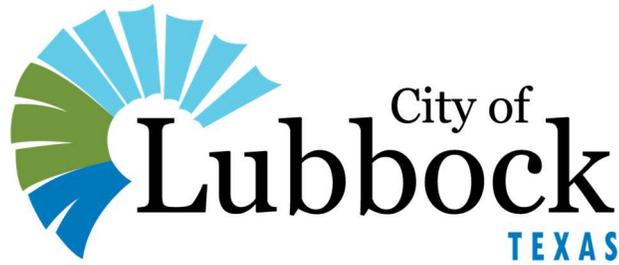




**Annual Comprehensive Financial
Report For The Fiscal Year Ended
September 30, 2025**





Annual Comprehensive Financial Report
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2025

City Council

Mark McBrayer	Mayor
Christy Martinez-Garcia	Mayor Pro Tem – District 1
Gordon Harris	Council Member – District 2
David Glasheen	Council Member – District 3
Brayden Rose	Council Member – District 4
Dr. Jennifer Wilson	Council Member – District 5
Tim Collins	Council Member – District 6

Appointed Officials

W. Jarrett Atkinson	City Manager
Matthew L. Wade	City Attorney
Courtney Paz	City Secretary

Finance Staff

Joe Jimenez	Chief Financial Officer
Brack Bullock, CPA	Director of Accounting
Cheryl Brock	Director, Financial Planning & Analysis
Amber Magar, CPA	Accounting Manager
Veronica Valderaz	Accounting Manager
Deborah Hansard	Senior Accountant
Amber Aguilar	Senior Accountant
Ollie Cortez	Senior Accountant
Dean Mortensen	Senior Accountant
Harvey Hall	Chief Financial Officer, LP&L
Kacey Johnson	Director of Finance, LP&L

City of Lubbock, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2025

TABLE OF CONTENTS

	Page
List of Elected and Appointed Officials	i
Table of Contents	ii
 INTRODUCTORY SECTION	
Letter of Transmittal	1
Certificate of Achievement in Financial Reporting	15
Organizational Chart	16
 FINANCIAL SECTION	
Independent Auditor’s Report.....	17
Management’s Discussion and Analysis	21
Basic Financial Statements:	
<u>Government-wide Financial Statements:</u>	
Statement of Net Position	41
Statement of Activities	42
<u>Fund Financial Statements:</u>	
<u>Governmental Fund Financial Statements</u>	
Balance Sheet – Governmental Funds	44
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	45
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	46
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	47
<u>Proprietary Fund Financial Statements</u>	
Statement of Net Position – Proprietary Funds.....	48
Reconciliation of the Statement of Net Position - Proprietary Funds to the Statement of Net Position	53
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds.....	54
Reconciliation of the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds to the Statement of Activities.....	57
Statement of Cash Flows - Proprietary Funds	58
<u>Fiduciary Fund Financial Statements</u>	
Statement of Fiduciary Net Position – Fiduciary Funds.....	60
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	61
 <u>Notes to Basic Financial Statements</u>	 62
 Required Supplementary Information:	
Schedule of Changes in Net Pension Liability and Related Ratios – TMRS	117
Schedule of Contributions – TMRS.....	118

Schedule of Changes in Net Pension Liability and Related Ratios – Lubbock Fire Pension Fund.....	119
Schedule of Contributions – Lubbock Fire Pension Fund.....	120
Schedule of Changes in Total OPEB Liability and Related Ratios.....	121
Mandatory Budgetary Comparison Schedule – General Fund.....	122

Combining and Individual Fund Statements and Schedules:

Debt Service Fund

Budgetary Comparison Schedule – Debt Service Fund	125
---	-----

Nonmajor Governmental Funds

Combining Balance Sheet – Nonmajor Governmental Funds.....	130
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	136
Budgetary Comparison Schedule – Special Revenue Funds	142

Nonmajor Enterprise Funds

Combining Statement of Net Position – Nonmajor Enterprise Funds.....	146
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Nonmajor Enterprise Funds	150
Combining Statement of Cash Flows – Nonmajor Enterprise Funds.....	152

Internal Service Funds

Combining Statement of Net Position – Internal Service Funds	156
Combining Statement of Revenues, Expenses and Changes in Fund Net Position – Internal Service Funds	160
Combining Statement of Cash Flows – Internal Service Funds	162

Nonmajor Component Units

Combining Statement of Net Position – Nonmajor Component Units.....	166
Combining Statement of Activities – Nonmajor Component Units	168

Discretely Presented Component Units

Statement of Net Position – Urban Renewal Agency.....	170
Statement of Revenues, Expenses and Changes in Fund Net Position – Urban Renewal Agency	171
Statement of Cash Flows – Urban Renewal Agency.....	172
Statement of Net Position – Vintage Township Public Facilities Corp.....	173
Statement of Revenues, Expenses and Changes in Fund Net Position – Vintage Township Public Facilities Corp	174
Statement of Cash Flows – Vintage Township Public Facilities Corp.....	175

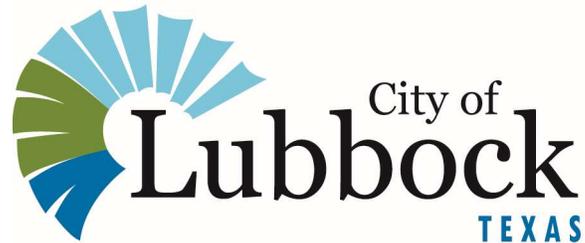
STATISTICAL SECTION (unaudited)

Table A: Net Position by Component.....	178
Table B: Changes in Net Position.....	179
Table C: Fund Balance of Governmental Funds.....	181
Table D: Changes in Fund Balances of Governmental Funds.....	182
Table E: Tax Revenues by Source	183
Table F: Assessed and Estimated Actual Value of Taxable Property	184
Table G: Principal Taxpayers	185
Table H: Property Tax Levies and Collections.....	186
Table I: Property Tax Rates – Direct and Overlapping Governments.....	187
Table J: Ratio of Outstanding Debt by Type	188
Table K: Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita.....	189
Table L: Computation of Legal Debt Margin	190
Table M: Revenue Bond Coverage – LP&L and Water Bonds.....	191

Table N: Ratio of Annual Debt Service Expenditures for General Obligation Bonded Debt to Total General Governmental Expenditures	192
Table O: Computation of Direct and Overlapping Bonded Debt – General Obligation Bonds in Governmental Activities	193
Table P: Demographic Statistics	194
Table Q: Principal Employers.....	195
Table R: Full-time Equivalents City Government Employees by Function ..	196
Table S: Operating Indicators by Function/Program	197
Table T: Capital Assets Statistics by Function/Program	198

COMPLIANCE REPORTS

Schedule of Expenditures of Federal Awards	199
Schedule of Expenditures of State Awards	202
Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	204
Independent Auditor’s Report on Compliance for Each Major Program and on Internal Control over Compliance in Accordance with Uniform Guidance and the Texas Grant Management Standards	206
Schedule of Findings and Questioned Costs	209



**P.O. Box 2000 | 1314 Avenue K | Lubbock, Texas 79401
(806) 775-2000 | Fax (806) 775-0001**

February 24, 2026

Honorable Mayor, City Council, and Citizens of Lubbock, Texas:

We are pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Lubbock, Texas (City) for the fiscal year ending September 30, 2025. The purpose of the ACFR is to provide accurate and meaningful information concerning the City's financial condition and performance. In addition, independent auditors have verified that the City has fairly presented its financial position, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

The ACFR satisfies Section 103.001 of the Texas Local Government Code requiring annual audits of all municipalities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the data is accurate in all material respects and is presented in a manner that fairly sets forth the financial position and results of the City. We also believe all disclosures necessary to enable the reader to gain an understanding of the City's financial affairs are included. To provide a reasonable basis for making these representations, City management has an established comprehensive internal control framework that is designed: 1) to protect the City's assets from loss, theft, or misuse; and 2) to compile sufficient, reliable information for the preparation of the City's financial statements, in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls is designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement.

The City's financial statements were audited by Weaver and Tidwell, LLP, a licensed certified public accountants' firm. The goal of the independent audit is to provide reasonable assurance that the financial statements are free of material misstatement. The independent audit involves:

- examining evidence on a test basis that supports the amounts and disclosures in the financial statements,
- assessing the accounting principles used and significant estimates made by management, and
- evaluating the overall financial statement presentation.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

The independent accountants concluded that the City's financial statements are in conformity with GAAP, are fairly presented, and there is a reasonable basis for providing an unmodified opinion. The independent auditor's report is presented as the first component of the financial section of this report.

The independent accountants' audit of the City's financial statements is part of a broader, federally mandated "Single Audit," which is designed to meet the special needs of federal granting agencies. These reports are available in the City's ACFR. The standards governing Single Audit engagements require the independent auditor to report on several facets of the City's financial processes and controls:

- fair presentation of the financial statements,
- internal controls over financial reporting and the administration of federal awards, and
- compliance with legal and grant requirements.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A. The City's MD&A is found immediately following the report of the independent auditors.

CITY OVERVIEW

Description of the City

The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State, including the City's Home Rule Charter. The City was incorporated in 1909 and first adopted its Home Rule Charter in 1917. The City operates under a Council/Manager form of government with a City Council comprised of the Mayor and six Council members. The Mayor is elected at large for a two-year term ending in an even-numbered year. Each of the six members of the City Council is elected from a single-member district for a four-year term of office. City Council elections are held every two years, with elections for Council members in Districts 1, 3, and 5 being staggered with elections for Council members in Districts 2, 4, and 6. The City Manager is the chief administrative officer of the City.

The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by voluntary annexation, which occurs periodically as the City Council deems appropriate. The 2020 Census population for the City was 257,141; the estimated 2025 population is 272,782. The City covers approximately 145.9 square miles.¹ The organizational chart of the City is shown following the transmittal letter.

In accordance with generally accepted accounting principles and Codification of Governmental Accounting Standards, Section 2100, "*Defining the Financial Reporting Entity*," these financial statements present the City (the primary government) and its component units. The component units discussed below are included in the City's financial reporting entity because of the significance of their operational or financial relationship with the City. The criteria established by the GASB for determining the reporting entity includes financial accountability and whether the financial statements would be misleading if data were not included. The Lubbock Metropolitan Planning Organization is a blend of component units. Discretely presented component units include Urban Renewal Agency (URA), Civic Lubbock, Inc., Market Lubbock Economic Development Corporation, dba Market Lubbock, Inc., Lubbock Economic Development Alliance, and the Vintage Township Public Facilities Corporation. Additional information on the component units is found in the footnotes.

¹ City of Lubbock GIS Department.

City Services

The City provides a full range of services including public safety (police and fire services), electricity, water, wastewater, storm water, solid waste, public transportation (airport and transit), public health and social services, cultural and recreation, highways and streets, planning and zoning, and general administrative services.

Public Safety: The Police Department serves and protects the public by responding to calls for service, conducting criminal investigations, and enforcing laws governing public safety and order. The Public Safety Improvement Project commenced in fiscal year 2019 and is ongoing through fiscal year 2025. The construction of the Police Headquarters facility, as well as the three Division Stations, has been completed and all are now fully operational. Additionally, the construction of a Property and Evidence Warehouse began in 2023 and is expected to be completed in late 2025 with move in shortly after. To address officer vacancies, enhance patrol effectiveness, meet training requirements, and reduce response times, the Police Department Training Academy is currently implementing an enhanced in-service training program and will conduct two recruiting classes in 2026. The Training Academy, as part of the recently adopted Meet and Confer contract, also began a robust lateral hiring program. As of October 1, 2025, the Police Department has a budget for 454 sworn officers and 128 civilian personnel, with a total of 437 officer positions currently filled, including 20 police trainees in the training pipeline. In fiscal year 2025, the Police Department responded to or initiated a total of 198,573 events, achieving an average response time of 5 minutes and 59 seconds for Priority 1 calls.

Lubbock Fire Rescue is dedicated to providing unparalleled emergency response and life safety services for the City. As of September 30, 2025, the Fire Department operated 20 fire stations, and the Lubbock Fire Marshal Office. These facilities were staffed with 434 sworn firefighters and 27 civilians. Construction of Fire Station 20 concluded in FY 2024-25, with personnel responding to emergencies from its location at 3210 142nd Street. In FY 2024-25, the Fire Department responded to 27,326 calls, an average of 75 calls per day.

Electric Utility: The City's municipally owned electric utility system, known as Lubbock Power & Light (LP&L), was established in 1916, and is at present the largest municipal electric system in the West Texas region and the third largest municipal system in the State of Texas. LP&L provides electric delivery service to the City of Lubbock. As of September 30, 2025, LP&L owns and maintains 112,213 meters, 41 substations, 4,469 total miles of primary and secondary distribution lines, and approximately 195 miles of transmission lines. The average daily electric consumption is roughly 6,937 MWh.

On November 2, 2004, Lubbock voters elected to amend the City Charter to provide for an Electric Utility Board (EUB), which governs, manages, and operates LP&L today. The City Council retains authority for appointment of board members, approval of the operating and capital budget, approval of rates for electric service, eminent domain, and approval of debt financing.

On September 24, 2015, LP&L announced its intent to join the Electric Reliability Council of Texas (ERCOT). Shortly after that announcement, on October 20, 2015, the EUB and the City Council both took formal action to authorize LP&L to seek interconnection of 470 MW of LP&L's load (Affected Load) with ERCOT. At that time, LP&L did not seek to connect the remaining, approximately 170 MW of electric load to ERCOT (Unaffected Load)

In March 2018, the PUC approved the integration of the Affected Load to the ERCOT system through an Order in PUC Docket No. 47576.

On May 30, 2021, LP&L completed the integration of the Affected Load with ERCOT.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

On June 1, 2021, LP&L made a one-time payment totaling \$24.0 million to SPS to indemnify SPS and its customers for LP&L's integration into ERCOT, which was required by PUC Docket No. 47576 upon integration to ERCOT. LP&L utilized the energy and capacity savings afforded by very low natural gas prices and the SPS Capacity Agreement and reserved \$24.0 million from this savings prior to the end of FY 2018-19. In addition to the SPS Hold Harmless Payment, the PUC ordered LP&L to pay \$22 million per year for five years as a Wholesale Transmission Credit Rider. The credit rider mitigates the expected net impacts of LP&L's transition to ERCOT for customers in the ERCOT region. This amount will be netted against the TCOS revenues received from ERCOT.

On February 22, 2022, Lubbock's City Council, with the Electric Utility Board's recommendation, approved an irrevocable resolution opting into competition for retail electric service in Lubbock Power & Light's certificated area, as provided by the Texas Utilities Code Chapter 40, subject to the occurrence of certain conditions precedent outlined therein.

On September 28, 2023, Regulatory approval was granted to move the remaining load in SPP over to ERCOT. The full ERCOT integration was completed on December 11, 2023, resulting in the termination of the Partial Requirements (PR) purchased power agreement. Under the terms of the Settlement Agreement, LP&L made a one-time lump sum payment, totaling \$65.7 million on January 15, 2024, to SPS as compensation for power and transmission related costs under the PR Agreement. The negotiated lump sum termination payment of \$65.7 million was funded by the 20-year 2023 Series Revenue bond.

On January 5, 2024, LP&L officially opened the shopping window for customers to choose their new Retail Electric Provider (REP). Customers had till February 15, 2024, to select a REP and an energy plan that meets their needs. If no REP had been selected by the closing date, customers were assigned to one of three Default Retail Electric Providers (DREPs) to ensure that their electricity needs were still met.

In April 2024, LP&L officially became a transmission and distribution service provider in the ERCOT market as customers across the city picked their new retail providers. Over 70 percent of customers chose their own REP from over 60 available plans with the remainder being assigned to a DREP. Lubbock is the largest system to migrate into the ERCOT market and the first municipally owned utility in the state to voluntarily deregulate and offer choice to its customers. Moving forward, LP&L will continue to own and maintain the poles, wires, lines, and advanced meters that deliver electricity directly to your doorstep.

Water Utility: The City provides water supply, treatment, and distribution services within the city limits to residential, commercial, and industrial customers. The City also provides treated wholesale water to Shallowater, Ransom Canyon, Buffalo Springs Lake, Reese Redevelopment Authority, Wolfforth, TDCJ's Montford Prison Unit, Lubbock Cooper ISD Main Campus, and Texas Tech's East Campus – Petroleum Engineering Classroom. As of September 30, 2025, the water system consisted of 103,659 meters and 2,235 miles of distribution lines.

The 2024 updated to the Strategic Water Supply Plan was completed and published in July of 2025. The Plan provides guidance for water supply development and strategy for the City of Lubbock, projecting water usage and availability into the next century. The City also works closely with the Region O Water Planning Group in contributing to the preparation of a portion of the State Water Plan, which includes the City's estimated water supply needs, current supplies, and potential water management strategies over the next 100 years.

The City used a total of 12.88 billion gallons of water in FYE 2025. The City's 5-year average per capita consumption through FYE 2025 was 129 gallons per capita per day (gpcd). The peak capacity of the City's water supply and treatment was 68 million gallons per day, with an average utilization of 35 million gallons per day. The City's continued commitment to water conservation initiatives have lessened the immediate

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

need for additional water supplies, even as population and service areas grow.

The City currently receives its water from four different sources: Roberts County Well Field, Lake Meredith, Bailey County Well Field, and Lake Alan Henry. The Roberts County Well Field and Lake Meredith are owned by the Canadian River Municipal Water Authority (CRMWA). Lubbock is one of CRMWA's eleven-member cities. The Bailey County Well Field and Lake Alan Henry are owned by the City.

The City obtained 8.46 billion gallons of its annual water supply from CRMWA in FY 2024-25. Currently, CRMWA is blending groundwater from the Ogallala Aquifer in Roberts County with surface water from Lake Meredith to help meet the needs of member cities. CRMWA owns 407,566 acres of ground water rights with an estimated 22 million acre-feet of water within those rights. CRMWA can deliver up to 65,000 acre-feet of water to its member cities each year from the Roberts County Well Field. CRMWA supplies water to meet seasonal peak demands from Lake Meredith, which is currently at 47.2 percent capacity.

The Bailey County Well Field contains 175 active water wells with 83,305 acres of water rights, providing 1.50 billion gallons of the City's annual water supply in FYE 2025. The City continually assesses the need to add additional wells to the Bailey County Well Field to maintain field production capacity.

The City finished construction on Lake Alan Henry in 1993. In 2012, Phase I of the Lake Alan Henry infrastructure project was completed. This project consisted of constructing: two new pump stations, a 51-mile raw water pipeline from the Lake to the City, a new South Water Treatment Plant with membrane technology, and 19 miles of treated water transmission lines. Phase I can provide 16 million gallons of water per day to the City. Lake Alan Henry supplied 3.18 billion gallons of the City's annual water supply in FYE 2025. The lake is currently at 87.1 percent capacity. The South Water Treatment Plant includes a 225-million-gallon terminal storage reservoir and a high service pump station to transfer the treated water into the City's distribution system.

Wastewater Utility: The City provides wastewater collection and treatment within the city limits to residential, commercial, and industrial customers. The City also provides wholesale wastewater services to Reese Redevelopment Authority, TDCJ's Montford Prison Unit, Lubbock Cooper ISD Main Campus, and Texas Tech's East Campus – Petroleum Engineering Classroom. As of September 30, 2025, the collection system consisted of approximately 1,345 miles of sanitary sewer lines and 41 lift stations.

The Southeast Water Reclamation Plant (SEWRP) has a permitted capacity of 31.5 million gallons per day and an average utilization of approximately 21 million gallons per day. The peak utilization of the SEWRP is 27 million gallons per day. The effluent water reclaimed from the wastewater treatment processes is disposed of or reused in several ways. In FYE 2025, approximately 31 percent of the SEWRP wastewater was used to irrigate crops at the Lubbock and Hancock Land Application Sites. In addition, Xcel Energy used approximately 24 percent of the wastewater treated. The remainder, approximately 45 percent, was discharged into the North Fork of the Double Mountain Fork of the Brazos River. Currently, dewatered solids generated during the wastewater treatment process are disposed of at the City's regional solid waste landfill in Abernathy, Texas.

In April 2018, the Northwest Water Reclamation Plant (NWWRP) became operational. This new plant was constructed to accommodate the growing sewer service demand in the northwest part of Lubbock. Initially, the NWWRP had an average utilization of 0.3 million gallons per day. Over FYE 2025, the NWWRP discharged on average 0.9 million gallons per day of high-quality effluent into the Jim Bertram Lake System. The permitted capacity of the NWWRP is 3.0 million gallons per day. All solids generated at the NWWRP are sent to the SEWRP for processing.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

As part of the City's strategic water supply plan to maximize the reuse of treated wastewater, several coordinated projects spanning two decades have been planned or are already completed. The City completed Phase I, Phase II, and the Digester Upgrade of Phase III of a four-phase project to upgrade the Southeast Water Reclamation Plant. Phase I included upgrades and improvements to the influent lift station. Phase II included upgrades to Plant 3 for filtration and ultraviolet disinfection, and Plant 4 for biological nutrient removal, filtration, and ultraviolet disinfection. Phase III included design and construction improvements to anaerobic digesters and the solids handling facility. The upgrades included new covers, new mixing system, new heating system, and gas piping for Digester 8 and 9. Upgrades to the solids handling facility included new sludge thickening and dewatering equipment, sludge holding tank upgrades, odor control for the solids handling facility, and new sludge loading facilities. Phase IV will include upgrades to Plant 3 for biological nutrient removal. Rehabilitation of Plant 3 clarifiers and improved aeration capabilities has been completed. Design of the aerobic basin upgrades necessary for biological nutrient removal are complete and awaiting funding and construction. These efforts will improve the quality of the City's effluent discharge and prepare it for future reuse opportunities.

A final draft update to the Wastewater Master Plan was completed in late 2025. This latest plan evaluated the sewer collection system for hydraulics and capacity, with additional consideration of planned development based on expected growth and recent trends. The Northwest Interceptor was analyzed and targeted for future sizing and alignment upgrades to accommodate anticipated growth and wastewater flow. The South Lubbock Sanitary Sewer System Expansion Phases I, II, III, and IV extend service to southwest Lubbock. All four phases are complete and have been functioning for over 3 years. The Downtown Sanitary Improvements Phase I and II construction has been completed and are now in service. These large diameter lines will add capacity to the sewer system in the downtown area.

Storm Water Utility: The City's storm water run-off is primarily conveyed through the City's street system that discharges into 170 playa lakes. The subsurface drainage, via storm sewer pipes with curb inlets and intake structures, conveys water to two small intermittent streams (Blackwater Draw and Yellow house Draw) which both converge at the upper reaches of the North Fork of the Double Mountain Fork of the Brazos River.

The City's Municipal Separate Storm Sewer System (MS4) is made up of approximately 1,358 miles of paved and unpaved streets, 597.3 linear miles of paved and unpaved alleys, 1,386 storm sewer inlets, 126 miles of subsurface storm sewer pipe, four detention basins, 170 playa lakes, and one pump station. Maintenance of all of the storm sewers, including street cleaning, is funded through storm water fees.

During FY 24-25, the focus was maintenance on the overall stormwater network including pipes and drainage channels. In addition, efforts continue to evaluate the canyon lakes system and the associated FEMA floodway mapping to more accurately depict the water course. A large portion of this project is through the Texas Flood Infrastructure Fund (FIF). Efforts continue the Mackenzie Park Dam structure evaluation to determine what improvements need to be made to ensure the safety and reliability of the structure. Ongoing efforts to remap FEMA systems based on previous improvements continue to be a priority as well.

