total Nonmajor Governmental Funds
\$ (14,506)	\$ 183
504	4,356
-	130,841
<u>\$ (14,002)</u>	<u>\$ 135,380</u>
-	139,413
-	9,969
<u>(14,002)</u>	<u>(14,002)</u>
<u>(14,002)</u>	<u>135,380</u>
<u>\$ (14,002)</u>	<u>\$ 135,380</u>

CITY OF LITTLEFIELD  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Police Dept Narcotics Fund	Parks and Recreation Fund	Blight Elimination Fund
<b>REVENUES:</b>			
Local Funds	\$ -	\$ 45,908	\$ -
Total Revenues	<u>-</u>	<u>45,908</u>	<u>-</u>
<b>EXPENDITURES:</b>			
Current:			
General Government	-	135,219	7,001
Capital Outlay:			
Capital Outlay	-	-	-
Total Expenditures	<u>-</u>	<u>135,219</u>	<u>7,001</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(89,311)</u>	<u>(7,001)</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Sale of Real and Personal Property	-	-	9,886
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>9,886</u>
Net Change in Fund Balance	-	(89,311)	2,885
Fund Balance - October 1 (Beginning)	<u>2,574</u>	<u>228,724</u>	<u>4,510</u>
Fund Balance - September 30 (Ending)	<u>\$ 2,574</u>	<u>\$ 139,413</u>	<u>\$ 7,395</u>

Airport Fund	Total Nonmajor Governmental Funds
\$ 9,109	\$ 55,017
<u>9,109</u>	<u>55,017</u>
14,212	156,432
8,899	8,899
<u>23,111</u>	<u>165,331</u>
<u>(14,002)</u>	<u>(110,314)</u>
-	9,886
-	9,886
(14,002)	(100,428)
-	235,808
<u>\$ (14,002)</u>	<u>\$ 135,380</u>



OTHER SUPPLEMENTARY INFORMATION

CITY OF LITTLEFIELD  
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
 FISCAL YEAR ENDED SEPTEMBER 30, 2020

Last 10 Years Ended September 30	Tax Rates		Assessed/Appraised Value for Tax Purposes	
	Maintenance	Debt Service		
2011 and prior years	Various	Various	\$	Various
2012	0.61270	0.08660		142,269,977
2013	0.64410	0.07740		147,367,663
2014	0.64410	0.07740		148,365,656
2015	0.65610	0.07880		145,627,308
2016	0.65610	0.07880		149,819,385
2017	0.67100	0.08660		156,906,059
2018	0.67100	0.08660		160,302,666
2019	0.67100	0.08660		159,972,944
2020 (Fiscal year under audit)	0.66010	0.08660		165,756,256
1000 TOTALS				

Beginning Balance October 1, 2019	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance September 30, 2020
\$ 22,688	\$ -	\$ 616	\$ 30	\$ (3,900)	\$ 18,142
5,855	-	476	67	(725)	4,587
8,083	-	802	96	(731)	6,454
10,703	-	1,439	173	(753)	8,338
10,484	-	2,170	260	(736)	7,318
15,054	-	3,244	389	(795)	10,625
22,234	-	5,372	693	(965)	15,203
36,622	-	12,690	1,638	(955)	21,340
65,235	-	24,252	3,126	(983)	36,874
-	1,237,702	1,024,410	134,368	(487)	78,437
<u>\$ 196,958</u>	<u>\$ 1,237,702</u>	<u>\$ 1,075,472</u>	<u>\$ 140,840</u>	<u>\$ (11,030)</u>	<u>\$ 207,318</u>

**CITY OF LITTLEFIELD  
SCHEDULE OF BONDS  
SEPTEMBER 30, 2020**

<u>Date of Issue</u>	<u>Description</u>	<u>Interest Rate</u>	<u>(TERMS) MATURITY SCHEDULE</u>	<u>FUND PAYABLE FROM</u>	<u>AMOUNTS OUTSTANDING 10/1/19</u>	<u>ISSUED CURRENT YEAR</u>	<u>RETIRED CURRENT YEAR</u>
10/20/2006	CERTIFICATE OF OBLIGATION, SERIES 2006	3.00% TO 3.80%	20 YEARS	WATER AND SEWER FUND	\$ 920,000	\$ -	\$ 105,000
9/20/2016	REFUNDING BOND SERIES 2016	3.48%	8 YEARS	BCDC	2,945,000	-	545,000
					<u>\$ 3,865,000</u>	<u>\$ -</u>	<u>\$ 650,000</u>