Solid Waste Utility: The City provides essential garbage collection and disposal services to approximately 84,919 residential and 2,036 commercial customers. The system includes two landfill sites. The Caliche Canyon Landfill handles construction and demolition debris and features a citizen drop-off area with transfer boxes that transport waste to the City's primary landfill. The primary landfill, the West Texas Regional Disposal Facility, opened in 1999 and spans 1,260 acres. It is one of the largest landfills permitted in Texas and serves a 16-county region with an expected useful life exceeding 150 years.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

Public Transportation: A key component of Lubbock's transportation system is the Lubbock Preston Smith International Airport, located seven miles north of the City's central business district on 3,000 acres of land adjacent to Interstate 27. The Airport is operated as a department of the City, with the guidance of an advisory board, and includes a 200,000 square foot passenger terminal building. The Airport has two commercial service runways, 11,500 and 8,000 feet in length. Air traffic control services include a 24-hour Federal Aviation Administration control tower and a full range of instrument approaches. The Airport is served by three major passenger airlines and two major cargo airlines. It facilitates approximately 42 commercial flights per day.

Citibus provides public transportation for the City of Lubbock and is managed by RATP Dev USA. Transit services provided by Citibus include Fixed-Route, Access (complementary paratransit), On-demand (micro transit), Charters and other additional special services. There are nine fixed routes that traverse the City. Access is an Americans with Disabilities Act (ADA) curb-to-curb service for passengers in the community who are unable to utilize the regular fixed route service due to a disability. The On-demand service is designed to supplement the fixed routes to meet the needs of the citizens of Lubbock who need access to places outside of the fixed-route service area and hours. In addition to the above transportation services, Citibus provides fixed-route service to Texas Tech University and surrounding apartment complexes with 2 on-campus and 7 off-campus routes. Citibus is also the contracted agent for passenger sales and freight shipping/receiving for Greyhound Lines, Inc., which operates from the Citibus Downtown Transfer Plaza.

Public Health and Social Services: Public Health and Social Services: In FY 2025-26, the City of Lubbock Health Department is committed to implementing key initiatives outlined in its strategic plan. These priorities include enhancing access to health care, strengthening collaborations with community partners to address mental health and substance misuse, expanding programs to combat chronic conditions, reducing rates of sexually transmitted infections, and improving the coordination of information services and resources. To achieve these goals, the department is focused on optimizing revenue cycle management, refining medical coding practices, pursuing grant opportunities, and fostering strategic partnerships.

The City of Lubbock Community Development department administers funding received by the City from the U.S. Department of Housing and Urban Development (HUD), which includes the following HUD grants: Community Development Block Grant (CDBG); HOME Investment Partnership Program (HOME); and the Emergency Solutions Grant (ESG). The City also receives funding from the Texas Department of Housing and Community Affairs (TDHCA) for the Comprehensive Energy Assistance Program (CEAP). Funding from both HUD and TDHCA help the City address affordable housing needs, homelessness, and community development objectives, all of which benefit low- to moderate-income (LMI) households and special needs populations.

Program Accomplishments for PY2024-25 include:

- **Public Facilities Improvements:** The Children's Advocacy Center received a new roof for their parking garage which provides for a safe and secure area for clients and staff to enter and exit the building, as well as providing handicapped access to the building. The agency assisted more than 300 children in Lubbock with advocacy services during the year.
- **Public Services:** Supportive services, vital services and public service activities assisted 668 households through various programs including: Employment training from Catholic Charities' Parent Empowerment Program; Skills training and employment opportunities through a Career Launch Program from Love the Hub; Childcare services through the YWCA Childcare Scholarship Program; and Supportive services for abused children navigating the child welfare system from court-appointed special advocates with CASA of the South Plains.
- **Affordable Housing:** Affordable rental housing was made available from the City of Lubbock

Housing Initiative (CLHI) to 17 households, most of which were extremely low income, single-parent households. Community Development provided 91 households with vital home repairs and rehab through its Owner-Occupied Home Rehab Program.

- **Homeless Housing and Shelter Services:** Through collaborative efforts with the local Continuum of Care and ECHO West Texas, Family Promise of Lubbock provided homeless services including Homeless Prevention and Rapid Rehousing for permanent and supportive housing to 1,354 individuals and families experiencing homelessness or who were at risk of becoming homeless.
- **Utility Assistance and Household Crisis:** The Comprehensive Energy Assistance Program (CEAP) provided 3,412 households with utility assistance and crisis assistance for heating and cooling-systems repairs or replacement. To qualify, households must have an annual household income at or below 150% of the poverty level.

Cultural and Recreation Activities: The City provides cultural and recreation services through 4 libraries and 83 parks with 58 playgrounds. Other recreational facilities include three splash pads, 45 tennis courts, 39 pickleball courts, 50 baseball and softball fields, 53 soccer fields, 44 basketball courts, 15 multi-sport courts, 3-disc golf courses, a 36-hole golf course and 6 community/adult activity centers. To further enhance quality of life and to provide support to tourism, the City operates the Memorial Civic Center, the Buddy Holly Center, the Moonlight Musicals Amphitheatre, the Municipal Garden and Arts Center, and the Silent Wings Museum.

The City is financially accountable for a legally separate civic services corporation (Civic Lubbock, Inc.), which is reported separately within the City's financial statements as a discretely presented component unit. Additional information on this legally separate entity is found in the notes on the financial statements.

Highways and Streets: The City is responsible for the construction and maintenance of 1,344.1 miles of paved streets, 51.2 miles of unpaved streets, and 720.3 miles of paved and unpaved alleys.

In 2004, the City Council established the Gateway Streets Program. The program, funded with 40 percent of franchise fees collected by the City, opens areas of the City for development through thoroughfare construction. Additionally, the program seeks to increase capacity to reduce congestion and accommodate anticipated growth, rebuild existing roadways to current design standards, and construct new roadways through Arterial and Collector Roadway projects. The Gateway Streets Program consists of the Northwest Passage, City thoroughfare streets, and Texas Department of Transportation (TxDOT) improvements in Lubbock.

Street improvement projects under design or construction include the following:

- The construction of 114th Street from Quaker Ave to Indiana Ave has been completed.
- Upland Ave, 66th Street to 82nd Street, (Segment 1) is under construction with an anticipated final completion in early Q2 of 2026.
- The design has been completed for Upland Ave, 82nd Street to 98th Street, (Segment 2) and the project will be bid on March of 2026 by TxDOT.
- Upland Ave, 98th Street to 114th Street, (Segment 3) is no longer part of the Gateway Streets Program. This roadway improvement project is now part of the 2024 Bond Road package. Currently the ROW acquisition is ongoing, and construction is slated to begin in Q4 of 2027. The funding here is being utilized to finish the consultant work for Right of Way.

Annual Budget Process

The annual operating budget serves as the foundation of the City's financial planning and control. All City departments submit requests for appropriation to the City Manager each year. The City Manager uses these requests as the starting point for developing the proposed Operating Budget and Capital Program. The City Manager then presents the proposed Operating Budget and Capital Program to the City Council for review, as required by City Charter. The City Council is required to hold a public hearing on the proposed Operating Budget and Capital Program and to adopt it no later than September 30, the close of the City's fiscal year. For FY 2025, the adopted Operating Budget and Capital Program appropriates funding at the fund level for all funds and at the project level in the Capital Program.

The General Fund Operating Budget is adopted on a basis other than GAAP, with the main difference being that related capital outlays are not budgeted. Budgetary control is maintained at the fund level. The City Manager may make administrative transfers and increases or decreases between accounts below the fund level without City Council approval. However, any transfer of funds between Funds, the legal level of control, or higher level shall be presented to City Council for approval by ordinance before such funds can be transferred between Funds or expended. All annual operating appropriations lapse at the end of the fiscal year. Capital Project and grant appropriations do not lapse at fiscal year-end but remain in effect until the project or grant is completed and closed.

ECONOMIC CONDITION AND OUTLOOK

The information presented in the financial statements is best understood when it is considered within the context of the City's economy. The following information is provided to highlight a broad range of economic forces that support the City's operations.

Local Economy

The City of Lubbock has a stable economy with historically consistent and steady growth. Over the past forty years, Lubbock's agriculturally based economy has diversified. This diversification minimizes the effects of business cycles experienced by individual sectors. The City has strong manufacturing, wholesale and retail trade, healthcare, education, and government sectors. Manufacturing includes a diverse group of employers who support approximately 5,300 workers. Our central location and access to transportation contributes to Lubbock's development as a regional warehousing and distribution center. Also, due to its location, Lubbock serves as the major retail trade center for a 26-county retail trade area of more than half a million people.

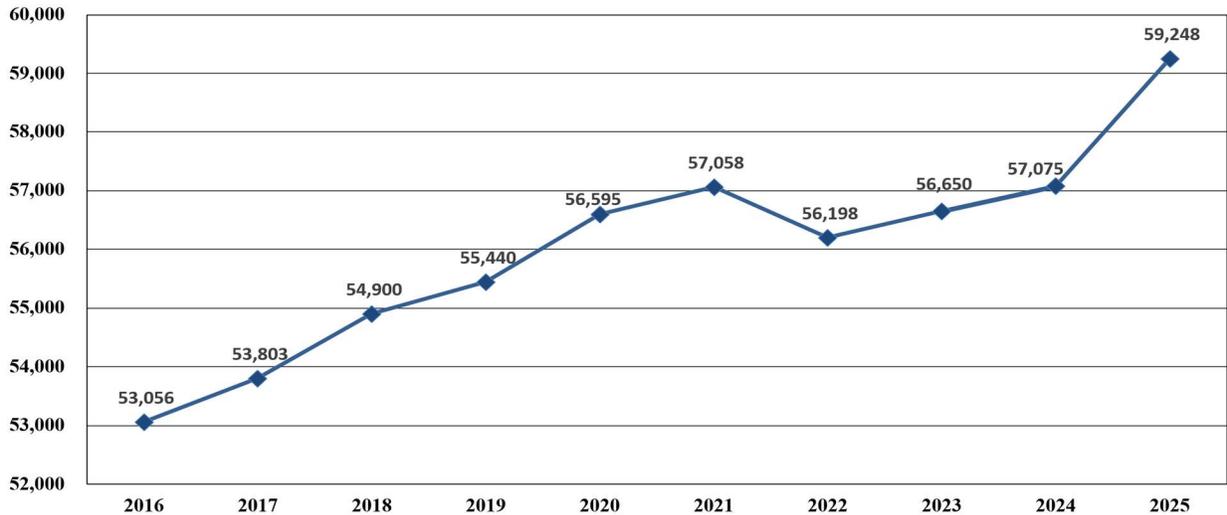
The Lubbock Economic Pulse indicates growth in retail sales year over year but building activity continues to be affected by the interest rate environment. Retail sales are up 5.85 percent year-to-date as of September 2025. New vehicle sales are up with an increase of 7.43 percent compared to September 2024, while used vehicle sales are up 9.86 percent. Tourism statistics remains strong compared to the prior year due to an increase in travel that caused a 26.43 percent increase in Hotel Occupancy tax compared to September 2024. The Lubbock Economic Pulse also indicates that commercial construction continues to lag, while residential has shown a slight improvement. Interest rates have decreased slightly compared to September 2024 which plays a vital role in the increase in the residential housing market. However, overall activity has slowed down compared to prior years. Commercial activity is down 3.5 percent, or \$140.6 million, while residential activity has increased slightly by 1.87 percent or \$70 million.²

² Lubbock Economic Pulse, October 2025, Lubbock National Bank , Lubbock, Texas

Honorable Mayor, City Council,
 And Citizens of the City of Lubbock, Texas
 February 24, 2026

Lubbock is home to three universities and one community college: Texas Tech University; Lubbock Christian University; Wayland Baptist University – Lubbock Center; and South Plains College. Fall 2025 enrollment for all higher education institutions in Lubbock was 59,248, an increase of 3.8 percent from fall 2024 enrollment of 57,075. The increase was due to enrollment increases at Texas Tech University and South Plains College. The availability of graduates in the City is an added advantage to local industries as the universities and colleges continue to produce a ready source of qualified labor.

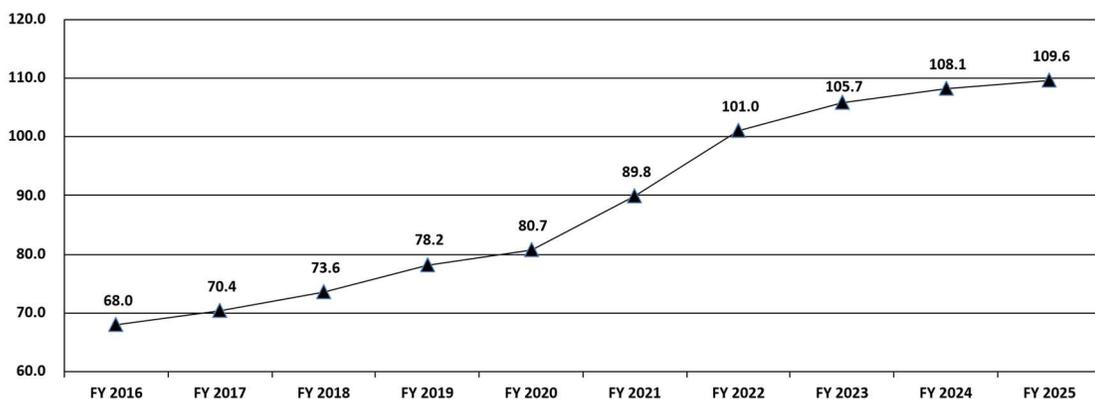
Higher Education Fall Enrollment 2016- 2025



The health care and social assistance sector is also a vital component of the Lubbock economy, with an average of 28,974 employees and payroll exceeding \$1.81 billion.³ Lubbock is home to several medical facilities including University Medical Center, Covenant Medical Center, The Lubbock Heart Hospital, and Grace Medical Center. The Texas Tech University Health Sciences Center also provides health care, as well as training and research opportunities for health care professionals.

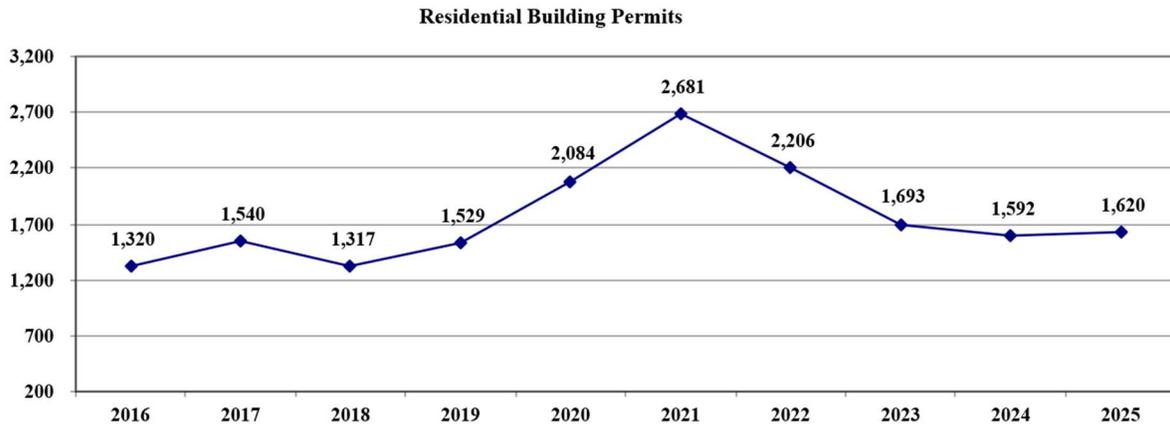
Sales Tax Collections: The total sales collections remitted to the City by the State of Texas in FY 2025 totaled \$109.6, 1.3 percent higher than collections through the same period in FY 2024. Of this amount, one-eighth of a percent of City sales tax is made available to Lubbock Economic Development Alliance (LEDA) for economic development purpose

Annual Sales Tax Collections

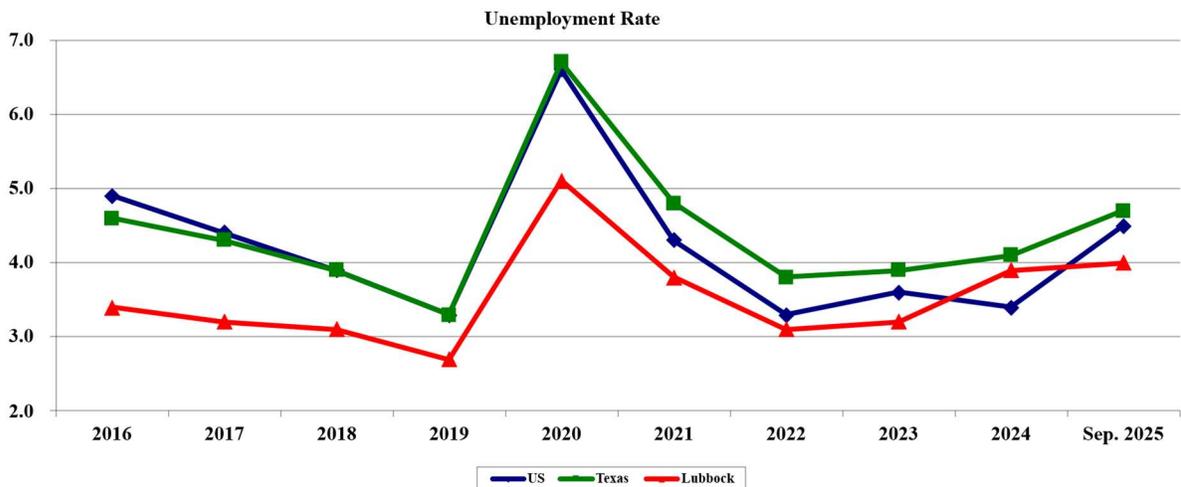


³ Texas Labor Market Information, *Quarterly Census of Employment and Wages (QCEW) Report*, retrieved from texaslmi.com/LMIbyCategory/QCEW.

Building Permits: Construction activity expanded significantly in recent years, setting records for new residential permits in 2020, 2021, and 2022. However, new construction permits issued decreased 1 percent through 2025. In addition, residential permits increased 1.7 percent in 2025 compared to the prior year.⁴ The preliminary average home sales price in September 2025 was \$285,017, a decrease of 2.16 percent over September 2024.⁵



Employment: The total non-agricultural employment estimate for September 2025 was 174,700, an increase of 0.5 percent over the September 2024 estimate. The unemployment rate for the Lubbock Metropolitan Statistical Area (MSA) in September 2025 was 3.7 percent, an increase of 0.2 percent. Historically, Lubbock has had a low rate of unemployment that is well below the national and state unemployment rates.⁶



⁴ City of Lubbock Building Inspection Department, December 2024 to December 2025 *Building Inspection Statistical Report*.

⁵ Texas A&M University Real Estate Center, *Lubbock MLS Housing Activity Report (September 2025)*, retrieved from <http://recenter.tamu.edu/data/datahs.html> (Figures are preliminary and will be updated as information becomes available.)

⁶ Texas Workforce Commission, *MSA Employment and Unemployment Data*, September 2025. (Current year numbers are the average through October 2025 and are updated as data becomes available.)

ECONOMIC DEVELOPMENT

In 1995, the City Council created Market Lubbock, Inc. (MLI), a non-profit corporation to oversee economic development for the City. MLI is funded with General Fund revenue. In October 2004, the Lubbock Economic Development Alliance (LEDA), an economic development sales tax corporation, assumed responsibility for economic development. LEDA program strategies include business retention, business recruitment, workforce development, foreign trade zone, and the bioscience initiative. LEDA is funded by a 1/8 cent economic development sales tax and MLI is funding with a portion of General Fund Property Tax. Total allocated tax revenues for MLI and LEDA for FY 2025 were \$12.6 million.

The City's Finance Department is responsible for tracking and maintaining economic and demographic information for the City, assisting with financial reporting for three Tax Increment Financing Reinvestment Zones, and all Public Improvement Districts. Finance responsible for auditing tax abatement agreements.

Lubbock Business Park: The Lubbock Business Park (Park) is a 586-acre tract of land located off of Interstate 27, approximately one mile south of Lubbock Preston Smith International Airport. The Park is being developed by LEDA as a recruitment tool to assist in the recruitment of new businesses to the area. The Park has shovel-ready lots available for businesses who would like to relocate to Lubbock or expand an existing business.

The City of Lubbock, Lubbock County, Lubbock Hospital District, and High Plains Underground Water District are participating in this public/private project with the creation of a Tax Increment Financing Reinvestment Zone that will assist in funding the public infrastructure necessary to develop the Park. According to the latest Project and Finance Plan for the Lubbock Business Park Tax Increment Financing Reinvestment Zone (LBP Zone), there are planned expenditures of approximately \$45.2 million for public infrastructure improvements, which will result in an increase in taxable value of approximately \$208.2 million over the LBP Zone's 30-year life. The 2025 appraised value of the LBP Zone is \$106 million with a net taxable value of \$99.9 million, which is a \$99.5 million increase over the 2009 base year value.

Overton Park: Overton Park, a former blighted area called North Overton, is a 300-acre revitalization project adjacent to the downtown area of Lubbock. Projects that have been constructed in Overton Park since the beginning of the redevelopment include student-oriented apartment complexes, The Centre, an apartment complex built over upscale retail, City Bank, Wal-Mart, The Overton Hotel and Conference Center, Racer Car Wash, condominiums, and many small specialty restaurants and retail establishments. The City of Lubbock, Lubbock County, Lubbock Hospital District, and High Plains Underground Water District are participating in this public/private project with the creation of a Tax Increment Financing Reinvestment Zone that has funded the replacement of the 80-year-old infrastructure. According to the Project and Finance Plan for the North Overton Tax Increment Financing Reinvestment Zone (Overton Zone), there were planned expenditures of \$62.3 million for Phase 1 and 2, not including interest on debt for the replacement and upgrade of public improvements including roads, water, sewer, relocation underground of the electric infrastructure, lighting, and landscaping in the parkway. Based on current estimates, these improvements will result in an increase of taxable value of approximately \$560 million over the Overton Zone's 30-year life. The 2025 appraised value of the Overton Zone is \$588.7 million which is a \$561.8 million increase over the 2002 base year value.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

North and East Lubbock Neighborhood and Infrastructure Fund: Lubbock City Council passed a resolution on May 9, 2013, to create the North and East Lubbock Neighborhood and Infrastructure Fund (NELNIF) to provide a source of funding for downtown redevelopment, neighborhood and infrastructure projects, and other community development projects. The revenue for the fund is 90 percent of the oil and gas revenues that historically went to the General Fund.

The Lubbock community, at large, has experienced growth. However, the North and East Lubbock communities have experienced population destabilization, economic instability, and housing deterioration.

The past several years has brought a slight increase of single-family residential development and affordable rental units in this area by nonprofit organizations and private developers in addition to rehabilitation of existing homes to provide a safe and sanitary living environment. The funding in the North and East Lubbock Neighborhood and Infrastructure Fund in FY 2025 was planned to be used for rehabilitation of owner-occupied homes in North and East Lubbock.

Downtown Redevelopment: The City of Lubbock Central Business District (CBD) has developed over the years with traditional office, retail, and governmental agency uses. As with many cities in the last ten to twenty years, retail has moved to shopping areas and other areas outside the CBD, and office development has stagnated. In an effort to reverse the trend, the City of Lubbock, with participation from Lubbock County, Lubbock Hospital District, and High Plains Underground Water District, created a Tax Increment Financing Reinvestment Zone to assist in the redevelopment of downtown in December 2001, with a termination date of December 31, 2020. On September 24, 2009, the City Council approved an extension of the termination date to December 31, 2040, in order to provide additional funding to implement the project and finance plan. According to the latest Project and Finance Plan for the Central Business District Tax Increment Financing Reinvestment Zone (CBD Zone), planned expenditures amount to \$40.8 million for public infrastructure improvements, which will result in an increase in taxable value of approximately \$255.7 million over the CBD Zone's 40-year life. The 2025 appraised value of the CBD Zone is \$288.5 million, a \$182.6 million increase over the 2001 base year value.

FINANCIAL INFORMATION

Long-term financial planning

The City uses ten-year rate models for long-range planning in all major enterprise funds as a basis for budget discussion and policy decision making. These models are based on current projects and policies and are continually monitored and updated throughout the year. The rates in the models are calculated to provide financially sound net position reserves, as established by City Council Policy.

The City Council has approved goals for the General Fund unrestricted fund balance, which is set at a minimum of an amount equal to 20 percent of operating revenues to meet unanticipated contingencies and fluctuations in revenue. Enterprise funds also have excess reserve policies, ranging from 10 to 25 percent of operating revenue. General Reserve requirements must maintain between a minimum of 90 days to a maximum of 200 days of budgeted expenses. Water/Wastewater and Airport funds maintain excess reserves in an amount equal to 25 percent of operating revenues. The Storm Water fund maintains excess reserves of 20 percent of operating revenues. Excess reserves have a slightly different definition than GAAP unrestricted net position. Excesses and deficits are addressed in the subsequent year budget process.

Utility funds make payments in lieu of property taxes and franchise fees to the General Fund. The payment in lieu of property taxes for other utility funds is calculated by applying the property tax rate to the fixed assets of the fund.

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 24, 2026

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its annual comprehensive financial report for the fiscal year ended September 30, 2024. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report in which contents conform to program standards. Such reports must satisfy both GAAP and applicable legal requirements. The City of Lubbock has received this award for seventeen consecutive years.

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

The preparation of this report would not be possible without the efficient and dedicated services of the entire staff of the Finance Department. We would particularly like to thank the Accounting Managers, Senior Accountants, Director of Financial Planning and Analysis, Assistant Director of Financial Planning and Analysis and Senior Financial Analysts for their countless hours of work on this financial report. We express our appreciation to all members of City departments who assisted with and contributed to the preparation of this report. Credit is also given to the City Council and the Audit Committee for their interest and support in planning and conducting the operations of the City in a responsible manner.

Respectfully submitted,



W. Jarett Atkinson
City Manager



Joe Jimenez
Chief Financial Officer



Brack Bullock, CPA
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

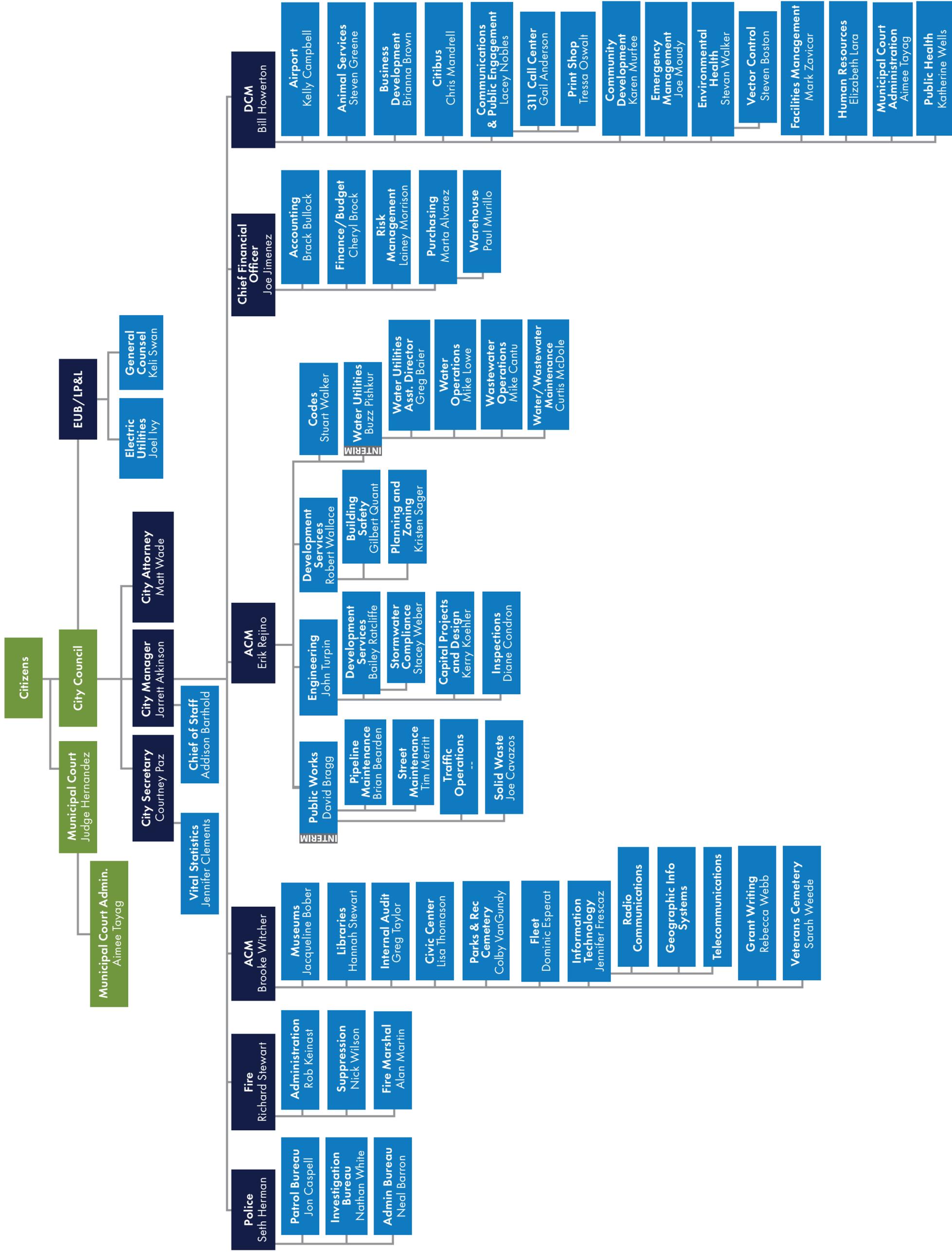
**City of Lubbock
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lubbock, Texas (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2025, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Civic Lubbock, Inc., Market Lubbock Economic Development Corporation d/b/a Market Lubbock, Inc. or Lubbock Economic Development Alliance, which represent 98 percent, 104 percent, and 99 percent, respectively, of the assets, net position (deficit), and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of Civic Lubbock, Inc. were not audited in accordance with *Government Auditing Standards*. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note I-J and I-K to the basic financial statements, during the year ended September 30, 2025, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Beginning net position has been restated as a result of the implementation of this statement. Our opinions are not modified with respect to this matter.

The Honorable Mayor
and Members of the City Council
of the City of Lubbock, Texas

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information, as listed in the table of contents, be presented to supplement the basic financial statements.

The Honorable Mayor
and Members of the City Council
of the City of Lubbock, Texas

Such information is the responsibility of management and, 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information, such as the combining and individual fund statements and schedules and schedule of expenditures of federal and state awards, as required by *Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and Texas Grant Management Standards are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules and schedules of expenditures of federal and state awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 GAAS. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 16, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters.

The Honorable Mayor
and Members of the City Council
of the City of Lubbock, Texas

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'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's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 16, 2026

City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025

The Management’s Discussion and Analysis (MD&A) provides a narrative overview and analysis of the financial activities of the City of Lubbock for the fiscal year ended September 30, 2025.

Readers of the financial statements are encouraged to consider the information included in the transmittal letter and in the other sections of the Annual Comprehensive Financial Report (ACFR) such as the combining statements and the statistical section in conjunction with the MD&A.

Financial Highlights

The following financial highlights summarize the City’s financial position and operations as presented in more detail in the Basic Financial Statements (BFS).

- The City’s total government-wide assets and deferred outflows exceeded its liabilities and deferred inflows at September 30, 2025, by \$1.7 billion (net position).
- The City’s total net position increased by \$136.3 million during the fiscal year.
- The ending unassigned fund balance for the General Fund was \$83.5 million, or 28.9 percent of total General Fund revenues, a decrease of \$10.9 million from the prior year.
- The City’s governmental funds reported combined ending fund balances of \$317.9 million, of which \$83.5 million is available for spending at the City’s discretion.
- The City’s enterprise funds reported combined ending net position of \$1.3 billion, of which \$132.7 million is available for spending at the City’s discretion.
- During FY 2025, the City issued \$223.2 million in bonded debt.

Overview of the Financial Statements

Basic Financial Statements: The MD&A is intended to serve as an introduction to the City’s BFS. The BFS are comprised of three components: 1) Government-Wide Financial Statements (GWFS), 2) Fund Financial Statements (FFS), and 3) Notes to Basic Financial Statements (Notes). The ACFR contains other supplementary information in addition to the BFS.

Government-Wide Financial Statements: The GWFS, shown on pages 41-43 of the ACFR, contain the *Statement of Net Position* and the *Statement of Activities*, described below:

The *Statement of Net Position* presents information on the City’s assets, liabilities (including capital assets and short- and long-term liabilities), and deferred inflows/outflows of resources with the difference reported as *net position* using the accrual basis of accounting. Over time, increases or decreases in net position serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the City’s functions or programs. Direct expenses are specifically associated with an activity and are therefore clearly identifiable with that activity. Program revenues include charges paid by the recipient of the goods or services offered by the program. Program revenues also include grants and contributions restricted to meeting the operational or capital requirements of a particular activity. Revenues not directly

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

related to a specific activity are presented as general revenues. The comparison of direct expenses with revenues from activities identifies the extent to which each activity is self-financing, or alternatively, draws from any City generated general revenues.

Governmental activities (activities principally supported by taxes and intergovernmental revenues) of the City include administrative services as well as general government, community services, cultural and recreation, economic and business development, fire, health, police, other public safety, streets and traffic and solid waste. Business-type activities (activities intended to recover all of their costs through user fees and charges) of the City include Electric, Water/Wastewater, Storm Water, Transit, Airport, Civic Centers, Cemetery, Golf and Lake Alan Henry Recreation. All changes in net position are reported as soon as the underlying event occurs (accrual basis), regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods, such as uncollected taxes and earned, but unused vacation leave.

Component Units: The GWFS include the City (the “primary government”), and five legally separate entities (the “component units”) for which the City is financially accountable. The discretely presented component units consist of: Urban Renewal Agency (URA); Market Lubbock Economic Development Corporation, d/b/a Market Lubbock, Inc.; Lubbock Economic Development Alliance; Civic Lubbock, Inc.; and the Vintage Township Public Facilities Corporation; are blended component units. The component units provide community services, economic development services, arts and cultural activities, and public improvement financing for the City. Financial information for the discretely presented component units is reported separately in the GWFS to differentiate them from the City’s financial information.

Fund Financial Statements: A *fund* is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The principal role of funds in the financial reporting model is to demonstrate fiscal accountability. The City, as with other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the FFS is on major funds. Major funds are those that meet minimum criteria (a percentage of assets, liabilities, revenue, or expenditures/expenses of fund category and of the governmental and enterprise funds combined), or those that the City chooses to report as major funds given their qualitative significance. Non-major funds are aggregated and shown in a single column in the appropriate financial statements. Combining schedules of nonmajor funds are included in the ACFR following the Required Supplementary Information (RSI) and Other Supplementary Information (OSI). All funds of the City can be divided into two categories: *governmental funds* and *proprietary funds*.

Governmental FFS: Governmental funds are used to account for essentially the same functions reported as governmental activities in the GWFS. However, unlike the GWFS, governmental FFS focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the City’s fiscal year. Such information is useful in evaluating the City’s near-term financing requirements.

Because the focus of governmental funds is narrower than that of the GWFS (modified accrual versus accrual basis of accounting, and current financial resources versus economic resources), it is useful to

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

compare the information presented for governmental funds with similar information presented for governmental activities in the GWFS. By doing so, the reader may better understand the long-term impact of near-term financing decisions. Reconciliations are provided for both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances to facilitate the comparison between governmental funds and governmental activities.

The City maintains 37 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Governmental Capital Projects Fund, and Debt Service Fund which are considered to be major funds. The governmental FFS can be found on pages 44-47 of the ACFR. Data for the other 34 governmental funds are combined into a single, aggregated presentation.

The City adopts a budget annually for the General Fund and most other funds. In the RSI section, budgetary comparison schedules for the General Fund and Debt Service Fund have been provided to demonstrate compliance with the budget.

Proprietary FFS: The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the GWFS. Enterprise FFS provide the same type of information as the GWFS, only in more detail. The City uses enterprise funds to account for LP&L, water/wastewater, storm water, transit, airport, civic centers, cemetery, golf and Lake Alan Henry Recreation activities, of which the first three activities are considered to be major funds by the City and are presented separately. The latter five activities are considered non-major funds and are combined into a single aggregated presentation.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for vehicle service operations and fueling, central warehouse and printing services, information technology services, risk management, health benefits, and investment pool funds. The services provided by the internal service funds benefit both governmental and business-type activities, and accordingly, they have been included within governmental activities and business-type activities, as appropriate, in the GWFS. All internal service funds are combined into a single aggregated presentation in the proprietary FFS. Reconciliations are provided for the proprietary fund statement of net position and the proprietary fund statement of revenues, expenses, and changes in fund net position for comparison between enterprise funds and business-type activities. The proprietary FFS can be found on pages 48-59 of the ACFR.

Fiduciary Funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has funds held on behalf of others as a result of law enforcement activities reported as custodial funds. The fiduciary FFS can be found on pages 60-61 of the ACFR.

Notes to Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS. The notes can be found on pages 62-116 of the ACFR.

City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain RSI including the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Contributions for the City’s pension plans, and the Schedule of Changes in Total OPEB Liability and Related Ratios. The General Fund and Debt Service budgetary comparisons demonstrating the legal level of budgetary control can also be found as part of the RSI. The RSI can be found on pages 117-124 of the ACFR.

Combining Fund Statements and Schedules are included after the RSI. This includes Nonmajor Funds and Nonmajor Discretely Presented Component Units. Certain special revenue funds are presented in this section, demonstrating compliance at the legal level of budgetary control.

Government-Wide Financial Analysis

As noted earlier, net position serves as a useful indicator of the City’s financial position. Assets and deferred outflows exceeded liabilities and deferred inflows by \$1.7 billion (*net position*) at the close of the fiscal year, compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$1.6 billion (*net position*) at the end of the prior fiscal year. As a result of operations, total net position increased by \$136.3 million during the period.

City of Lubbock Net Position
September 30
(in thousands)

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 421,139	\$ 413,760	\$ 400,886	\$ 416,665	\$ 822,025	\$ 830,425
Capital assets	779,038	720,380	2,090,738	2,057,775	2,869,776	2,778,155
Total assets	1,200,177	1,134,140	2,491,624	2,474,440	3,691,801	3,608,580
Total deferred outflows of resources	66,496	86,714	18,656	28,468	85,152	115,182
Current liabilities	35,341	41,123	41,123	158,239	76,464	199,362
Noncurrent liabilities	776,992	1,102,306	1,102,306	1,058,481	1,879,298	2,160,787
Total liabilities	812,333	1,143,429	1,143,429	1,216,720	1,955,762	2,360,149
Total deferred inflows of resources	57,228	51,406	23,977	21,650	81,205	73,056
Net position:						
Net investment in capital assets	478,850	422,576	1,132,639	1,047,324	1,611,489	1,469,900
Restricted	55,375	50,852	85,319	89,834	140,694	140,686
Unrestricted	(137,113)	(134,286)	124,917	127,378	(12,196)	(6,908)
Total net position	\$ 397,112	\$ 339,142	\$ 1,342,875	\$ 1,264,536	\$ 1,739,987	\$ 1,603,678

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

Approximately 92.6 percent of the City's net position reflects its investment in capital assets, e.g., land, buildings, infrastructure, machinery and equipment, less accumulated depreciation and any related outstanding debt used to acquire those assets. The City uses capital assets to provide services to citizens; consequently, those assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources since the capital assets cannot be used to liquidate the liabilities.

The City has restricted net position totaling \$140.7 million, which represent resources subject to external restrictions on how they may be used. Such resources include bond funds restricted for spending on specified capital projects, debt service reserves restricted by bond covenants, passenger facility charges restricted for airport improvements, and special revenue funds restricted for specific purposes.

The unrestricted net position is the amount that may be used to meet the government's ongoing obligation to citizens and creditors. The adoption of GASB Statement No. 68 in FY 2015 and No. 75 in FY 2018 resulted in the City's reporting of net pension liabilities and deferred inflows of resources and deferred outflows of resources for the pension plan and the recognition of pension expense. Both statements had a significant negative effect on the City's net position and consequently unrestricted net position.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position for business type activities. The government-wide unrestricted net position decreased by \$5.2 million from FY 2024.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

City of Lubbock Changes in Net Position
For the Years Ended September 30
(in thousands)

	Governmental Activities		Business- type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for services	\$ 49,230	\$ 46,083	\$ 369,071	\$ 461,716	\$ 418,301	\$ 507,799
Operating grants and contributions	17,418	22,118	29,835	29,450	47,253	51,568
Capital grants and contributions	21,627	26,143	38,025	16,963	59,652	43,106
General Revenues:						
Property taxes	132,115	125,732	-	-	132,115	125,732
Sales taxes	109,611	108,208	-	-	109,611	108,208
Other taxes	12,064	11,995	-	-	12,064	11,995
Franchise fees	34,188	28,846	-	-	34,188	28,846
Investment earnings	17,079	21,004	22,522	33,715	39,601	54,719
Other	18,761	20,338	3,227	10,301	21,988	30,639
Total revenues	<u>412,093</u>	<u>410,467</u>	<u>462,680</u>	<u>552,145</u>	<u>874,773</u>	<u>962,612</u>
Expenses:						
Administrative services/general govt.	28,263	24,948	-	-	28,263	24,948
Community services	8,834	6,581	-	-	8,834	6,581
Cultural and recreation	25,375	23,974	-	-	25,375	23,974
Economic and business development	24,955	24,818	-	-	24,955	24,818
Fire	76,090	72,549	-	-	76,090	72,549
Health	14,883	14,236	-	-	14,883	14,236
Police	103,138	95,429	-	-	103,138	95,429
Other public safety	11,076	10,249	-	-	11,076	10,249
Streets and traffic	40,706	38,055	-	-	40,706	38,055
Solid Waste	26,302	26,434	-	-	26,302	26,434
Interest on long-term debt	13,959	14,845	-	-	13,959	14,845
Electric	-	-	157,153	256,032	157,153	256,032
Water/Wastewater	-	-	140,968	137,259	140,968	137,259
Storm Water	-	-	15,214	15,425	15,214	15,425
Transit	-	-	19,040	18,311	19,040	18,311
Airport	-	-	23,078	23,127	23,078	23,127
Civic Centers	-	-	4,328	4,170	4,328	4,170
Cemetery	-	-	498	706	498	706
Lake Alan Henry	-	-	551	596	551	596
Golf	-	-	2,582	-	2,582	-
Total expenses	<u>373,581</u>	<u>352,118</u>	<u>363,412</u>	<u>455,626</u>	<u>736,993</u>	<u>807,744</u>
Change in net position before transfers	38,512	58,348	99,267	96,518	137,779	154,866
Transfers	7,400	9,494	(7,400)	(9,494)	-	-
Change in net position	45,912	67,842	91,867	87,024	137,779	154,866
Net position - beginning of year restated	351,200	271,300	1,251,008	1,177,512	1,602,208	1,448,812
Net position - end of year	<u>\$ 397,112</u>	<u>\$ 339,142</u>	<u>\$ 1,342,875</u>	<u>\$ 1,264,536</u>	<u>\$ 1,739,987</u>	<u>\$ 1,603,678</u>

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

Changes in Net Position: Details of the above summarized information can be found on pages 42-43 of the ACFR.

Governmental activities: The City's governmental activities experienced an increase in net position of \$58.0 million, compared to an increase of \$67.8 million during the prior fiscal year. Key elements of the operational increase compared to prior year include:

- Revenues increased \$1.6 million, from \$410.5 million in FY 2024 to \$412.1 million in FY 2025.
 - Property tax revenue increased from \$125.7 million in FY 2024 to \$132.1 million in FY 2025. The property tax rate decreased slightly from \$0.48016 per \$100 of assessed value in 2024 to \$0.47012 per 100 of assessed value in 2025. Taxable assessed values increased from \$26.3 billion in 2024 to \$28.4 billion in 2025, as real property valuations continued to climb.
 - Investment earnings decreased from \$21.0 million in FY 2024 to \$17.1 million in FY 2025. The decrease is due to lower rate environments in FY 2025.
 - The City experienced a \$6.0 million decrease in total program revenues from FY 2024 to FY 2025. Capital grants and contributions decreased \$4.5 million from FY 2024 to FY 2025, while charges for services increased \$3.2 million in FY 2025 and operating grants and contributions decreased \$4.7 million. Cultural and Recreation capital grants and contributions decreased by \$8.7 million to \$1.4 million in FY 2025, while Streets and Traffic capital grants and contributions increased \$5.3 million due to an increase in capital contributions. General government administration capital grants and contributions decreased from \$1.2 million to \$0.2 million and Police capital grants and contributions decreased by \$0.1 million from FY 2025. Solid Waste charges for services increased \$1.8 million to \$29.0 million in FY 2025 due to an increase in disposal fees, and Building Services charges for services increased by \$0.8 million due to an increase in construction, and Streets and Traffic charges for services increased slightly by \$0.3 million due to an increase in impact fees. Economic and Business Development and Cultural and Recreation charges for services combined increased by \$0.2 million in FY 2025. Operating grants and contributions decreased in FY 2025 by \$4.7 million to \$21.6 million due to Economic and Business Development operating grants and contributions decreasing by \$4.7 million.
 - Sales tax revenue increased from \$108.2 million in FY 2024 to \$109.6 million in FY 2025. Since FY 2015, Lubbock had experienced a steady increase in sales tax revenue averaging an annual increase of 5.5 percent. In FY 2025, Lubbock experienced a 1.3 percent increase in sales tax.
 - In FY 2025, Other revenues decreased by \$1.6 million from \$20.3 million in FY 2024 to \$18.7 million in FY 2025.
 - Franchise fees increased from \$28.9 million in FY 2024 to \$34.2 million in FY 2025. The \$5.3 million increase was due to lower energy costs.