**REQUIREMENTS**

<u>AMOUNTS OUTSTANDING 9/30/20</u>	<u>INTEREST CURRENT YEAR</u>	<u>YEAR ENDING 09/30/21</u>		<u>YEAR ENDING 09/30/22</u>		<u>10/1/22 TO MATURITY INTEREST</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
		<u>\$ 815,000</u>	<u>\$ 31,986</u>	<u>\$ 105,000</u>	<u>\$ 28,259</u>	
<u>2,400,000</u>	<u>102,486</u>	<u>570,000</u>	<u>83,520</u>	<u>590,000</u>	<u>100,650</u>	<u>\$ 102,850</u>
<u>\$ 3,215,000</u>	<u>\$ 134,472</u>	<u>\$ 675,000</u>	<u>\$ 111,779</u>	<u>\$ 700,000</u>	<u>\$ 125,038</u>	<u>\$ 159,199</u>

**CITY OF LITTLEFIELD  
SCHEDULE OF CAPITAL LEASES  
SEPTEMBER 30, 2020**

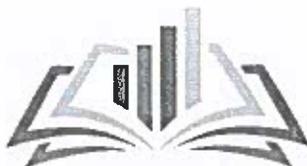
<u>Date of Issue</u>	<u>PURPOSE AND LAWFUL AUTHORITY</u>	<u>INTEREST RATE</u>	<u>(TERMS) MATURITY SCHEDULE</u>	<u>FUND PAYABLE FROM</u>	<u>ORIGINAL COST</u>	<u>AMOUNT OUTSTANDING 10/01/19</u>	<u>RETIRED CURRENT YEAR</u>
4/14/2013	2 - 2014 REFUSE TRUCKS & DUMPSTERS	1.81%	7 YEARS	GENERAL	968,341	145,258	145,256
1/3/2014	SEWER JETTER	2.69%	6 YEARS	W&S	97,750	15,269	15,269
					<u>\$ 1,066,091</u>	<u>\$ 160,525</u>	<u>\$ 160,525</u>

<u>AMOUNTS OUTSTANDING 9/30/20</u>	<u>INTEREST CURRENT YEAR</u>	<u>REQUIREMENTS</u>				
		<u>YEAR ENDING 09/30/21</u>		<u>YEAR ENDING 09/30/22</u>		<u>10/1/22 TO MATURITY INTEREST</u>
		<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	
-	2,643					
-	416					
<u>\$ 1</u>	<u>\$ 3,059</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>





OVERALL COMPLIANCE AND INTERNAL CONTROLS SECTION



Stephen H. Webb, CPA

**WEBB · WEBB · WRIGHT**  
CERTIFIED PUBLIC ACCOUNTANTS PLLC

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## Independent Auditor's Report

### 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

Honorable Mayor & City Council  
City of Littlefield  
301 XIT Drive  
Littlefield, Texas 79339

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, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Littlefield, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the City of Littlefield's basic financial statements, and have issued our report thereon dated March 15, 2021.

### **Internal Control over Financial Reporting**

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

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

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

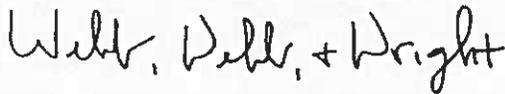
### **Compliance and Other Matters**

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

### **Purpose of this Report**

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

Respectfully submitted,



WEBB, WEBB, & WRIGHT, CPA's  
March 15, 2021

CITY OF LITTLEFIELD

SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?

\_\_\_\_ Yes    X No

One or more significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_ Yes    X None Reported

Noncompliance material to financial statements noted?

\_\_\_\_ Yes    X No

B. Financial Statement Findings

None

CITY OF LITTLEFIELD

SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
None		

CITY OF LITTLEFIELD

CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED SEPTEMBER 30, 2020

None