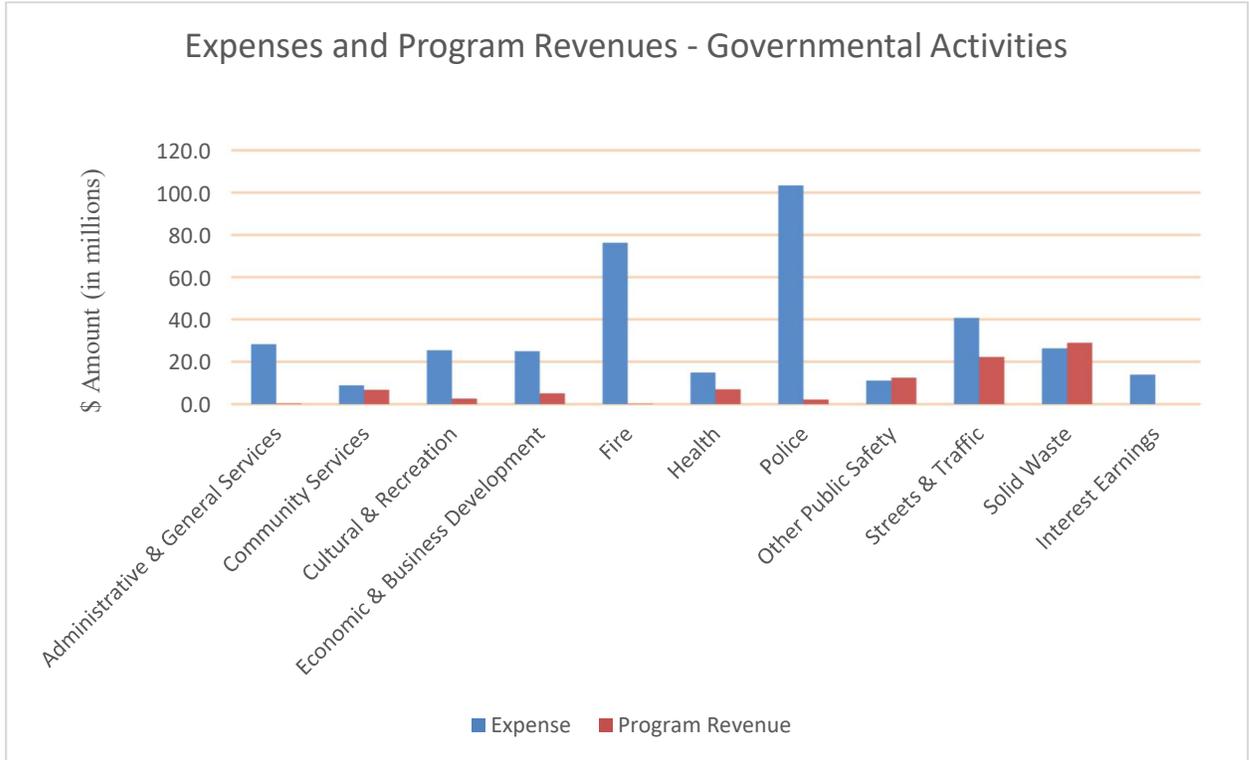
- Total expenses increased \$21.5 million, from \$352.1 million to \$373.6 million in FY 2025.
 - Police department expenses increased \$7.7 million from \$95.4 million in FY 2024 to \$103.1 million in FY 2025. Employee compensation and related benefit expenses increased by \$6.8 million due to a cost-of-living adjustment and overtime worked. In addition, Abandoned Motor Vehicles machinery and equipment expense increased by \$0.6 million and Police supplies increased slightly by \$0.3 million in FY 2025.
 - Fire department expenses increased from \$72.6 million in FY 2024 to \$76.1 million in FY 2025 for a total increase of \$3.5 million. Employee compensation and related benefit expenses increased by \$2.8 million due to a cost-of-living adjustment. Fire pension expense increased by \$1.2 million while supplies went down \$0.4 million and maintenance and other charges decreased slightly.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

- Administrative services/general government department expenses increased from \$25.0 million in FY 2024 to \$28.3 million in FY 2025 for an increase of \$3.3 million. Maintenance and other charges increased by \$2.0 million while governmental capital projects increased by \$1.3 million. Supplies remained consistent for FY 2025.
- Streets and traffic department expenses were \$38.0 million in FY 2024 and \$40.7 million in FY 2025 for an increase of \$2.7 million. Streets and traffic department depreciation expense increased by \$2.1 million, and governmental capital projects increased by \$0.6 million. Maintenance and other charges remained at \$3.2 million.
- Community services department expenses increased from \$6.6 million in FY 2024 to \$8.8 million in FY 2025 for an increase of \$2.2 million. Community Development expenses increased from \$2.8 million in FY 2024 to \$5.5 million in FY 2025 for an increase of \$2.7 million. Community services had decreased expenditures of \$0.8 million while other grant expenditures increased by \$0.3 million.
- Cultural and recreation department expenses increased \$1.4 million to \$25.4 million in FY 2025. Maintenance and other charges increased by \$1.4 million mainly due to mowing and maintenance for parks. Personal Services remained at \$9.8 million for FY 2025 while supplies remained at \$0.8 million for FY 2025.
- Health department expenses increased \$0.7 million to \$14.9 million in FY 2025. Employee compensation and related benefit expenses increased by \$0.4 million due to a cost-of-living adjustment while retirement and pension expense increased by \$0.3million.
- Transfers from business-type activities during FY 2025 increased governmental activities' net position by \$7.4 million. During the prior fiscal year, the transfers increased governmental activities' net position by \$9.5 million. Transfers from Electric to the General Fund decreased slightly in FY 2025 and transfers from Water/Wastewater increased. Transfers from Storm Water to the General Fund increased slightly in FY 2025.
- Net transfers from business-type activities included indirect cost payments of operations for centralized services such as payroll and purchasing to governmental activities.

**City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025**

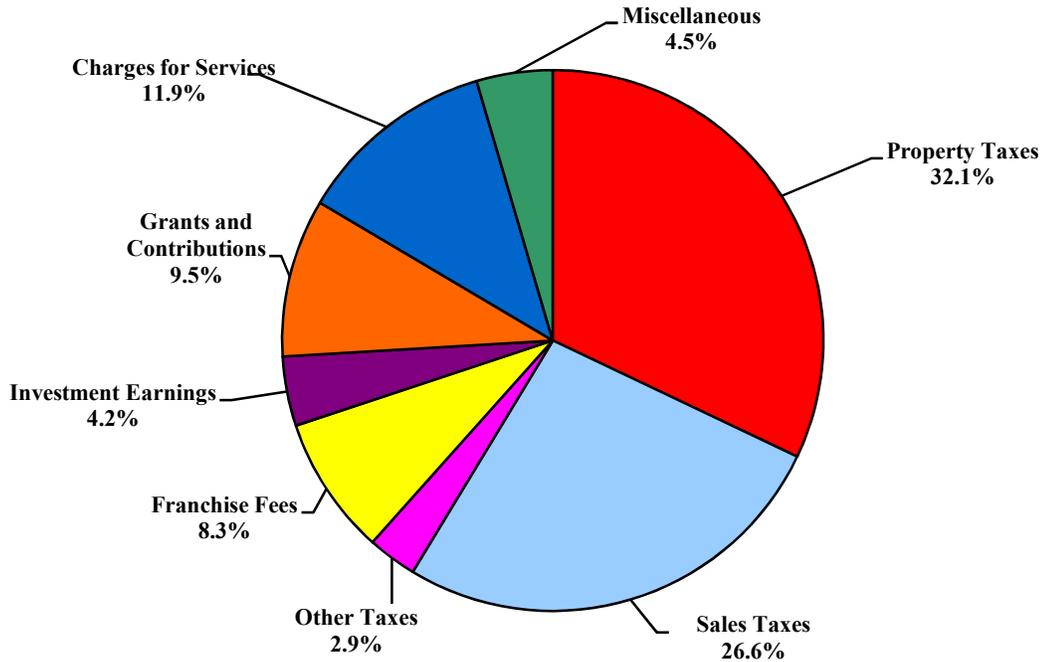
The following graph depicts the expenses and program revenues generated through the City's various governmental activities.



**City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025**

The following graph reflects the source of revenues and the percentage each source represents of the total.

Revenues by Source - Governmental Activities



Business-type activities: Revenues from the City’s business-type activities totaled \$462.7 million, compared to \$552.1 million in FY 2024, a decrease of \$89.4 million. Key elements of the revenue decrease from operations include:

- Charges for services for business-type activities totaled \$369.1 million in FY 2025, a decrease of \$92.6 million from the prior year.
 - Electric operations, which is Lubbock Power & Light (LP&L), totaled \$168.1 million in FY 2025, a decrease of \$100.2 million. PCRFB revenues decreased \$101.6 million due to the elimination of the PCRFB in April 2024 as LP&L opted in to retail competition in which these costs shifted to Retail Electric Providers (REPs). Base Rate revenue also decreased \$28.9 million as these revenues were also eliminated due to the transition to retail. Offsetting these decreases was an increase for Distribution System Revenue, totaling \$47.3 million. These revenues began in April 2024 and are designed to help cover the operational costs as a Transmission and Distribution Utility (TDU).
 - Water/Wastewater operations totaled \$151.3 million in FY 2025, an increase of \$3.0 million. The water charges for services increased from \$96.5 million in FY 2024 to \$97.3 million in FY 2025 due to a higher consumption use. Wastewater charges for services increased from \$53.0 million in FY 2025 to \$55.1 million in FY 2024. Water/Wastewater uncollectible accounts increased slightly in FY 2025.
 - Storm Water operations totaled \$22.3 million in FY 2025 which is the same amount from FY 2024. The rates remained the same and consumer use was consistent for residential and commercial customers.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

- Operating grants, capital grants and contributions produced \$67.9 million in revenue for business-type activities during FY 2025, an increase of \$21.5 million from the prior year. The increase is related to Water/Wastewater operating grants and contributions, which increased from \$2.2 million in FY 2024 to \$6.5 million in FY 2025 and capital grants and contributions increased \$5.5 million. Airport operating grants and contributions decreased \$3.4 million in FY 2025 while capital grants and contributions increased \$7.3 million to \$9.5 million in FY 2025. Storm Water capital grants and contributions also increased by \$7.8 million, and Transit had a slight decrease in operating grants and contributions in FY 2025.

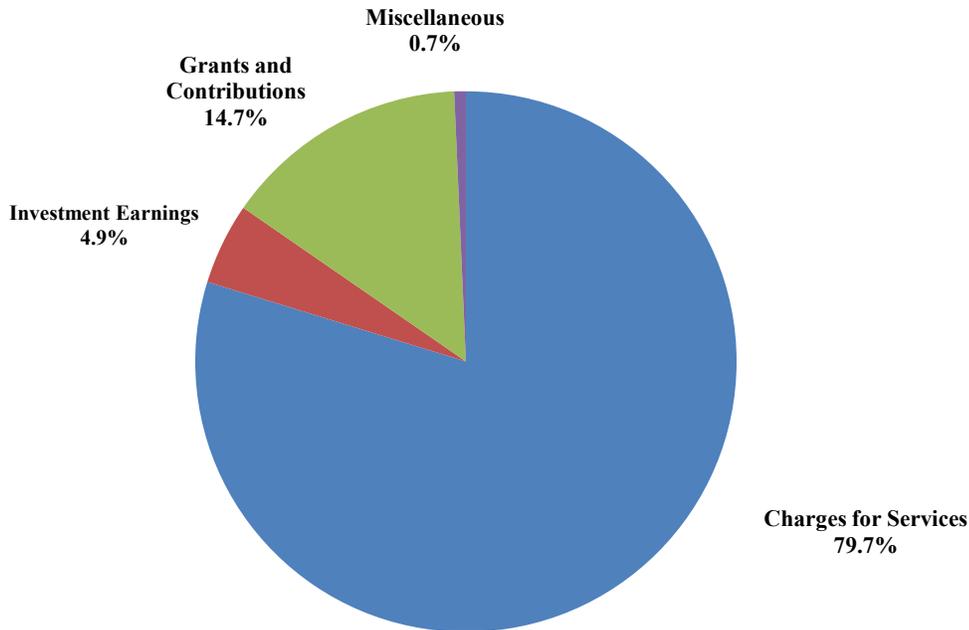
Expenses for business-type activities were \$364.0 million in FY 2025, a decrease of \$91.6 million.

- Electric expenses were \$157.2 million, a decrease of \$98.8 million from the prior year. The primary expense changes were energy and transmission-related costs. Energy costs were fully eliminated in Fiscal Year 2025, decreasing \$72.2 million due to LP&L's transition to the retail market. Miscellaneous expenses decreased \$42.0 million due the one-time settlement payment in FY 2025. Offsetting these decreases were increases in transmission and demand costs of \$6.6 million, driven by higher transmission charges, partially offset by the elimination of capacity payments as LP&L transitioned 100% of its load to ERCOT. Additionally, program expenses increased \$4.4 million, primarily due to higher personnel costs, depreciation and amortization, and maintenance costs.
- Expenses in the Water/Wastewater Fund were \$141.0 million in FY 2025, an increase of \$3.7 million from FY 2024. Water other services and charges increased by \$3.2 million in FY 2025, water billing office expense increased \$1.4 million while Water maintenance and depreciation and amortization also increased by \$0.8 million each from the prior year. Water personnel services increased by \$0.4 million while supplies increased slightly from FY 2024. Water interest expense on bonds decreased slightly by \$0.4 million in FY 2025. Wastewater maintenance expense increased by \$0.9 million in FY 2025, Wastewater supplies increased by \$0.6 million to \$2.5 million in FY 2025, Wastewater personnel services decreased slightly to \$5.6 million in FY 2025 while Wastewater interest expense decreased by \$4.1 million to \$9.4 million in FY 2025.
- Expenses in the Storm Water Fund were \$15.2 million in FY 2025, a decrease of \$0.2 million from the prior year. Personnel expense decreased by \$0.5 million in FY 2025 to \$1.8 million. Maintenance expense increased \$0.1 million in FY 2025 to \$0.8 million from FY 2025 while Storm Water supplies and depreciation and amortization expense also increased by \$0.1 million each in FY 2025.
- Expenses for Transit, Airport, Civic Centers, Cemetery, Lake Alan Henry and Golf were \$50.1 million, a \$3.2 million increase from FY 2024. A new Golf fund was established in FY 2025 so much of the increase from FY 2024 is due to Golf's \$2.6 million in expenses. Airport fund expenses remained at \$23.1 million. Transit fund expenses increased by \$0.8 million in FY 2025 to \$19.1 million. Transit depreciation and amortization increased by \$0.5 million, personnel services expense increased by \$0.4 million, and supplies and maintenance decreased by \$0.1 million in FY 2025. Civic Centers expenses increased by \$0.1 million in FY 2025 while Cemetery expenses decreased slightly to \$0.5 million and Lake Alan Henry expenses changed slightly in FY 2025. Civic Center depreciation and amortization increased by \$0.1 million while other services and charges remained the same. Cemetery personnel services decreased slightly while Lake Alan Henry other services and charges remained consistent.

**City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025**

The following graph reflects the revenue sources generated by the business-type activities. As noted earlier, the activities include LP&L (Electric), Water, Wastewater, Storm Water, Transit, Airport, Civic Centers, Cemetery, and Lake Alan Henry.

Revenues by Source – Business-type Activities



Financial Analysis of the City’s Funds

Governmental funds: The focus of the City’s *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. The General Fund is the chief operating fund of the City.

The GASB has defined five types of fund balances, which are more fully described in the notes to the financials. The City uses four of the five types of fund balances defined: nonspendable, restricted, committed, and unassigned. At the end of the year, the City’s governmental funds reported combined ending fund balances of \$317.9 million, compared to \$312.1 million at the end of the prior fiscal year.

The unassigned fund balance serves as a useful measure of the City’s resources available for spending at the end of the fiscal year. In FY 2025, the General Fund had \$83.5 million unassigned fund balance compared to \$94.3 million unassigned fund balance in FY 2024. This is 26.3 percent of the ending governmental fund balance, compared to 30.2 percent of the ending governmental fund balance, at the end of the prior fiscal year. As a measure of the General Fund’s liquidity, it is useful to compare both the unassigned fund balance and total fund balance to total fund revenues. Unassigned fund balance represented 28.9 percent of total General Fund revenues which is slightly lower than the amount of 34.5

**City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025**

percent of total General Fund revenue in the prior year. Total fund balance represented 28.9 percent of total General Fund revenues compared to 34.6 percent of total General Fund revenue in the prior year.

Tax revenues for the year increased primarily due to revenue from property tax and a slight increase in sales tax. Lubbock’s adjusted taxable value including new property added to the tax roll reached \$23.2 billion in 2024, an increase of \$1.5 billion (6.8%) from the prior year’s valuation. The total sales tax collections remitted to the City by the State of Texas increased from \$108.2 million to \$109.6 million. Of this amount, one-eighth of a percent of City sales tax is made available to Lubbock Economic Development Alliance (LEDA) for economic development purposes.

The Debt Service Fund had an increase in fund balance from \$1.0 million in FY 2024 to \$14.9 million in FY 2025. The \$1.0 million increase was due to an increase in tax and interest revenues when compared to the previous fiscal year.

The Governmental Capital Project Fund had an increase in fund balance of \$17.2 million in FY 2025. The increase was caused by the issuance of \$46.3 million in bonds and \$36.3 million in transfers in. Some of the increase was offset by capital outlay charges of \$67.3 million.

Proprietary funds: The City’s proprietary fund statements provide essentially the same type of information found in the GWFS, but in more detail. Unrestricted net position of the major proprietary funds at the end of September 30, 2025 and 2024 are as follows with amounts presented in thousands:

	2025	2024
LP&L	\$ 74,670	\$ 70,305
Water/Wastewater	15,089	7,209
Storm Water	14,082	15,150
	\$ 103,841	\$ 92,664

The LP&L Fund unrestricted net position increased by \$4.4 million, compared to an increase of \$72.3 million in the prior year, mainly due to the decrease in non-current bonds payable of \$7.2 million for the early payoff of the 2015 Revenue Bond, the decrease in restricted for debt service of \$0.86 million, the increase in deferred inflows of \$0.76 million, and the decrease in prepaid expenses of \$0.68 million for the recognition of the United Spirit Arena amortization offset by the decrease in deferred outflows of \$4.2 million.

The Water/Wastewater Fund unrestricted net position increased by \$7.9 million compared to a decrease of \$7.7 million in the prior year. Revenues increased by \$3.0 million in FY 2025 due to an increase in wastewater base and volume rates and expenses increased to \$141.1 million. An increase in capital contributions of \$5.5 million from \$10.4 million in FY 2024 to \$15.9 million in FY 2025 was mainly due to new capital projects in FY 2025. Water/Wastewater net transfers increased slightly by \$0.1 million from \$6.0 million in FY 2024 to \$6.1 million in FY 2025.

The Storm Water Fund unrestricted net position decreased by \$1.1 million compared to a \$1.4 million increase in the prior fiscal year. Revenues remained the same FY 2025 at \$22.3 million while expenses decreased by \$0.2 million. Transfers out decreased by \$0.6 million to \$2.8 million in FY 2025. Capital contributions increased in FY 2025 to \$12.4 million in FY 2025 from \$4.6 million in FY 2024.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

General Fund Budgetary Highlights

The adopted operating revenue budget for the General Fund, including transfers, totaled \$298.2 million.

The final General Fund revenue budget totaled \$299.6 million. A transfer amendment was passed to assign \$1.2 million from the Streets Capital Fund to the General Fund from the Impact Fee Streets Zone E Fund. Another amendment was made to transfer \$0.2 million from the Streets Capital Project Fund to the General Fund for municipal purposes. Actual revenue was \$298.9 million. Revenue and transfers into the General Fund were under budget by \$0.7 million. The City's sales tax was \$5.2 million under budget due to consumers spending less and property taxes were \$0.7 million under budget. Interest earnings revenue was \$2.0 million over budget mainly due to improved rate environments, and franchise fees revenue was \$1.8 million over due to increases from South Plains Electric Coop and Atmos Energy. Revenue in lieu of property tax was \$1.4 million over budget due to LP&L contributions.

The original operating expenditure budget for the General Fund, including transfers out, totaled \$310.7 million. An amendment was passed to carry forward balances not used in FY 2024 in the amount of \$0.3 million for City elections under contract with Lubbock County, and code supplementation services and online code hosting services. A budget amendment was made to increase the transfer to CIP in the General Fund by \$3.2 million, another budget amendment for \$0.1 million was made to increase the transfer to Streets Capital Fund Project, and a \$2.7 million amendment was made to increase the Public Safety Capital project Fund. The final General Fund expenditure budget totaled \$317.1 million.

The City ended the fiscal year with expenditures and transfers out totaling \$309.9 million, \$7.2 million less than budgeted. A transfer to the Gateway fund was \$0.7 million under budget as franchise fees came in lower than projected. Streets expenditures were under budget by \$1.6 million primarily because of lower than expected tax note and interest expenses and vacant positions. Solid Waste was \$1.4 million below budget due to vacant positions which lowered compensation and related benefits, lower actual fuel costs and less property damage. Public Safety was \$1.0 million under budget in total due to vacant positions in Animal Control, Fire, Police, Municipal Court, and Vector Control which lowered compensation and related benefits. Traffic was \$0.6 million under budget due to personnel vacancies in the year and lower maintenance costs. Facilities Management was \$0.7 under budget due to transitioning to a new energy supplier and lower custodial costs while the Libraries were under budget by \$0.4 million since they did not utilize all of the books and systems management budget. City Secretary was under budget by \$0.3 million due to not utilizing the elections budget but will carry over the budget to the next fiscal year. Finally, City Attorney and Finance were each \$0.2 million below budget due to personnel vacancies while non-departmental expenses were \$0.1 million below budget due to lower utility costs and unspent special projects.

The City budgets on a basis other than Generally Accepted Accounting Principles (GAAP), with the main difference being that debt proceeds and related capital outlay are not budgeted.

City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025

Capital Assets and Debt Administration

Capital assets: The City’s investment in capital assets, net of accumulated depreciation/amortization, for its governmental and business-type activities at September 30, 2025 totaled \$2.87 billion, a \$111.4 million increase over the prior fiscal year’s balance of \$2.67 billion. The investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and infrastructure.

City of Lubbock Capital Assets
(Net of Accumulated Depreciation/Amortization)
September 30
(in thousands)

	Governmental Activities		Business- type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 50,103	\$ 48,491	\$ 108,718	\$ 95,407	\$ 158,821	\$ 143,898
Electric non-depreciable Buildings	-	-	51,045	50,838	51,045	50,838
Improvements other than buildings	148,977	129,946	127,978	129,645	276,955	259,591
Machinery and equipment Electric depreciable	392,227	375,763	1,070,078	1,045,093	1,462,305	1,420,856
Lease	74,608	68,280	104,480	98,040	179,088	166,320
SBITA	4,820	2,657	1,980	426	6,800	3,083
Construction in progress	5,186	5,095	29	203	5,215	5,298
Total	103,117	90,148	47,995	42,909	151,112	133,057
	<u>\$ 779,038</u>	<u>\$ 720,380</u>	<u>\$ 2,090,737</u>	<u>\$ 2,057,774</u>	<u>\$ 2,869,775</u>	<u>\$ 2,778,154</u>

Major capital asset projects and purchases during the fiscal year included the following:

- Lake 7 land acquisition totaling \$15.2 million. Lake 7 will be located between Buffalo Springs Lake and East 50th Street. The Lake will be a renewable water source and is an integral part of Lubbock’s 100 year water plan.
- Cell Construction at the West Texas Regional Disposal Facility totaled \$6.4 million. The last cell that was constructed for waste disposal capacity .was in 2018.
- Construction of Fire Station #20 totaling \$2.8 million.

At the end of the fiscal year, the City had construction commitments of \$384.9 million. The City has a remaining appropriation of \$9.7 million to purchase and install new substation power transformers in the Erskine substation. The City has a remaining appropriation of \$31.4 million which includes funding of a new pump station, ground storage tank, elevated storage tank and transmission pipelines to service the west Lubbock area in the near future. The Lubbock Preston Smith International Airport has a \$59.0 million construction commitment to extend taxiway L along with a taxiline addition and apron expansion.

Additional information about the City’s capital assets can be found on pages 81-85 of the ACFR.

**City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2025**

Long-term debt: A summary of the City’s total outstanding debt follows:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
General obligation bonds	\$ 404,204	\$ 388,689	\$ 190,506	\$ 282,591	\$ 594,710	\$ 671,280
Revenue and contract bonds	-	-	750,698	682,353	750,698	682,353
State infrastructure bank loan	4,545	5,047	-	-	4,545	5,047
Subscription Liability	5,325	5,123	-	214	5,325	5,337
Lease	4,543	2,744	1,970	440	6,513	3,184
Total	\$ 418,617	\$ 401,603	\$ 943,174	\$ 965,598	\$ 1,361,791	\$ 1,367,201

There is no direct debt limitation in the City Charter or under state law. The City operates under a Home Rule Charter that limits the maximum tax rate for all city purposes to \$2.50 per \$100 of assessed valuation. The Attorney General of the State of Texas permits an allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation bonded debt service. The FY 2024 interest and sinking fund tax rate per \$100 of assessed valuation was \$0.11266, which is significantly below the maximum allowable tax rate.

As of September 30, 2025, the City’s total outstanding debt has decreased by \$5.4 million, or 0.4 percent from the prior fiscal year. General obligation bond and revenue and contract bond debt decreased by \$8.2 million or 0.6 percent. Total bond additions were \$223.2 million, offset by the payment of scheduled principal payments totaling \$115.8 million and refunded debt of \$115.9 million.

During the fiscal year, the City issued the following bonds and certificates:

- \$57.5 million Water and Wastewater System Revenue Bonds, Series 2025 (Bonds), with a 3.99 percent interest rate. The Bonds were issued at a premium of \$3,788,336 and incurred issuance costs of \$521,172. The \$61,258,336 proceeds from the sale of the Bonds will be used to (i) pay the costs of acquiring, purchasing, constructing, improving, renovating, enlarging and equipping property, buildings, structures, facilities and related infrastructure for the Water and Wastewater System, (ii) fund capitalized interest for the Bonds, if necessary, (iii) fund the reserve fund requirement for the Bonds, if necessary, and (iv) pay the costs of issuing the Bonds.
- \$46.3 million General Obligation Bonds, Series 2025 (Bonds), with a 4.15 percent interest rate. The Bonds were issued at a premium of \$3,161,170 and incurred issuance costs of \$471,170. The \$49,471,170 proceeds from the sale of the Bonds will be used for (i) the acquisition, construction and reconstruction of City street improvements, including but not limited to sidewalks, utility line relocation and traffic signalization, necessary and related storm drainage facilities and the acquisition of land and rights-of-way therefor and (ii) payment of costs of issuance of the Bonds.
- \$16.2 million Tax Note, Series 2025 (Note) with a 3.83 percent interest rate. The Tax Notes incurred issuance costs of \$80,000.00. The proceeds will be used to (a) finance (i) renovations, additions, expansions and improvements to the Lubbock Preston Smith International Airport taxiway and (ii) renovations and improvements to the City cemetery, (b) purchase of vehicles (together with (a), the “Project”); and (c) pay the costs incurred in connection with the execution and delivery of the Note.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

- \$45.6 million General Obligation Refunding Bonds, Series 2024 (Bonds), with an interest rate of 3.31 percent. The Bonds were issued at a premium of \$3,060,039 and incurred issuance costs of \$401,340. The \$48,670,039 proceeds from the sale of the Bonds were used to refund a portion of the of City's outstanding indebtedness for the purpose of achieving debt service savings. The Bonds refunded \$47,630,000 of outstanding debt, which resulted in a decrease of \$1,649,494 in total debt service requirements.
- \$57.6 million Water and Wastewater System Revenue Refunding Bonds, Series 2024 (Bonds), with an interest rate of 3.33 percent. The Bonds were issued at a premium of \$4,412,520 and incurred issuance costs of \$494,572. The \$61,972,520 proceeds from the sale of the Bonds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The Bonds refunded \$60,615,000 of outstanding debt, which resulted in a decrease of \$2,812,975 in total debt service requirements.

In March 2025, Standard and Poor's reaffirmed the City's bond rating of AA+ characterizing the City's rating outlook as stable. In March 2025, Fitch Ratings, Inc. reaffirmed the City's bond rating of AA+ characterizing the City's rating outlook as stable.

In January 2025, Standard and Poor's reaffirmed the City's Water & Wastewater bond rating of AA characterizing the Water & Wastewater System's rating outlook as stable. In January 2025, Fitch Ratings, Inc. reaffirmed the Water & Wastewater System's bond rating of AA+, characterizing the Water & Wastewater System's rating outlook as stable.

In June 2024, Standard and Poor's reaffirmed Lubbock Power & Light's (LP&L) bond rating of A+ characterizing LP&L's outlook as stable. In July 2024, Moody's Investor Service reaffirmed a bond rating of Aa3 characterizing LP&L's outlook as stable. In September 2024, Fitch Ratings, Inc. upgraded LP&L's bond rating to AA- and characterized LP&L's outlook as stable.

Additional information about the City's long-term debt can be found on pages 99-107 of the ACFR.

Economic Factors and the Next Fiscal Year's Budget and Rates

- In September 2025, the average unemployment rate for the Lubbock area was 3.7 percent, up from 3.5 percent in September of the previous year. The State's unemployment rate of 4.4 percent for September 2025 is up from 4.1 percent and the national rate of 4.3 percent for September 2024 is up from 3.9 percent from the previous year.
- Taxable retail sales tax was \$100.4 million in FY 2025 compared to \$99.1 million in FY 2024.
- The total number of new residential permits through September 2025 increased by 1.7 percent from 2024 levels, and total valuation amounts increased by 34.7 percent from the same period in 2024.
- Hotel occupancy tax receipts increased to \$9.9 million in FY 2025 compared to \$9.8 million in FY 2024.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

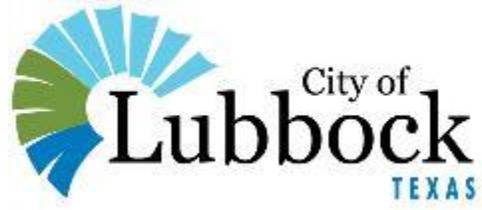
The following factors were considered in preparing the City's budget for FY 2026.

- The City adopted an increased tax rate of \$0.472191 per \$100 valuation for FY 2026. This is a \$0.002071 increase from FY 2025. The tax rate for debt service decreased from \$0.112664 to \$0.107586 per \$100 valuation. The Maintenance and Operations rate increased from \$0.357456 to \$0.364605 per \$100 valuation. Property tax revenues are expected to increase by \$2.9 million for FY 2026 of which \$1.9 million is new property on the roll.
- Sales tax revenues in FY 2026 are expected to decrease by \$2.6 million compared to the FY 2025 budgeted amount.
- Franchise fees and payments in lieu of franchise fees are expected to decrease by \$684.9 thousand or 2.1 percent. The decrease is due to the forecasted energy prices in FY 2026.
- Licenses and permits revenues are expected to decrease by \$601.1 thousand in FY 2026. Decreases are in payments for building permit-related fees, food establishments, food truck permit, peddler and mixed beverage permits, charitable solicitations, animal licensing, oil and gas permits, and other licenses required by the City. Construction related permits are projected to decrease primarily due to a decline in new property growth.
- Compensation costs are expected to increase to \$145.4 million in FY 2026 due to a 2.5 percent cost of living adjustment as well as increases to retirement and medical and dental benefits. This also includes the pay step increases associated with police and fire civil service.
- Airport revenue increased by \$884.5 thousand associated with the transfer from Passenger Facility Charges to pay the debt for this independent fund managed by the Airport. Many of the airport fees are adjusted every year for CPI by contract including those associated with hangar, terminal and parking. Interest is projected to decrease. Expenses for the fund increased \$2.8 million. This is mainly associated with an increase in cash funding for capital projects of \$1.8 million.
- Water/Wastewater revenue increased \$5.6 million primarily due to interest. No rate changes are proposed. Water metered sales is increasing based on expected consumption. The decrease in wastewater metered sales is due to budgeting too aggressively in the prior year. Expenses for the fund are projected to increase \$8.7 million. The 2.5 percent cost of living adjustment is included. Chemicals, vehicle maintenance, system maintenance, professional services, information technology, and payment to CRMWA are increasing in operations. Cash funding water/wastewater capital increased by \$4.0 million. Overall, there is a \$1.5 million increase to debt, including tax notes. There is also an increase in the payment to LP&L for billing and collection services of \$1.5 million. The largest offset to these increases is the decrease of \$1.5 million in the transfer to fleet capital for the purchase of vehicles.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2025

Requests for Information

The financial report is designed to provide a general overview of the City of Lubbock's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to the Director of Accounting, City of Lubbock, P.O. Box 2000, Lubbock, Texas, 79457.



City of Lubbock, Texas
Statement of Net Position
September 30, 2025

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 2,662,290	\$ 2,586,270	\$ 5,248,560	\$ 22,166,651
Investments	198,431,014	192,764,775	391,195,789	21,799,282
Receivables (net of allowance for uncollectibles)	29,114,803	49,850,791	78,965,594	3,978,284
Internal balances	13,375,539	(13,375,539)	-	-
Due from other governments	2,644,070	4,315,302	6,959,372	1,148,829
Due from others	3,317,948	1,278,620	4,596,568	-
Inventories	560,797	5,658,316	6,219,113	66,143
Prepaid expenses	-	661,281	661,281	111,946
Restricted assets:				
Cash and cash equivalents	-	-	-	1,190,965
Investments	170,751,378	154,860,181	325,611,559	-
Leases receivable	280,845	2,286,197	2,567,042	-
Investment in property	-	-	-	206,518
Mortgage receivables	-	-	-	908,456
Land Inventory	-	-	-	15,010,188
Capital assets (net of accumulated depreciation/amortization):				
Right of Use Asset-Leases	4,821,451	1,979,056	6,800,507	-
SBITA Assets	5,186,155	29,351	5,215,506	-
Non-depreciable	153,220,640	207,757,629	360,978,269	250,000
Depreciable	615,810,321	1,880,971,778	2,496,782,099	14,389,949
Total assets	<u>1,200,177,251</u>	<u>2,491,624,008</u>	<u>3,691,801,259</u>	<u>81,227,211</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	54,060,291	13,955,660	68,015,951	-
Deferred outflow from OPEB	10,631,862	4,050,013	14,681,875	-
Deferred charge on refunding	1,803,894	650,244	2,454,138	-
Total deferred outflows of resources	<u>66,496,047</u>	<u>18,655,917</u>	<u>85,151,964</u>	<u>-</u>
LIABILITIES				
Accounts payable	21,122,688	18,547,385	39,670,073	2,380,311
Due to other governments	60,581	-	60,581	-
Accrued liabilities	6,704,171	2,261,023	8,965,194	494,552
Accrued interest payable	2,738,700	12,803,040	15,541,740	66,154
Customer deposits	-	4,979,411	4,979,411	-
Unearned revenue	4,715,013	51,352	4,766,365	1,090,102
Noncurrent liabilities due within one year:				
Compensated absences	14,304,916	4,735,088	19,040,004	-
Accrued insurance claims	4,634,743	-	4,634,743	-
Leases payable	1,868,885	527,396	2,396,281	11,453,972
Subscriptions payable	1,418,317	-	1,418,317	-
Bonds and notes payable	37,554,823	77,104,691	114,659,514	61,000
Noncurrent liabilities due in more than one year:				
Compensated absences	33,770,919	4,814,059	38,584,978	-
Post-employment benefits	103,086,178	36,195,271	139,281,449	-
Net pension liability	162,205,427	29,211,672	191,417,099	-
Accrued insurance claims	1,341,790	-	1,341,790	-
Landfill closure and postclosure care	8,274,721	-	8,274,721	-
Rebatable Arbitrage	4,371,462	4,368,205	8,739,667	-
Leases payable	2,674,287	1,442,304	4,116,591	45,167,876
Subscriptions payable	3,906,965	-	3,906,965	-
Bonds and notes payable	397,578,221	946,387,748	1,343,965,969	1,733,000
Total liabilities	<u>812,332,807</u>	<u>1,143,428,645</u>	<u>1,955,761,452</u>	<u>62,446,967</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	21,527,219	7,271,359	28,798,578	-
Deferred inflows from OPEB	35,418,972	12,693,229	48,112,201	-
Deferred inflows from refunding	790	1,726,125	1,726,915	-
Deferred inflows from Leases	280,845	2,286,197	2,567,042	-
Total deferred inflows of resources	<u>57,227,826</u>	<u>23,976,910</u>	<u>81,204,736</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	478,850,479	1,132,638,987	1,611,489,466	13,688,515
Restricted for:				
Passenger facility charges	-	8,595,791	8,595,791	-
Debt service	21,669,020	76,723,016	98,392,036	-
Grants	3,425,007	-	3,425,007	-
Tax Incremental Funds/Public Improvement Dist.	20,359,647	-	20,359,647	-
Hotel/Motel	1,142,666	-	1,142,666	-
Cable Services	3,990,669	-	3,990,669	-
Municipal Court	2,322,682	-	2,322,682	-
Abandoned Motor Vehicle	1,477,943	-	1,477,943	-
Economic Development	241,280	-	241,280	-
Donations	746,022	-	746,022	-
Component Units	-	-	-	2,267,424
Primary government agreement	-	-	-	100,000
Unrestricted	(137,112,750)	124,916,576	(12,196,174)	2,724,305
Total net position (deficit)	<u>\$ 397,112,665</u>	<u>\$ 1,342,874,370</u>	<u>\$ 1,739,987,035</u>	<u>\$ 18,780,244</u>

City of Lubbock, Texas
Statement of Activities
For the Year Ended September 30, 2025

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Primary government:			
Governmental activities:			
Administrative services and general government	\$ 28,262,534	\$ 167,151	\$ -
Community services	8,833,593	-	6,809,238
Cultural and recreation	25,375,124	1,058,872	211,024
Economic and business development	24,954,874	2,860,236	2,309,304
Fire	76,090,501	152,880	-
Health	14,882,879	977,903	6,043,103
Police	103,138,106	166,256	282,703
Other public safety	11,075,693	10,711,666	1,762,427
Streets and traffic	40,706,048	4,121,332	-
Solid Waste	26,301,631	29,013,262	-
Interest on long-term debt	13,958,888	-	-
Total governmental activities	<u>373,579,871</u>	<u>49,229,558</u>	<u>17,417,799</u>
Business-type activities:			
Electric	157,152,929	168,119,458	-
Water/Wastewater	140,968,006	151,288,057	6,523,264
Storm Water	15,214,005	22,302,986	-
Transit	19,040,643	5,979,120	19,858,961
Airport	23,078,357	17,130,858	3,452,881
Civic Centers	4,328,139	576,969	-
Cemetery	497,655	453,471	-
Lake Alan Henry	550,668	825,574	-
Golf	2,582,149	2,394,750	-
Total business-type activities	<u>363,412,551</u>	<u>369,071,243</u>	<u>29,835,106</u>
Total primary government	<u>\$ 736,992,422</u>	<u>\$ 418,300,801</u>	<u>\$ 47,252,905</u>
Component units:			
Urban Renewal Agency (URA)	\$ 330,511	\$ 3,142	\$ -
Civic Lubbock, Inc.	3,360,800	3,305,898	77,753
Market Lubbock, Inc.	9,704,648	31,625	303,213
Lubbock Economic Development Alliance	7,040,474	-	1,000,000
Vintage Township Public Facilities Corporation	132,308	-	-
Total component units	<u>\$ 20,568,741</u>	<u>\$ 3,340,665</u>	<u>\$ 1,380,966</u>
General revenues:			
Property taxes			
Sales taxes			
Occupancy taxes			
Other taxes			
Franchise taxes			
Investment earnings			
Miscellaneous			
Transfers, net			
Total general revenues and transfers			
Change in net position			
Net position - beginning restated			
Net position - ending			

**Net (Expenses) Revenues and
Changes in Net Position**

Capital Grants and Contributions	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ 170,288	\$ (27,925,095)	\$ -	\$ (27,925,095)	\$ -
-	(2,024,355)	-	(2,024,355)	-
1,402,638	(22,702,590)	-	(22,702,590)	-
-	(19,785,334)	-	(19,785,334)	-
-	(75,937,621)	-	(75,937,621)	-
-	(7,861,873)	-	(7,861,873)	-
1,779,913	(100,909,234)	-	(100,909,234)	-
-	1,398,400	-	1,398,400	-
18,274,400	(18,310,316)	-	(18,310,316)	-
-	2,711,631	-	2,711,631	-
-	(13,958,888)	-	(13,958,888)	-
<u>21,627,239</u>	<u>(285,305,275)</u>	<u>-</u>	<u>(285,305,275)</u>	<u>-</u>
206,819	-	11,173,348	11,173,348	-
15,887,919	-	32,731,234	32,731,234	-
12,437,075	-	19,526,056	19,526,056	-
-	-	6,797,438	6,797,438	-
9,493,288	-	6,998,670	6,998,670	-
-	-	(3,751,170)	(3,751,170)	-
-	-	(44,184)	(44,184)	-
-	-	274,906	274,906	-
-	-	(187,399)	(187,399)	-
<u>38,025,101</u>	<u>-</u>	<u>73,518,899</u>	<u>73,518,899</u>	<u>-</u>
<u>\$ 59,652,340</u>	<u>(285,305,275)</u>	<u>73,518,899</u>	<u>(211,786,376)</u>	<u>-</u>
\$ -	-	-	-	(327,369)
-	-	-	-	22,851
-	-	-	-	(9,369,810)
1,877,061	-	-	-	(4,163,413)
188,299	-	-	-	55,991
<u>\$ 2,065,360</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,781,750)</u>
	132,115,189	-	132,115,189	3,500,298
	109,610,972	-	109,610,972	9,134,437
	9,929,153	-	9,929,153	4,902,779
	2,135,046	-	2,135,046	-
	34,188,162	-	34,188,162	-
	17,079,134	22,520,228	39,599,362	1,581,204
	18,760,915	3,227,043	21,987,958	3,480,809
	7,399,683	(7,399,683)	-	-
	<u>331,218,254</u>	<u>18,347,588</u>	<u>349,565,842</u>	<u>22,599,527</u>
	45,912,979	91,866,487	137,779,466	8,817,777
	351,199,686	1,251,007,883	1,602,207,569	9,962,467
	<u>\$ 397,112,665</u>	<u>\$ 1,342,874,370</u>	<u>\$ 1,739,987,035</u>	<u>\$ 18,780,244</u>

City of Lubbock, Texas
Balance Sheet
Governmental Funds
September 30, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 894,279	\$ -	\$ 521,177	\$ 612,136	\$ 2,027,592
Investments	66,654,096	-	38,845,357	45,625,110	151,124,563
Taxes receivable (net)	20,625,012	754,820	-	1,720,830	23,100,662
Accounts receivable (net)	5,007,011	-	-	-	5,007,011
Interest receivable	391,954	36,404	-	92,643	521,001
Due from other funds	4,740,669	-	-	-	4,740,669
Due from other governments	-	-	-	3,317,948	3,317,948
Due from others	1,136,825	-	-	1,507,245	2,644,070
Prepaid expense	-	-	-	-	-
Inventory	148,657	-	-	-	148,657
Restricted investments	270,592	14,771,365	134,052,774	8,309,558	157,404,289
Leases receivable	-	-	-	247,683	247,683
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 99,869,095</u>	<u>\$ 15,562,589</u>	<u>\$ 173,419,308</u>	<u>\$ 61,433,153</u>	<u>\$ 350,284,145</u>
LIABILITIES					
Accounts payable	\$ 5,994,545	\$ -	\$ 6,021,903	\$ 4,363,783	\$ 16,380,231
Accrued liabilities	6,219,860	-	12,635	224,995	6,457,490
Due to other funds	-	-	-	356,131	356,131
Due to other governments	-	-	-	2,973	2,973
Due to others	46,203	-	-	11,405	57,608
Unearned revenue	385,053	-	700,291	3,629,668	4,715,012
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>12,645,661</u>	<u>-</u>	<u>6,734,829</u>	<u>8,588,955</u>	<u>27,969,445</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from leases	-	-	-	247,683	247,683
Unavailable revenue	3,344,794	693,843	-	82,099	4,120,736
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>3,344,794</u>	<u>693,843</u>	<u>-</u>	<u>329,782</u>	<u>4,368,419</u>
FUND BALANCES					
Nonspendable	148,657	-	-	-	148,657
Restricted	270,592	14,868,746	130,507,461	41,966,891	187,613,690
Committed	-	-	36,177,018	10,513,033	46,690,051
Unassigned	83,459,391	-	-	34,492	83,493,883
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>83,878,640</u>	<u>14,868,746</u>	<u>166,684,479</u>	<u>52,514,416</u>	<u>317,946,281</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 99,869,095</u>	<u>\$ 15,562,589</u>	<u>\$ 173,419,308</u>	<u>\$ 61,433,153</u>	<u>\$ 350,284,145</u>

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Reconciliation of the Balance Sheet of Governmental Funds
To the Statement of Net Position
September 30, 2025

Total fund balance - governmental funds \$ 317,946,281

Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets and right of use assets used in governmental activities are not financial resources and therefore are not reported in the funds. 779,038,567

Internal service funds (ISF's) are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The portion of the assets and liabilities of the ISF's primarily serving governmental funds are included in governmental activities in the Statement of Net Position as follows:

Net Position	72,871,297
General obligation bonds	23,333,713
Net book value of capital assets	(65,167,303)
Compensated absences	1,316,896
Post employment benefits	5,115,939
Net pension Liability	4,178,689
Lease	3,498,128
Subscription Liability	5,105,241
Arbitrage Liability	341,955
Deferred Inflows of Pensions	1,530,591
Deferred Outflows of Pensions	(2,141,116)
Deferred Inflows of OPEB	1,546,383
Deferred Outflows from OPEB	(497,994)
Deferred Inflow on Refunding	790
Amounts due from business-type ISF's for amounts undercharged	8,991,001

Certain liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities are as follows:

General obligation bonds	(404,203,956)
SIB Loan	(4,544,642)
Leases	(4,543,172)
Subscription Liabilities	(5,325,282)
Arbitrage Liability	(4,371,462)
Closure/Post Closure	(8,274,721)
Compensated absences	(48,075,835)
Post employment benefits	(103,086,178)
Net pension liability	(162,205,427)
Accrued interest on general obligation bonds	(2,551,073)

Bond premiums and deferred charges on refunding are recognized as an other financing source in the fund statements. In the government wide statements premiums and deferred charges on refunding are amortized over the life of the bonds. Unamortized balances as of fiscal year end equal premiums \$26,384,446 and deferred charges on refunding \$1,803,104. (24,581,343)

Deferred Inflows of Pensions	(21,527,219)
Deferred Outflows of Pensions	54,060,291
Deferred Inflows from OPEB	(35,418,972)
Deferred Outflow from OPEB	10,631,862

Revenue earned but unavailable in the funds is deferred. 4,120,736

Net Position of governmental activities \$ 397,112,665

City of Lubbock, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2025

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES					
Taxes	\$192,840,206	\$ 29,541,841	\$ -	\$ 30,991,725	\$ 253,373,772
Franchise taxes	33,961,563	-	-	226,599	34,188,162
Special assessments	-	-	-	2,655,556	2,655,556
Fees and fines	3,448,420	-	4,007,907	722,429	8,178,756
Licenses and permits	5,523,306	-	-	-	5,523,306
Intergovernmental	939,633	-	3,824,274	14,771,469	19,535,376
Charges for services	32,598,501	-	-	359,450	32,957,951
Interest	4,652,947	703,235	6,980,980	2,269,961	14,607,123
Miscellaneous	14,662,626	-	1,030,114	2,778,908	18,471,648
Total revenues	<u>288,627,202</u>	<u>30,245,076</u>	<u>15,843,275</u>	<u>54,776,097</u>	<u>389,491,650</u>
EXPENDITURES					
Current:					
Administrative services and general government	22,139,268	-	2,915,830	35,101	25,090,199
Community services	-	-	-	8,343,646	8,343,646
Cultural and recreation	19,013,441	-	1,177,193	108,818	20,299,452
Economic and business development	1,174,961	-	-	21,201,361	22,376,322
Health	7,338,010	-	-	6,468,434	13,806,444
Fire	71,456,715	-	-	899	71,457,614
Police	95,360,126	-	-	2,684,858	98,044,984
Other public safety	8,998,260	-	21,206	1,176,776	10,196,242
Streets and traffic	8,253,895	-	806,137	-	9,060,032
Solid waste	22,057,162	-	-	-	22,057,162
Debt service:					
Principal	2,234,935	32,447,122	-	662,297	35,344,354
Interest and other charges	82,746	15,467,422	464,539	384,365	16,399,072
Capital outlay	381,304	-	67,261,961	5,018,210	72,661,475
Total expenditures	<u>258,490,823</u>	<u>47,914,544</u>	<u>72,646,866</u>	<u>46,084,765</u>	<u>425,136,998</u>
Revenues under expenditures	<u>30,136,379</u>	<u>(17,669,468)</u>	<u>(56,803,591)</u>	<u>8,691,332</u>	<u>(35,645,348)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt - bonds	-	24,605,000	46,310,000	-	70,915,000
Retirement of refunded debt	-	(26,043,245)	-	-	(26,043,245)
Bond premium	-	1,652,729	3,161,170	-	4,813,899
Issuance of debt - SBITA	84,189	-	-	-	84,189
Transfers in	10,282,485	18,781,826	36,323,017	12,916,270	78,303,598
Transfers out	(51,423,994)	(442,206)	(11,843,748)	(22,954,928)	(86,664,876)
Net other financing sources	<u>(41,057,320)</u>	<u>18,554,104</u>	<u>73,950,439</u>	<u>(10,038,658)</u>	<u>41,408,565</u>
Net change in fund balances	<u>(10,920,941)</u>	<u>884,636</u>	<u>17,146,848</u>	<u>(1,347,326)</u>	<u>5,763,217</u>
Fund balances - beginning of year	<u>94,799,581</u>	<u>13,984,110</u>	<u>149,537,631</u>	<u>53,861,742</u>	<u>312,183,064</u>
Fund balances - end of year	<u>\$ 83,878,640</u>	<u>\$ 14,868,746</u>	<u>\$ 166,684,479</u>	<u>\$ 52,514,416</u>	<u>\$ 317,946,281</u>

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes
In Fund Balances of Governmental Funds
To the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund balances - total governmental funds	\$ 5,763,217
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays of \$72,661,475 exceeded depreciation of \$46,414,982 and Right to Use Assets amortization \$440,562 and Subscription Asset amortization of \$257,494 in the current period.	25,548,437
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount by which proceeds of \$70,915,000 was more than debt repayments of \$34,917,568 and debt defeasance of \$25,725,000.	(10,272,432)
Lease transactions provide current financial resources to governmental funds and repayment of principal is an expenditure. The proceed amount of \$0 was less than the amount of repayment \$426,786	426,786
Subscription Based IT transactions provide current financial resources to governmental funds and repayment of principal is an expenditure. The proceed amount of \$84,189 was less than the amount of repayment \$230,791.	146,602
Bond premiums are recognized as an other financing source in the governmental funds, but are considered bonds and notes payable on the Statement of Net Position. Premiums are amortized over the life of the bonds. This is the amount by which bond premium issued of \$4,813,899 was less than deferred refunding charges of \$318,245 and amortization of \$4,607,312.	111,658
Estimated long-term liabilities, excluding internal service funds, are recognized as expenses in the Statement of Activities as incurred, but are recognized when current financial resources are used in the governmental funds.	
Compensated absences	(4,420,004)
Post retirement benefits	15,542
Net pension liability	(4,000,160)
Arbitrage Liability	(1,012,623)
Property taxes levied and court fines and fees earned, but not available, are deferred in the governmental funds, but are recognized when earned (net of estimated uncollectibles) in the Statement of Activities. This amount is the net change in deferred property taxes and court fines and fees for the year.	330,576
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	14,411,044
Current Amount undercharged by Internal Service Fund Business Type Activities-Lookback	756,881
Accrued interest is recognized as expenses in the Statement of Activities as incurred, but is recognized when current financial resources are used in the governmental funds. This amount is the net change in the accrued interest this year.	(91,186)
Capital assets transactions include \$17,968,960 donated assets plus \$630,851 capital asset transfers in from business-type activities and less \$88,801 disposition of assets and use of property.	18,511,010
Landfill closure and postclosure adjustment in FY 25	<u>(312,369)</u>
Change in net position of governmental activities	<u>\$ 45,912,979</u>

City of Lubbock, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,371,183	488,062	\$ 201,227
Investments	102,199,587	36,377,175	14,998,205
Accounts receivable, net	27,949,705	15,493,338	2,491,940
Interest receivable	703,562	808,106	75,127
Due from others	-	-	-
Due from other funds	-	-	-
Due from other governments	-	190,014	-
Prepaid expenses	25,000	-	-
Inventories	3,478,707	283,813	-
Total current assets	<u>135,727,744</u>	<u>53,640,508</u>	<u>17,766,499</u>
Noncurrent assets:			
Restricted investments	45,253,859	88,236,223	6,418,430
Prepaid expenses	-	-	-
Lease Receivable	-	-	-
	<u>45,253,859</u>	<u>88,236,223</u>	<u>6,418,430</u>
Capital assets:			
Land	-	45,079,737	58,822,730
Electric non-depreciable	51,044,808	-	-
Construction in progress	4,151,515	33,514,506	5,216,720
Buildings	-	168,267,035	-
Improvements other than buildings	-	1,281,648,766	212,946,647
Machinery and equipment	-	151,277,151	4,756,153
Lease right-of-use assets, net	388,890	-	-
Subscription assets, net	29,351	-	-
Electric depreciable	903,775,444	-	-
Less accumulated depreciation	<u>(325,340,730)</u>	<u>(613,262,757)</u>	<u>(67,824,493)</u>
Total capital assets	<u>634,049,278</u>	<u>1,066,524,438</u>	<u>213,917,757</u>
Total noncurrent assets	<u>679,303,137</u>	<u>1,154,760,661</u>	<u>220,336,187</u>
Total assets	<u>\$ 815,030,881</u>	<u>\$ 1,208,401,169</u>	<u>\$ 238,102,686</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	-	-	854,133
Deferred outflows from pensions	8,520,647	3,671,642	327,033
Deferred outflows from OPEB	1,916,331	1,398,938	209,328
Total deferred outflows of resources	<u>10,436,978</u>	<u>5,070,580</u>	<u>1,390,494</u>

See accompanying Notes to Basic Financial Statements

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 512,796	\$ 2,573,268	\$ 647,700
38,220,747	191,795,714	48,275,512
2,172,437	48,107,420	283,425
155,118	1,741,913	204,162
1,264,035	1,264,035	14,585
131,956	131,956	-
4,125,288	4,315,302	-
636,281	661,281	-
902,704	4,665,224	1,405,232
<u>48,121,362</u>	<u>255,256,113</u>	<u>50,830,616</u>
14,951,669	154,860,181	13,347,089
-	-	-
2,286,197	2,286,197	-
<u>17,237,866</u>	<u>157,146,378</u>	<u>13,347,089</u>
4,815,267	108,717,734	-
-	51,044,808	-
5,112,346	47,995,087	6,290,423
68,622,682	236,889,717	1,691,882
257,028,882	1,751,624,295	10,886,144
89,008,593	245,041,897	88,906,364
1,590,166	1,979,056	3,839,260
-	29,351	4,963,734
-	903,775,444	-
<u>(249,990,338)</u>	<u>(1,256,418,318)</u>	<u>(51,351,761)</u>
<u>176,187,598</u>	<u>2,090,679,071</u>	<u>65,226,046</u>
<u>193,425,464</u>	<u>2,247,825,449</u>	<u>78,573,135</u>
\$ 241,546,826	\$ 2,503,081,562	\$129,403,751
(203,889)	650,244	-
1,341,026	13,860,348	2,236,428
479,249	4,003,846	544,161
<u>1,616,386</u>	<u>18,514,438</u>	<u>2,780,589</u>

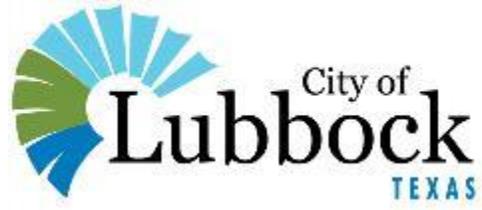
City of Lubbock, Texas
Statement of Net Position
Proprietary Funds
September 30, 2025

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 6,761,527	6,159,141	\$ 913,729
Accrued liabilities	1,064,285	491,459	50,203
Accrued interest payable	9,021,412	3,286,616	252,166
Due to other funds	-	-	-
Customer deposits	1,316,360	3,546,484	-
Unearned revenue - other	-	-	-
Compensated absences	2,503,513	1,156,879	54,964
Accrued insurance claims	-	-	-
Subscriptions payable	-	-	-
Leases payable	37,404	-	-
Bonds payable	20,135,000	44,686,703	9,045,000
Total current liabilities	<u>40,839,501</u>	<u>59,327,282</u>	<u>10,316,062</u>
Noncurrent liabilities:			
Accrued insurance claims	-	-	-
Compensated absences	2,910,624	1,345,006	63,901
Post employment benefits	17,138,397	12,534,052	1,534,782
Net pension liability	17,063,369	8,415,218	850,469
Rebatable arbitrage	3,245,524	963,622	4,703
Leases payable	366,495	-	-
Subscriptions payable	-	-	-
Bonds payable	482,332,989	353,637,751	70,622,706
Total noncurrent liabilities	<u>523,057,398</u>	<u>376,895,649</u>	<u>73,076,561</u>
Total liabilities	<u>563,896,899</u>	<u>436,222,931</u>	<u>83,392,623</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	511	1,725,614	-
Deferred inflows from pensions	4,225,632	2,114,426	216,782
Deferred inflows from OPEB	6,385,232	4,051,231	520,601
Deferred inflows from leases	-	-	-
Total deferred inflows of resources	<u>10,611,375</u>	<u>7,891,271</u>	<u>737,383</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	148,637,490	711,751,725	136,880,060
Restricted for:			
Passenger facility charges	-	-	-
Debt service	27,722,446	42,516,638	4,401,600
Unrestricted	74,599,649	15,089,184	14,081,514
Total net position (deficit)	<u>\$ 250,959,585</u>	<u>\$ 769,357,547</u>	<u>\$ 155,363,174</u>

See accompanying Notes to Basic Financial Statements

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 4,633,878	\$ 18,468,275	\$ 4,821,567
642,916	2,248,863	258,841
242,844	12,803,038	187,629
4,516,494	4,516,494	-
116,567	4,979,411	-
51,352	51,352	-
994,629	4,709,985	416,944
-	-	4,634,743
-	-	1,232,549
489,992	527,396	1,369,142
3,235,000	77,101,703	4,777,988
<u>14,923,672</u>	<u>125,406,517</u>	<u>17,699,403</u>
-	-	1,341,790
465,344	4,784,875	954,239
4,604,345	35,811,576	5,499,634
2,716,993	29,046,049	4,344,312
154,356	4,368,205	341,955
1,075,809	1,442,304	2,128,986
-	-	3,872,692
39,794,302	946,387,748	18,558,713
<u>48,811,149</u>	<u>1,021,840,757</u>	<u>37,042,321</u>
<u>63,734,821</u>	<u>1,147,247,274</u>	<u>54,741,724</u>
-	1,726,125	790
668,177	7,225,017	1,576,933
1,608,135	12,565,199	1,674,413
2,286,197	2,286,197	-
<u>4,562,509</u>	<u>23,802,538</u>	<u>3,252,136</u>
135,313,957	1,132,583,232	42,745,532
8,595,791	8,595,791	-
2,082,332	76,723,016	2,880,361
28,873,802	132,644,149	28,564,587
<u>\$ 174,865,882</u>	<u>\$ 1,350,546,188</u>	<u>\$ 74,190,480</u>



City of Lubbock, Texas
Reconciliation of the Statement of Net Position - Proprietary Funds
To the Statement of Net Position
September 30, 2025

Total net position - proprietary funds	\$ 1,350,546,188
--	------------------

Amounts reported for business-type activities in the Statement of Net Position are different because:

Internal service funds (ISF's) are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The portion of assets and liabilities of the ISF's primarily serving enterprise funds are included in business-type activities in the Statement of Net Position as follows:

Net position of business-type ISF's	1,319,183
Amounts due to governmental ISF's for amounts overcharged	<u>(8,991,001)</u>
Net position of business-type activities	<u><u>\$ 1,342,874,370</u></u>

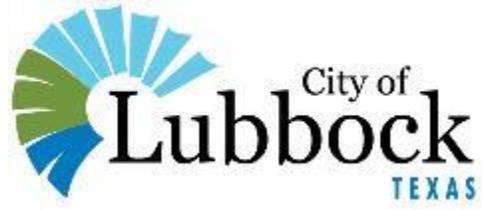
City of Lubbock, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended September 30, 2025

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
OPERATING REVENUES			
Charges for services (net)	\$ 168,119,458	\$ 151,288,057	\$ 22,302,986
Total operating revenues	<u>168,119,458</u>	<u>151,288,057</u>	<u>22,302,986</u>
OPERATING EXPENSES			
Personnel services	31,422,026	18,726,707	1,828,121
Insurance and claims	-	-	-
Supplies	1,450,652	6,945,541	125,574
Materials	-	-	-
Maintenance	4,387,814	7,915,936	765,229
Purchase of fuel and power	41,784,183	-	-
Billing office expense	-	4,221,218	738,054
Other services and charges	14,848,162	43,306,744	5,179,663
Depreciation and amortization	25,292,122	39,618,871	4,740,417
Total operating expenses	<u>119,184,959</u>	<u>120,735,017</u>	<u>13,377,058</u>
Operating income (loss)	<u>48,934,499</u>	<u>30,553,040</u>	<u>8,925,928</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	6,262,737	13,192,112	970,578
Passenger facility charges/Federal grants	-	6,523,264	-
Disposition of assets	(7,905,977)	(41,417)	-
Miscellaneous	(13,575,446)	1,752,483	551,360
Interest expense	(16,168,930)	(19,831,606)	(1,676,498)
Net nonoperating revenues (expenses)	<u>(31,387,616)</u>	<u>1,594,836</u>	<u>(154,560)</u>
Income (loss) before contributions and transfers	17,546,883	32,147,876	8,771,368
Capital contributions/grants	206,819	15,887,919	12,437,075
Transfers in	1,084,932	2,432,073	-
Transfers out	(3,159,341)	(8,532,255)	(2,809,222)
Change in net position (deficit)	15,679,293	41,935,613	18,399,221
Total net position - beginning of year	<u>235,280,292</u>	<u>727,421,934</u>	<u>136,963,953</u>
Total net position (deficit) - end of year	<u>\$ 250,959,585</u>	<u>\$ 769,357,547</u>	<u>\$ 155,363,174</u>

See accompanying Notes to Basic Financial Statements.

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 27,360,742	\$ 369,071,243	\$ 100,212,862
<u>27,360,742</u>	<u>369,071,243</u>	<u>100,212,862</u>
17,259,663	69,236,517	10,054,196
-	-	51,604,057
2,168,546	10,690,313	303,311
-	-	11,621,190
2,904,107	15,973,086	15,351,449
-	41,784,183	-
-	4,959,272	-
10,414,969	73,749,538	4,482,203
15,295,835	84,947,245	10,823,563
<u>48,043,120</u>	<u>301,340,154</u>	<u>104,239,969</u>
<u>(20,682,378)</u>	<u>67,731,089</u>	<u>(4,027,107)</u>
2,056,628	22,482,055	2,508,697
23,311,842	29,835,106	1,540,703
12,224	(7,935,170)	174,452
(225,361)	(11,496,964)	205,105
<u>(1,629,456)</u>	<u>(39,306,490)</u>	<u>(1,063,443)</u>
<u>23,525,877</u>	<u>(6,421,463)</u>	<u>3,365,514</u>
2,843,499	61,309,626	(661,593)
9,493,288	38,025,101	-
7,434,332	10,951,337	16,102,537
<u>(3,219,351)</u>	<u>(17,720,169)</u>	<u>(972,427)</u>
16,551,768	92,565,895	14,468,517
<u>158,314,114</u>	<u>1,257,980,293</u>	<u>59,721,963</u>
<u>\$ 174,865,882</u>	<u>\$ 1,350,546,188</u>	<u>\$ 74,190,480</u>



City of Lubbock, Texas
Reconciliation of the Statement of Revenues, Expenses and Changes in
Fund Net Position - Proprietary Funds
To the Statement of Activities
For the Year Ended September 30, 2025

Net change in fund net position - total enterprise funds \$ 92,565,895

Amounts reported for business-type activities in the statement of activities are different because:

Internal service funds (ISF's) are used by management to charge the costs of certain activities such as fleet services, central warehousing activities, management information activities, etc. to individual funds. The net revenue (expense) of certain ISF's is reported with business-type activities.

(699,408)

Change in net position of business-type activities

\$ 91,866,487

City Of Lubbock, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2025

	Enterprise Funds		
	LP&L	Water/ Wastewater	Storm Water
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 174,627,196	\$ 154,127,264	\$ 22,333,978
Receipts from interfund services	-	-	-
Payments to suppliers	(101,831,302)	(58,565,491)	(6,763,239)
Payments to employees	(31,422,026)	(19,218,169)	(1,878,324)
Other receipts (payments)	<u>(13,575,446)</u>	<u>8,275,747</u>	<u>551,360</u>
Net cash provided (used) by operating activities	<u>27,798,422</u>	<u>84,619,351</u>	<u>14,243,775</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	1,084,932	2,432,073	-
Transfers out to other funds	(3,159,341)	(8,532,255)	(2,809,222)
Short-term interfund borrowings	-	-	-
Federal grants	-	-	-
Operating grants	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital and related financing activities	<u>(2,074,409)</u>	<u>(6,100,182)</u>	<u>(2,809,222)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(16,602,494)	(44,908,030)	(7,156,493)
Sale of capital assets	1,841,581	-	-
Principal paid on leases	(35,896)	-	-
Principal paid on bonds	(31,381,645)	(45,275,262)	(9,045,000)
Issuance of leases	-	-	-
Issuance of bonds	3,575,000	61,562,893	125,140
Bond issuance costs	(88,103)	-	(258)
Interest paid on bonds and leases	(21,415,839)	(22,882,549)	(2,011,418)
Payment/proceeds of rebatable arbitrage	765,180	106,855	(234,682)
Capital grants and contributions	<u>206,819</u>	<u>1,411,512</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(63,135,397)</u>	<u>(49,984,581)</u>	<u>(18,322,711)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	94,001,652	11,385,328	15,075,363
Purchase of investments	(62,350,325)	(52,692,466)	(9,055,971)
Interest earnings (expenses) on cash and investments	<u>6,314,807</u>	<u>13,140,730</u>	<u>971,149</u>
Net cash provided (used) by investing activities	<u>37,966,134</u>	<u>(28,166,408)</u>	<u>6,990,541</u>
Net increase (decrease) in cash and cash equivalents	554,750	368,180	102,383
Cash and cash equivalents - beginning of year	816,433	119,882	98,844
Cash and cash equivalents - end of year	<u>\$ 1,371,183</u>	<u>\$ 488,062</u>	<u>\$ 201,227</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 48,934,499	\$ 30,553,040	\$ 8,925,928
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	25,292,122	39,618,871	4,740,417
Other income (expense)	(13,575,446)	8,275,747	551,360
Change in current assets and liabilities:			
Accounts receivable	6,507,738	2,839,207	30,992
Inventory	145,059	330,017	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Accounts payable	(41,938,178)	266,363	105,576
Due to/from other funds	-	(15,145)	-
Other accrued expenses	26,803	64,488	6,758
Customer deposits	(65,276)	2,298,597	-
Subscription liability	(88,144)	(126,209)	-
Change in compensated absences and retirement benefits	<u>2,559,245</u>	<u>514,375</u>	<u>(117,256)</u>
Net cash provided (used) by operating activities	<u>\$ 27,798,422</u>	<u>\$ 84,619,351</u>	<u>\$ 14,243,775</u>
Supplemental cash flow information:			
Noncash capital contributions and other charges	\$ -	\$ 14,795,068	\$ 12,437,075

See accompanying Notes to Basic Financial Statements.

Enterprise Funds			
Nonmajor Enterprise Funds	Totals	Internal Service Funds	
\$ 27,203,962	\$ 378,292,400	\$ 97,725,816	
-	-	2,416,339	
(10,967,452)	(178,127,484)	(81,697,865)	
(17,451,736)	(69,970,255)	(10,136,195)	
292,471	(4,455,868)	205,105	
<u>(922,755)</u>	<u>125,738,793</u>	<u>8,513,200</u>	
7,434,332	10,951,337	16,102,537	
(3,219,351)	(17,720,169)	(972,427)	
(1,821,416)	(1,821,416)	-	
-	-	1,540,703	
<u>23,311,842</u>	<u>23,311,842</u>	<u>-</u>	
25,705,407	14,721,594	16,670,813	
(32,150,291)	(100,817,308)	(19,839,596)	
26,530	1,868,111	174,453	
-	(35,896)	(2,990,189)	
(2,501,513)	(88,203,420)	(3,862,988)	
1,565,801	1,565,801	-	
7,093,280	72,356,313	8,600,000	
-	(88,361)	-	
(1,867,429)	(48,177,235)	(1,140,429)	
133,216	770,569	102,310	
<u>9,493,288</u>	<u>11,111,619</u>	<u>-</u>	
<u>(18,207,118)</u>	<u>(149,649,807)</u>	<u>(18,956,439)</u>	
14,870,388	135,332,731	18,115,837	
(23,175,209)	(147,273,971)	(26,428,698)	
<u>2,023,828</u>	<u>22,450,514</u>	<u>2,466,461</u>	
<u>(6,280,993)</u>	<u>10,509,274</u>	<u>(5,846,400)</u>	
294,541	1,319,854	381,174	
218,255	1,253,414	266,526	
<u>\$ 512,796</u>	<u>\$ 2,573,268</u>	<u>\$ 647,700</u>	
\$ (20,693,027)	\$ 67,720,440	\$ (4,027,107)	
15,295,835	84,947,245	10,823,563	
(225,361)	(4,973,700)	205,105	
(156,780)	9,221,157	(70,707)	
79,513	554,589	(62,406)	
(486,605)	(486,605)	-	
2,319,549	2,319,549	-	
1,759,217	(39,807,022)	605,047	
1,011,052	995,907	(135,535)	
289,190	387,239	721,002	
(16,839)	2,216,482	-	
-	(214,353)	-	
(98,499)	2,857,865	454,238	
<u>\$ (922,755)</u>	<u>\$ 125,738,793</u>	<u>\$ 8,513,200</u>	
\$ -	27,232,143	\$ -	

City of Lubbock, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2025

	Police Custodial Fund
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 439,642
Receivables:	
Contribution	<hr/> -
Total assets	<hr/> <hr/> \$ 439,642
LIABILITIES	
Accounts payable	<hr/> \$ -
Total liabilities	<hr/> -
NET POSITION (DEFICIT)	
Restricted for Police Evidence and Found Property	<hr/> 439,642
Total Net Position	<hr/> <hr/> \$ 439,642

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended September 30, 2025

	Police Custodial Fund
ADDITIONS	
Police funds received into custody	\$ 156,774
Total additions	<u>156,774</u>
DEDUCTIONS	
Police funds released from custody	<u>115,346</u>
Total deductions	<u>115,346</u>
Change in net position	41,428
Total net position - beginning of year	<u>398,214</u>
Total net position (deficit) - end of year	<u><u>\$ 439,642</u></u>

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Basic Financial Statements (BFS) of the City of Lubbock, Texas (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units, including specialized industry practices as specified in the American Institute of Certified Public Accountants audit and accounting guide titled *State and Local Governments*. The Governmental Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities related to business-type activities and enterprise funds, including component units, the City applies all applicable GASB pronouncements.

The more significant accounting policies are described below.

A. REPORTING ENTITY

The City is a municipal corporation governed by a Council-Manager form of government. The City, incorporated in 1909, is located in the northwestern part of the state. The City currently occupies a land area of 144.45 square miles and serves a population approximating 272,782. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City provides a full range of services including public safety (police and fire protection), electric, water and wastewater, storm water, solid waste, public transportation, health and social services, cultural-recreation, highways and streets, airport, planning and zoning, and general administrative services.

The BFS present the City and its component units and include all activities, organizations, and functions for which the City is considered financially accountable. The criteria considered in determining activities to be reported within the City's BFS are based upon and consistent with those set forth in the Codification of Governmental Accounting Standards, Section 2100, "*Defining the Financial Reporting Entity*." The criteria include the following:

- The organization is legally separate (can sue and be sued in its own name);
- The City holds the corporate powers of the organization;
- The City appoints a voting majority of the organization's board;
- The City is able to impose its will on the organization;
- The organization has the potential to impose a financial benefit or burden on the City; or
- There is fiscal dependency by the organization on the City.

As required by GAAP, the BFS present the reporting entity, which consists of the City (the primary government), organizations for which the City is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion could cause the City's BFS to be misleading or incomplete.

DISCRETELY PRESENTED COMPONENT UNITS

The financial data for the Component Units are shown in the Government-Wide Financial Statements. Component Units are reported in a separate column to emphasize that they are legally separate from the City. The following Component Units are included in the reporting entity because the primary government is financially accountable, is able to impose its will on the organization, or can significantly influence operations and/or activities of the organization.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The **Urban Renewal Agency (URA)** is a legally separate entity that serves as an arm of the City. The URA is governed by state law and was formed to help eliminate slum and blight within the City. The URA board oversees loans made to businesses and citizens of Lubbock using funds accumulated by the City of Lubbock community development program. The URA also oversees the acquisition and disposition of real property. The URA manages the City of Lubbock Community Development loans and property program. The URA Board is composed of nine members appointed by the City Council. There are no separate financial statements available for the URA.

Civic Lubbock, Inc. is a legally separate entity that was organized to foster and promote the presentation of wholesome educational, cultural, and entertainment programs for the general moral, intellectual and physical improvement, and welfare of the citizens of Lubbock and the surrounding area. The eleven-member board is appointed by the City Council. The City Council reviews and accepts the annual budget. Separate audited financial statements for Civic Lubbock may be obtained from Civic Lubbock, Inc. at 1501 Mac Davis Ln, Lubbock, Texas.

Market Lubbock Economic Development Corporation, dba Market Lubbock, Inc. is a legally separate entity that was formed on October 10, 1995 by the City Council to create, manage, operate, and supervise programs and activities to promote, assist, and enhance economic development within and around the City. The City Council appoints the seven-member board, and its operations are funded primarily through budgeted allocations of the City's property and hotel occupancy taxes. Separate audited financial statements may be obtained from Market Lubbock, Inc. at 1500 Broadway, Sixth Floor, Lubbock, Texas.

Lubbock Economic Development Alliance, Inc. is a legally separate entity that was formed on June 1, 2004 by the City of Lubbock to create, manage, and supervise programs and activities to promote, assist, and enhance economic development within and around the City. The City Council appoints the seven-member board, and its operations are funded primarily through budgeted allocations of the City's sales and use taxes. Separate audited financial statements may be obtained from Lubbock Economic Development Alliance, Inc. at 1500 Broadway, Sixth Floor, Lubbock, Texas.

The Vintage Township Public Facilities Corporation is a legally separate entity that was formed in 2007 with the sole purpose to assist the City in financing, refinancing, providing, or otherwise assisting in the acquisition, construction, and maintenance of certain public facilities benefiting the Vintage Township Public Improvement District. The three-member board is appointed by the City Council. The City Council reviews and accepts the annual budget. Separate audited financial statements are not available.

RELATED ORGANIZATIONS

The City Council is responsible for appointing the board members of some other organizations, but the City's accountability for these organizations do not extend beyond the board appointments. The City Council is not able to impose its will on these entities and there is no financial benefit or burden relationship. Bonds issued by these organizations do not constitute indebtedness of the City. The following related organizations are not included in the reporting entity:

The **Lubbock Fire Pension Fund (LFPF)** operates under provisions of the Texas Local Fire Fighters' Retirement Act for purposes of providing retirement benefits for the City's firefighters and eligible fire civilian employees. The Mayor's designee, the Chief Financial Officer or his designee, three firefighters elected by active firefighters, and two at-large members elected by the LFPF Board govern its affairs. The Pension Fund is funded by contributions from the firefighters and City matching contributions. As provided by enabling legislation, the City's responsibility to the LFPF is limited to matching bi-weekly contributions made by the members. Title to assets is vested in the LFPF and not the City. The Texas State Pension Review Board is mandated to oversee all Texas public retirement systems concerning their actuarial soundness and compliance with state law. The City cannot significantly influence the Pension Fund's operations. Separate audited financial statements may be obtained from the LFPF or from the City.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The **Housing Authority of the City of Lubbock** is a legally separate entity. The Mayor appoints the five-member board.

The **Lubbock Health Facilities Development Corporation** promotes health facilities development. The City Council appoints the seven-member board.

The **Lubbock Education Facilities Authority, Inc.** is a non-profit corporation and instrumentality of the City and was created pursuant to the Higher Education Authority Act, Chapter 53 Texas Education Code, to aid institutions of higher education, secondary schools, and primary schools in providing educational facilities and housing facilities. The seven-member board is appointed by the City Council.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-Wide Financial Statements (GWFS) (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City and its blended component unit as a whole. The discretely presented component units are also aggregately presented within these statements. The effect of interfund activity has been removed from these statements by allocation of the activities of the various internal service funds to the governmental and business-type activities based on the predominant users of the services. Interfund services are not eliminated in the process of consolidation. Governmental activities, which are primarily supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. All activities, both governmental and business-type, are reported in the GWFS using the economic resources measurement focus and the accrual basis of accounting, which includes long-term assets and receivables as well as long-term debt and obligations. The GWFS focus more on the sustainability of the City as an entity and the change in aggregate financial position resulting from the activities of the fiscal period.

The Government-Wide Statement of Net Position reports all financial and capital resources of the City. It is displayed in the format of assets plus deferred outflows of resources equal liabilities plus deferred inflows of resources, plus net position, with the assets and liabilities shown in order of their relative liquidity. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: 1) net investment in capital assets; 2) restricted; and 3) unrestricted. Net investment in capital assets equals capital assets net of accumulated depreciation and is reduced by outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also should be included in this component of net position. If there are significant unspent related debt proceeds or deferred inflows of resources at the end of the reporting period, the portion of the debt or deferred inflows of resources attributable to the unspent amount should not be included in the calculation of net investment in capital assets. Instead, that portion of the debt or deferred inflows of resources should be included in the same net position component (restricted or unrestricted) as the unspent amount. Restricted net position are those with constraints placed on their use as: 1) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or 2) imposed by law through constitutional provisions or enabling legislation. All net position not otherwise classified as net investment in capital assets or restricted, is shown as unrestricted. Reservations or designations of net position imposed by the City, whether by administrative policy or legislative actions of the City Council that do not otherwise meet the definition of restricted net position, are considered unrestricted in the GWFS.

The Government-Wide Statement of Activities demonstrates the degree to which the direct expenses for a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

reported instead as general revenues. The general revenues support the net costs of the functions and segments not covered by program revenues.

Fund Financial Statements (FFS) for governmental and proprietary funds are also part of the BFS. The focus of the FFS is on major funds, as defined by GASB Statement No. 34. GASB Statement No. 34 sets forth minimum criteria for the determination of major funds, i.e., a percentage of assets, liabilities, revenue, or expenditures/expenses of fund category and of the governmental and enterprise funds combined. However, it also gives governments the option of displaying other funds as major funds. The City can elect to add some funds as major funds because of outstanding debt or community focus. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the FFS. Other non-major funds are combined in a single column in the appropriate FFS.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The GWFS are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary FFS. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Because the enterprise funds are combined into a single business-type activities column on the GWFS, certain interfund activities between these funds are eliminated in the consolidation for the GWFS, but are included in the fund columns in the proprietary FFS. The effect of interfund activity has been eliminated from the GWFS. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's electric, water, and wastewater functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental FFS are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This is the traditional basis of accounting for governmental funds. This presentation is necessary: 1) to demonstrate legal and covenant compliance; 2) to demonstrate the sources and uses of liquid resources; and 3) to demonstrate how the City's actual revenues and expenditures conform to the annual budget. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available, generally, if they are collected within 45 days of the end of the current fiscal period. The City considers the grant availability period to be one year for revenue recognition. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments are recorded only when the liability has matured. Because the governmental FFS are presented on a different basis of accounting than the GWFS, reconciliations are provided immediately following each fund statement. These reconciliations explain the adjustments necessary to convert the FFS into the governmental activities column of the GWFS.

Property taxes, sales taxes, franchise taxes, occupancy taxes, grants, licenses, court fines, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered measurable and available only when the City receives cash.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Fund Accounting

The City uses funds to report its financial position and the results of its operations. Fund accounting segregates funds according to their intended purpose and is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts, which includes assets, deferred outflows, deferred inflows, liabilities, fund balance/net position, revenues, and expenditures/expenses.

Governmental Funds are those through which most of the governmental functions of the City are financed. The City reports three major governmental funds:

The **General Fund**, as the City's primary operating fund, accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The **Governmental Capital Projects Fund** accounts for financing and construction of government capital projects, except for North Overton, Central Business District, and Lubbock Business Park Tax Increment Financing Reinvestment Zone (TIF) capital projects and Gateway Streets Fund capital projects. Projects include public safety improvements, park improvements, street improvements, purchase of and construction of municipal buildings, and major maintenance, repair, and replacement of public buildings and facilities.

The **Debt Service Fund** is used to account for and report financial resources that are restricted to expenditures for principal and interest (other than debt service payments made by proprietary funds).

Enterprise Funds are used to account for operations: 1) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or 2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The City reports the following major enterprise funds:

The **LP&L Fund** accounts for the activities of the city-owned electric production and distribution system.

The **Water/Wastewater Fund** accounts for the activities of the City's water system and sanitary wastewater system.

The **Storm Water Fund** accounts for the activities of the storm water utility.

The City also reports the following non-major funds:

Governmental Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays (other than those recorded in the proprietary funds).

Proprietary Funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services or producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

City's enterprise funds and of the City's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Enterprise Funds are used to account for services to outside users where the full cost of providing services, including capital, is to be recovered through fees and charges, e.g., Lubbock Preston Smith International Airport (Airport Fund), Citibus (Transit Fund), Golf, Cemetery, Civic Centers and Lake Alan Henry Recreational Funds.

Internal Service Funds are used to account for services provided to other departments, agencies of the departments, or to other governments on a cost reimbursement basis (i.e., fleet maintenance, print shop and warehouse, information technology, risk management, health benefits, and investment pool).

Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds use the economic resource measurement focus and the full accrual basis of accounting. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City reports police custodial funds as fiduciary funds. These are seized funds that are held until a court order is received that directs where the funds should be distributed.

D. BUDGETARY ACCOUNTING

The City Manager submits a proposed operating budget and capital program to the City Council annually for the upcoming fiscal year. Annual budgets are adopted for the General Fund, Debt Service Fund, Enterprise Funds, Internal Service Funds, and certain Special Revenue Funds. Public hearings are conducted to obtain citizen comments, and the budget is legally enacted through passage of an ordinance by the Council. City Council action is also required for the approval of any supplemental appropriations.

All budget amounts presented in the General Fund Budgetary Comparison Schedule in the Required Supplementary Information (RSI) section reflect the original budget and the amended budget, which have been adjusted for legally authorized supplemental appropriations to the annual budget during the fiscal year. The operating budget is adopted on a basis other than GAAP for the General Fund, with the main difference being that tax note proceeds and related capital outlay are not budgeted. Budgetary control is maintained at the fund level. The City Manager may make administrative transfers and increases or decreases between accounts below the fund level without City Council approval. However, any transfer of funds between Funds, the legal level of control, or higher level shall be presented to City Council for approval by ordinance before such funds can be transferred between Funds or expended. All annual operating appropriations lapse at the end of the fiscal year. Capital Project and grant appropriations do not lapse at fiscal yearend, but remain in effect until the project or grant is completed and closed.

All budget amounts presented in the Special Revenue Funds and Debt Service Fund Budgetary Comparison Schedule in the Combining and Individual Fund Statements and Schedules section reflect the final budget amounts, which have been adjusted for legally authorized supplemental appropriations to the annual budget during the fiscal year. Budgetary control is maintained at the fund level, the legal level of control for Special Revenue Funds and Debt Service Funds. The following Special Revenue Funds have legally adopted budgets: Abandoned Motor Vehicle, Animal Assistance, Cable Services, Central Business District TIF, Community Development Grant, Criminal Investigation, Department of Justice Asset Sharing, Economic Development Incentive, Gateway Streets, Hotel Motel Tax, Lubbock Business Park TIF, Lubbock Economic Development Alliance, Municipal Court, North and East Lubbock Neighborhood and Infrastructure, North Overton PID, North Overton District TIF, North Point PID, Quincy Park PID, Valencia PID, Vintage Township PID, Bell Farms PID, Upland Crossing PID's 1, 2 and 3, Northwest Passage PID, and Willow Bend Villas PID and grants.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Capital project and grant funds do not lapse at fiscal yearend, but remain in effect until the project is completed and closed. The following funds have project length budgets: Donations, Community Services, Health, Library, Police, and Other Grants Special Revenue Funds; and the Governmental, TIF, and Gateway Streets Capital Projects Funds.

In addition to the tax levy for general operations, in accordance with state law, the City Council sets an ad valorem tax levy for a sinking fund (General Obligation, Certificate of Obligation, and Tax Note Debt Service) which, with cash and investments in the fund, is sufficient to pay all debt service due during the fiscal year.

E. ENCUMBRANCES

At the end of the fiscal year, encumbrances for goods and services that have not been received are canceled except in the Capital Projects Fund. Management has authority, by ordinance, to re-appropriate any encumbrances that were open at the prior fiscal year end. At the beginning of the next fiscal year, management reviews all open encumbrances and approves needed encumbrances. In FY 2025, management approved re-appropriation of \$661,425 in funds as follows: General Fund - \$299,442, Water/Wastewater Fund - \$62,488, Upland Crossing Pid \$6,445 and Abandoned Vehicles - \$293,070. There are no other significant encumbrances at year-end that have not been restricted, committed, or assigned.

F. ASSETS, LIABILITIES, AND FUND BALANCE/NET POSITION

Equity in Cash and Investments - The City pools the resources of the various funds in order to facilitate the management of cash and enhance investment earnings. Records are maintained which reflect each fund's equity in the pooled account. Government agency bonds, municipal bonds, and commercial paper are stated at fair value; State Pools (TexStar, LOGIC, Texas CLASS) are stated at net asset value; and money market funds and TexPool are stated at amortized cost.

Cash and Cash Equivalents - Cash and cash equivalents include cash on hand and demand deposits.

Investments- - Investments include securities in the Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Farm Credit Bank, Federal Agricultural Mortgage Corporation, Municipal Bonds, Commercial Paper, Treasury Bills, Certificates of Deposit, and Money Markets. Investments also include state investment pools. Restricted investments include investments that have been restricted for bond financed capital projects, funds that have been restricted by bond covenants for debt service requirements, and funds accumulated for passenger facility charges and customer facility charges.

Property Tax Receivable - The value of all real and business property located in the City is assessed annually on January 1 in conformity with Subtitle E of the Texas Property Code. Property taxes are levied on October 1 on those assessed values and the taxes are due on receipt of the tax bill. On the following January 1, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. The taxes are considered delinquent if not paid before February 1. Therefore, at fiscal year-end, all property taxes receivable are delinquent but are secured by a tax lien.

At the GWFS level, property tax revenue is recognized upon levy. In governmental funds, the City records property taxes receivable upon levy and defers tax revenue until the taxes are collected or available. For each fiscal year, the City recognizes revenue in the amount of taxes collected during the year plus an estimate of taxes to be collected in the subsequent 45 days. The City allocates property tax revenue between the General, certain Special Revenue, and Debt Service Funds based on tax rates adopted for the year of levy. The Lubbock Central Appraisal District assesses property values, bills, collects, and remits the property taxes to the City. The City adjusts the allowance for uncollectible taxes and deferred inflows of tax revenue at fiscal year-end

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

based upon historical collection experience. To write off property taxes receivable, the City eliminates the receivable and reduces the allowance for uncollectible accounts.

Enterprise Funds Receivables - Within the LP&L, Water/Wastewater, and Storm Water Enterprise Funds, services rendered but not billed as of the close of the fiscal year are accrued. This amount is reflected in the accounts receivable balances of each fund. Amounts billed are reflected as accounts receivable net of an allowance for uncollectible accounts.

Leases Receivable –Lessor- The City is a lessor for noncancelable leases of property and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental and proprietary fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently the deferred inflow of resources is recognized as revenue over the lease term. The City has \$2,567,042 remaining in lease receivables and \$2,567,042 remaining in deferred inflows as of September 30, 2025. The City recorded lease revenue including interest of \$308,737 in the fiscal year. The City uses key estimates and judgements related to leases including how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term is for the noncancelable period of the lease. Lease payments that are included in the measurement of the lease receivable are composed of fixed payments from the lessee that are fixed in substance or that depend on an index or a rate.

The City monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Inventories - Inventories consist of expendable supplies held for consumption. Inventories are valued using the average cost method of valuation, and are accounted for using the consumption method of accounting, i.e., inventory is expensed when used rather than when purchased.

Prepaid Items - Prepaid items are accounted for under the consumption method.

Capital Assets and Depreciation - Capital assets, including public domain infrastructure (streets, bridges, sidewalks, and other assets that are immovable and of value only to the City), are defined as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. These capital assets are reported in the GWFS and the proprietary funds. Capital assets are recorded at cost or estimated historical cost if purchased or constructed. Donated assets are recorded at the estimated acquisition value on the date of donation.

Major outlays for capital assets and improvements are capitalized as the projects are constructed. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset life are not capitalized. Major improvements are capitalized and depreciated over the remaining useful lives of the related capital assets.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Improvements Other Than Buildings	10-60 years
Buildings	15-50 years
Machinery and Equipment	3-15 years
Water Rights	85 years

Interest Capitalization – In FY 2020, the City early implemented GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period ("GASB 89"), which requires that interest cost incurred before the end of a construction period be recognized as interest expense in the period incurred. GASB 89 does not change the applicability of capitalization of qualifying interest cost as a regulatory asset for business type activities that have regulatory operations as set forth in GASB Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. Therefore, the City capitalized \$723 related to LP&L, a regulated operation in FY 2025.

Leases Payable-Lessee – The City is a lessee for non-cancelable leases of property and equipment. The City recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset, reported with other capital assets, in the government-wide and proprietary fund financial statements. The City uses a threshold of \$50,000 on their leases.

At the commencement of a lease, the City measures the lease liability at the present value of payments expected to be made during the lease term. The lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. The lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease. Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate.

The City monitors changes in circumstances that would require a re-measurement of its leases and will re-measure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Subscription-Based Information Technology Arrangements (SBITAs)-A SBITA is a contract that conveys control of the right to use another party's software as specified in a contract for a period of time exceeding one year in an exchange or exchange like transaction. The City uses a threshold of \$20,000 on their SBITA's.

At the commencement of a SBITA, the City measures the subscription liability at the present value of payments expected to be made during the contract term. Subsequently, the subscription liability is reduced by the principal portion of payments made. The subscription asset is initially measured as the initial amount of the lease liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or its useful life.

Key estimates and judgements related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

-The City uses its estimated incremental borrowing rate as the discount rate for subscriptions.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

- The subscription term includes the noncancelable period of the subscription.
- Subscription payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or rate, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The City monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Deferred Outflows/Inflows of Resources – Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The City has a deferred charge on a bond refunding, which is the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred or amortized over the shorter of the life of the refunded and new debt. The City also has deferred outflows for pensions related to contributions, changes in actuarial assumptions and investment experience, and for other post-employment benefits related to benefit payments and changes in actuarial assumptions.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then. The City's deferred inflows include property taxes and municipal court fines in the governmental funds, pension actuarial differences in expected and actual experience and investment experience in the proprietary and internal service funds, for other post-employment benefits related to difference in expected and actual experience, and changes in actuarial assumptions, and for leases.

For additional information on deferred outflows/inflows related to pensions, reference note III. F. Retirement Plans and note III. G. Other Post-Employment Benefits (OPEB).

Classification of Fund Balance - Fund balances are classified as nonspendable, restricted, committed, assigned, or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes that are externally imposed by providers, such as creditors, grantors, or other governments, or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance, which is the highest action level by City Council. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by city management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that have not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City designates restricted amounts to be spent first if both restricted and unrestricted fund balances are available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, followed by assigned, and lastly unassigned amounts when expenditures are incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

The proprietary funds and GWFS have three classifications of net position: 1) net investment in capital assets; 2) restricted net position; and 3) unrestricted net position. In the first category, capital assets are netted with bonded and lease debt. Restricted net position includes debt service, grantor, and other government restrictions for proprietary funds and the same categories as restricted fund balance for governmental activities.

The City Council has approved goals for the General Fund unrestricted fund balance, which is set at a minimum of an amount equal to twenty percent of operating revenues in order to meet unanticipated contingencies and

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

fluctuations in revenue. Enterprise funds also have appropriable net position reserve policies, ranging from 10 to 25 percent of operating revenue. The LP&L Fund maintains general reserves equal to a minimum of three months operating expenses as determined by taking the average monthly budgeted enterprise expense from the current fiscal year.

Use of Estimates - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, deferred inflows, and disclosure of contingent assets and liabilities at the date of the financial statements along with reported amounts of revenues and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

G. REVENUES, EXPENSES AND EXPENDITURES

Interest Income on pooled cash and investments is allocated monthly based on the percentage of a fund's pooled cash and investments monthly balance compared to the total city-wide monthly balance in pooled cash and investments. Bond funds and other separate non-pooled cash are distributed to the fund where the cash and investment is recorded.

Sales Tax Revenue for the City results from an allocation of 1.5 percent of the total sales tax levy of 8.25 percent, which is collected by the State of Texas and remitted to the City monthly. The tax is collected by the vendor and is required to be remitted to the State by the 20th of the month following collection. The tax is then paid to the City by the Friday following the second Wednesday of the subsequent month. The City then allocates 0.125 cents to the Lubbock Economic Development Alliance, a discretely presented component unit.

Grant Revenue from federal and state grants is recognized as revenue as soon as all eligibility requirements have been met. The availability period for grants is considered to be one year.

Interfund Transactions are accounted for as revenues, expenditures, expenses, or other financing sources or uses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from that fund that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. In addition, transfers are made between funds to shift resources from a fund legally authorized to receive revenue to a fund authorized to expend the revenue.

Compensated Absences consists of vacation leave, sick leave, and compensatory leave. Vacation leave of 10-20 days is granted to all regular employees dependent upon the date employed, years of service, and civil service status. Currently, up to 40 hours of vacation leave may be carried over to the next calendar year for Civil Service employees. All other employees may carry over all vacation leave. The City is obligated to make payment upon retirement or termination for employees in good standing for any available, unused vacation leave.

Sick leave for employees is accrued at 1 1/4 days per month with a maximum accrual status of 200 days. At termination, the City provides for a partial payout of unused portions of sick leave for non-civil service personnel with less than 15 years of continuous full-time service. After 15 years of continuous full-time service for non-civil service personnel, vested sick leave is paid on retirement or termination at the current hourly rate for up to 90 days. Upon retirement or termination, Police Civil Service Personnel are paid for up to 90 days accrued sick leave regardless of reason for leaving or time with the City. Firefighter Civil Service Personnel are paid for up to 90 days of accrued sick leave upon retirement or termination. The Texas Civil Service laws dictate certain benefits and personnel policies above and beyond the policies of the City.

In accordance with the Fair Labor Standards Act and City policy, non-exempt employees may accrue compensatory time off instead of receiving payment for overtime hours worked. Compensatory time may be

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

accrued up to 45 hours (30 overtime hours at time and one-half) and must be used within 26 pay periods. In order to be eligible for compensatory time, each employee is required to sign an agreement with the City. The liability for the accumulated vacation, sick, and compensatory time off is recorded in the GWFS and in the FFS for proprietary fund employees when earned. The liability is recorded in the governmental FFS to the extent it is due and payable.

Post-Employment Benefits for retirees of the City include the option to purchase health and life insurance with health insurance benefits at a subsidized premium. However, employees that retire with 15 or more years of service or Civil Service employees that retire who have a sick-leave balance in excess of 90 days will be able to elect to continue receiving medical coverage in full 30-day periods for the term of the balance of their sick leave. Retirees are required to pay a prorated premium for the days of coverage that are not funded by their excess sick leave. Amounts to cover premiums and administrative costs, with an incremental charge for reserve funding, are determined by the City's health care administrator. Employer contributions are funded on a pay-as-you-go basis and approximated at \$4.2 million during the measurement period.

H. 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 fiduciary net position of the City's pension plans (Texas Municipal Retirement System [TMRS] and the Lubbock Fire Pension Fund [LFPF]) and additions to/deductions from the pension plans' fiduciary net position have been determined on the same basis as they are reported by each plan. 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.

I. NEW PRONOUNCEMENTS

In April of 2024, GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating the effect of this statement on their financial statements.

In September of 2024, GASB issued GASB Statement No. 104, Disclosure of Certain Capital Assets. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The Statement also requires additional disclosures for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. The City is currently evaluating this statement.

J. IMPLEMENTATION OF NEW PRONOUNCEMENT

In FY25, The City implemented GASB Statement No. 101, ("GASB101"), Compensated Absences. GASB 101 deals with liabilities related to sick and vacation time. GASB 101 requires recognition of liabilities that are "more likely than not" to be used or paid out, even if not immediately payable. GASB 101 resulted in a restatement of beginning net position of \$1,471,369 for a cumulative change in accounting principle.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

K. RESTATEMENT OF NET POSITION

The Change within the accounting entity was the reclassification of the Internal Service Risk Fund in FY25 from business type activity to governmental type activity.

	September 30, 2024 as previously reported	Change within the accounting entity	Change in Accounting Principle	September 30, 2024 as restated
Net Position:Government-Wide Statements				
Governmental Activities	\$ 339,142,482	\$ 12,989,499	\$ (932,295)	\$ 351,199,686
Business-type Activities	1,264,536,456	(12,989,499)	(539,074)	1,251,007,883
Total Primary Government	<u>\$ 1,603,678,938</u>	<u>-</u>	<u>\$ (1,471,369)</u>	<u>\$ 1,602,207,569</u>
Fund Balance:Governmental Funds				
Major Funds	\$ 258,321,322	-	-	\$ 258,321,322
Nonmajor Funds	53,861,742	-	-	53,861,742
Total Governmental Funds	<u>\$ 312,183,064</u>	<u>-</u>	<u>-</u>	<u>\$ 312,183,064</u>
Fund Net Position:Enterprise Funds				
Major Funds	\$ 1,100,103,614	-	\$ (437,435)	\$ 1,099,666,179
Nonmajor Funds	158,412,247	-	(98,133)	158,314,114
Total Enterprise Funds	<u>\$ 1,258,515,861</u>	<u>-</u>	<u>\$ (535,568)</u>	<u>\$ 1,257,980,293</u>
Fund Net Position:Internal Service Funds				
Governmental Activities	\$ 45,550,181	\$ 12,989,499	\$ (79,427)	\$ 58,460,253
Business-type Activities	14,254,715	(12,989,499)	(3,506)	1,261,710
Total Internal Service Funds	<u>\$ 59,804,896</u>	<u>\$ -</u>	<u>\$ (82,933)</u>	<u>\$ 59,721,963</u>

NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. RESTRICTED NET POSITION

Restricted net position is only used for its intended purpose. For the majority of projects funded by tax exempt debt proceeds, the debt proceeds are used first, followed by unrestricted resources.

B. GENERAL FUND BUDGET COMPARISON

The General Fund FY 2025 amended budgeted expenditures and transfers out were \$317,102,036, while actual budgetary basis expenditures and transfers out were \$309,914,817; a difference of \$7,187,219.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

NOTE III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

On September 30, 2025, the bank balance of the City’s deposits was \$6,674,337. All of the bank balances are covered by federal depository insurance or are fully collateralized. Custodial credit risk is the risk that in the event of a bank failure, a government’s deposits may not be returned. The City’s deposit policy for custodial credit risk requires compliance with the provisions of Texas Public Funds Investment Act.

State law requires federal depository insurance or collateralization with the value of eligible securities having an aggregate value at least equal to the amount of the deposits. The City’s Investment Policy requires the minimum collateral level to be 102.0 percent of the fair value of principal and accrued interest.

On September 30, 2025 bank balances were not exposed to custodial credit risk as follows:

Insured	\$ 500,000
Uninsured and collateral held by a third party financial institution in the City’s name	6,174,337
	\$ 6,674,337

On September 30, 2025, the City had the following investments and maturities:

<u>Type</u>	September 30, 2025		
	Fair Value	Maturities in Years	
		Less Than 1	1-5
Federal Farm Credit Bank (FFCB)	\$ 47,725,212	\$ 12,551,770	\$35,173,442
Farmer Mac (FAMCA)	-	-	-
Federal Home Loan Bank (FHLB)	59,434,232	17,001,172	42,433,060
Federal Home Loan Mortgage Corporation (FHLMC)	20,048,645	-	20,048,645
Federal National Mortgage Association (FNMA)	-	-	-
Municipal Bonds	177,173,914	57,274,119	119,899,795
Commercial Paper	34,685,410	34,685,410	-
Treasury Bills	1,596,061	1,596,061	-
Money Market	29,782,008	29,782,008	-
State Investment Pools *	346,361,866	346,361,866	-
	\$716,807,348	\$499,252,406	\$217,554,942

*State Investment Pools are considered investments for financial reporting purposes.

Investment in State Investment Pools

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the significant ability to influence operations, designation of management, and accountability for fiscal

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

matters. Additionally, the State Comptroller has established an Advisory Board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. TexPool is not registered with the Securities and Exchange Commission (SEC) as an investment company. TexPool is rated AAAM by Standard & Poor's. The pool offers same day access to investment funds.

TexPool does not have any limitations or restrictions on participants' withdrawals that would have to be disclosed in the notes to the financial statements. All TexPool securities are reported within the highest category of credit ratings and are denominated in U.S. dollars. Per GASB Statement No. 40, Deposit and Investment Risk Exposure, TexPool is not exposed to custodial credit risk. Additionally, TexPool utilizes shadow pricing, which is consistently within 0.5% of amortized cost value per unit.

TexSTAR's governing body is a five-member board of directors (the "Board"). Three directors are officers or employees of Participants; one director is an officer or employee of J.P. Morgan Investment Management Inc. (JPMIM); and the final director is an officer or employee of Hilltop Securities Inc. (HTS), or an affiliate. TexSTAR's bylaws require the Board to appoint an advisory board. The Advisory Board currently consists of six members, each of whom is either (1) a representative of a participant or (2) a person who has no business relationship with TexSTAR. The primary investment objectives of TexSTAR, in order of priority, are (1) the preservation of capital and protection of principal, (2) the maintenance of sufficient liquidity, and (3) yield. TexSTAR is rated AAAM by Standard & Poor's. The pool offers same day access to investment funds.

LOGIC was established pursuant to an Interlocal Agreement, which was subsequently amended and is now entitled Participation Agreement and Trust Instrument (the "Agreement") between participating Government Entities. Participation in the Pool is limited to those eligible Government Entities that have become parties to the Agreement ("Participants"). Participants' assets in the Pool are represented by units of beneficial interest ("Units"), which are issued in discrete series (each a "Portfolio"), as authorized from time to time by the Board. Assets invested in any Portfolio are managed separately and segregated from the assets of every other Portfolio. Since September 2005, J.P. Morgan Investment Management Inc. (JPMIM) has served as investment adviser to LOGIC. Hilltop Securities and JPMIM serve as co-administrators to LOGIC. JPMIM or its affiliates provide investment management, custody, and fund accounting services. The investment objectives of the pool is to seek preservation of principal, liquidity in accordance with the operating requirements of the Participants, and a competitive rate of return. LOGIC is rated AAAM by Standard & Poor's. The pool offers same day access to investment funds.

Texas Cooperative Liquid Assets Securities System (Texas CLASS) was created specifically for use by Texas local government entities and seeks to provide safety, liquidity, convenience, and competitive rates of return. Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. Public Trust Advisors, LLC also performs all marketing and operation functions of the portfolio. The pool is subject to the general supervision of a Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool. The investment objective and strategy of the pool is to seek preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. Texas CLASS is rated AAAM by Standard and Poor's. The pool offers same day access to investment funds.

Interest Rate Risk - As a means of limiting its exposure to fair value losses due to rising interest rates, the City's investment policy limits investments to those that are held to maturity and by limiting final stated maturity to no more than five (5) years. The City uses the specific identification method for positions in fixed-rate securities. The investment pools have laddered out maturities within their funds but are redeemable in full within one day to the governments investing in the pooled funds. The City only invests in government pools and funds that maintain a stable \$1 NAV (net asset value). While the interest income derived from these particular types of investments fluctuates based on market movements and the characteristics of the pools and funds, the value of the principal is not affected.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Credit Risk - Credit risk is the risk that the issuer or other counterparty to an investment will not fulfill its obligations. The City’s policy allows investment in direct obligations of and other obligations guaranteed as to principal of the U.S. Treasury and U.S. agencies and instrumentalities and collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States. The City’s policy also allows investment in obligations of the State of Texas or its agencies and obligations of states, agencies, counties, cities, and other political subdivisions rated not less than A or its equivalent. The City may also invest in collateralized certificates of deposit, banker’s acceptances with stated maturities of 270 days or fewer, commercial paper rated at a minimum of A-1 or P-1 with stated maturities 270 days or fewer, no-load money market funds registered with the Securities and Exchange Commission, and constant dollar investment pools authorized by the City Council. On September 30, 2025, Standard & Poor’s rated the investment pools AAAm. The senior unsecured debt for investments in FHLB, FAMCA, FFCB, FHLMC, and FNMA are rated AA+ by Standard & Poor’s and Aaa by Moody’s. The municipal bond investments are rated between an AAA and A- by S&P and between an Aaa and A1 by Moody’s.

Custodial Credit Risk - State statutes require that all City deposits in financial institutions be fully insured by the Federal Deposit Insurance Corporation (FDIC), collateralized by U. S. Government obligations or obligations of Texas and its agencies that have a market value of not less than the principal amount of the deposits, or by a Letter of Credit from a Federal Agency.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The City requires that deposits and repurchase agreements be held in an institution that has a minimum collateral level of 102.0 percent of the market value. FNMA, FAMCA, FFCB, FHLMC, FHLB and Municipal Bond investments are held in the City’s name in third party safekeeping by a Federal Reserve member financial institution designated as a city depository. The City shall maintain a list of authorized broker/dealers and financial institutions, which are approved by the Audit and Investment Committee for investment purposes.

Concentration of Credit Risk - The City places limits on the amount that may be invested in any one issuer with the exception of United States Treasury obligations and State Investment Pools. As of September 30, 2025, the City’s investments constituted the following percentages of total investments:

<u>Investment</u>	<u>Percentage</u>	<u>WAM (Days)</u>	<u>Rating</u>	<u>Rating Agency</u>
State Investment Pools	47.6%	1	AAAm	S&P
Municipal Bonds	25.1%	608	AA/Aa2	S&P/Moody’s
Money Market	4.2%	1	AAAm/Aaa-mf	S&P/Moody’s
FFCB	6.7%	926	AA+/Aaa	S&P/Moody’s
FHLB	8.5%	471	AA+/Aaa	S&P/Moody’s
FNMA	0.0%	0	AA+/Aaa	S&P/Moody’s
FHLMC	2.8%	1193	AA+/Aaa	S&P/Moody’s
Commercial Paper	4.9%	79	A-1+/P-1	S&P/Moody’s
Treasury Bills	0.2%	23	AA+/Aaa	S&P/Moody’s
FAMCA	0.0%	0	AA+/Aaa	S&P/Moody’s

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The City’s investment policy places the following limits on the amount the City can invest in any type of authorized investment. All securities are rated A-, or equivalent, or better.

<u>Authorized Investment</u>	<u>Policy Limitation</u>
U.S. Treasury Obligations	100%
Agency Bonds	80%
Municipal Bonds	50%
Investment Pools	100%
Certificates of Deposit	30%
No Load Mutual Fund	30%
Commercial Paper	30%
Banker Acceptance	10%

Foreign Currency Risk - This risk relates to adverse effects on the fair value of an investment from changes in exchange rates. The City has no foreign currency risk.

Disclosures about Fair Value of Assets and Liabilities

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. The following hierarchy of three levels of inputs is used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets or liabilities
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities
- Level 3** Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The City has the following recurring fair value measurements based on the hierarchy above as of September 30, 2025:

September 30, 2025	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Federal Farm Credit Bank (FFCB)	\$ 47,725,212	\$ -	\$ 47,725,212	\$ -
Farmer Mac (FAMCA)	-	-	-	-
Federal Home Loan Bank (FHLB)	59,434,232	-	59,434,232	-
Federal Home Loan Mortgage Corporation (FHLMC)	20,048,645	-	20,048,645	-
Federal National Mortgage Association (FNMA)	-	-	-	-
Municipal Bonds	177,173,914	-	177,173,914	-
Commercial Paper	34,685,410	-	34,685,410	-
Treasury Bills	1,596,061	-	1,596,061	-
Total investments by fair value level	\$340,663,474	\$ -	\$340,663,474	\$ -

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Investments measured at the net asset value	
TexStar	\$ 104,939,484
LOGIC	41,370,478
Texas Class	199,520,901
Total investments measured at the NAV	<u>\$345,830,863</u>

Investments measured at amortized cost	
TexPool	\$ 531,003
Money Markets	29,782,008
Investments measured at amortized cost	<u>30,313,011</u>
Total Investments	<u>\$716,807,348</u>

The City’s investments in debt securities are valued using Level 2 by FTI using a matrix pricing technique. Matrix pricing is used to value securities based on the securities’ relationship to benchmark quoted prices. Matrix prices are verified against investment reports from the City’s Safekeeping Institution, JPMorgan.

B. INTERFUND TRANSACTIONS

Interfund balances, specifically, the due to and due from other funds, are short-term loans to cover temporary cash deficits in various funds. This occasionally occurs prior to bond sales or grant reimbursements.

Interfund balances are loans to cover Council directed internal financing of certain projects. On September 30, 2024, the City had \$4,872,625 of internal financing. These balances are assessed an interest charge and are repaid over time through operations and transfers.

The following amounts due to other funds or due from other funds are included in the fund financial statements (all amounts in thousands):

Interfund Payables: (in Thousands)	Interfund Receivables: (in Thousands)			
	Governmental Funds		Proprietary Funds	
	General	Governmental Capital Projects	Nonmajor Enterprise	Totals
Governmental Funds:				
Nonmajor Governmental	\$ 224	\$ -	\$ 132	\$ 356
Proprietary Funds:				
Nonmajor Enterprise	4,516	-	-	4,516
Totals	<u>\$ 4,740</u>	<u>\$ -</u>	<u>\$ 132</u>	<u>\$ 4,872</u>

Transfers include: 1) debt service payments made from the debt service fund, but funded from an operating fund; 2) subsidy transfers from unrestricted funds; and 3) transfers to move indirect cost allocations.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The following interfund transfers are reflected in the fund financial statements (all amounts in thousands):

Interfund Transfers Out: (in Thousands)	Governmental Funds					Proprietary Funds			Totals
	Debt		Govt.	Nonmajor	Internal	Water/Waste-		Nonmajor	
	General	Service	Capital	Govt.	Service	Electric	water	Enterprise	
Governmental Funds:									
General Fund	\$ -	\$ 4,661	\$26,021	\$ 8,745	\$ 8,912	\$ 127	\$ -	\$ 2,958	\$ 51,424
Debt Service	-	-	-	-	-	-	-	442	442
Govt. Capital Projects	1,816	-	8,922	1,106	-	-	-	-	11,844
Nonmajor Govt.	-	12,730	1,348	3,065	-	-	2,324	3,487	22,954
Proprietary Funds:									
LP&L	2,018	1,141	-	-	-	-	-	-	3,159
Water/Wastewater	3,097	147	-	-	4,446	842	-	-	8,532
Stormwater	632	103	32	-	1,926	116	-	-	2,809
Nonmajor Enterprise	2,502	-	-	-	62	-	108	547	3,219
Internal Service	216	-	-	-	756	-	-	-	972
Totals	<u>\$10,281</u>	<u>\$18,782</u>	<u>\$36,323</u>	<u>\$ 12,916</u>	<u>\$ 16,102</u>	<u>\$1,085</u>	<u>\$ 2,432</u>	<u>\$ 7,434</u>	<u>\$105,355</u>

Net transfers on the GWFS amounted to \$7,399,683 from business activities to governmental-type activities.

The most significant transfers made were:

- From the General fund to:
 - Traffic, public safety and general capital projects
 - Economic Development, Transit, Cemetery, Gateway and North and East Lubbock operations
- From the Hotel Motel fund to:
 - Debt service, Civic Center operations and capital, and North Overton TIF
- From LP&L, Water/Waste Water, Storm Water funds to:
 - General fund for payment in lieu of property tax and franchise fees
- From LP&L for utility collection services to:
 - Water/Waste Water
 - Storm Water
 - General Fund
- From Hotel Motel, Central Business District TIF, General Fund (Solid Waste), Gateway Streets, North Overton TIF, LP&L, and Water/Waste Water to the Debt Service fund.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

C. CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2025, was as follows:

Primary Government:

Governmental Activities

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Depreciated:				
Land	\$ 48,491,403	\$ 1,696,763	\$ 84,747	\$ 50,103,419
Construction in Progress	90,148,415	91,602,337	78,633,531	103,117,221
Total Capital Assets Not Depreciated	<u>138,639,818</u>	<u>93,299,100</u>	<u>78,718,278</u>	<u>153,220,640</u>
Capital Assets Depreciated:				
Buildings	174,088,430	23,372,825	296,691	197,164,564
Improvements Other than Buildings	891,463,227	54,055,308	597,296	944,921,239
Machinery and Equipment	206,565,371	19,154,304	3,239,426	222,480,249
Total Capital Assets Depreciated	<u>1,272,117,028</u>	<u>96,582,437</u>	<u>4,133,413</u>	<u>1,364,566,052</u>
Less Accumulated Depreciation:				
Buildings	44,142,457	4,341,896	296,691	48,187,662
Improvements Other than Buildings	515,699,745	37,589,169	593,244	552,695,670
Machinery and Equipment	138,279,557	12,832,268	3,239,426	147,872,399
Total Accumulated Depreciation	<u>698,121,759</u>	<u>54,763,333</u>	<u>4,129,361</u>	<u>748,755,731</u>
Total Capital Assets Depreciated, Net	<u>573,995,269</u>	<u>41,819,104</u>	<u>4,052</u>	<u>615,810,321</u>
Capital Assets Amortized:				
Lease Buildings	3,081,076	1,497,105	-	4,578,181
Lease Equipment	1,857,287	1,904,115	-	3,761,402
Subscription Based Information Technology Arrangements	7,411,058	2,247,919	-	9,658,977
Total Capital Assets Amortized	<u>12,349,421</u>	<u>5,649,139</u>	<u>-</u>	<u>17,998,560</u>
Less Accumulated Amortization:				
Lease Buildings	1,359,696	494,857	-	1,854,553
Lease Equipment	921,597	741,982	-	1,663,579
Subscription Based Information Technology Arrangements	2,316,485	2,156,337	-	4,472,822
Total Accumulated Amortization	<u>4,597,778</u>	<u>3,393,176</u>	<u>-</u>	<u>7,990,954</u>
Total Capital Assets Amortized, Net	<u>7,751,643</u>	<u>2,255,963</u>	<u>-</u>	<u>10,007,606</u>
Governmental Activities Capital Assets, Net	<u>\$ 720,386,730</u>	<u>\$ 137,374,167</u>	<u>\$ 78,722,330</u>	<u>\$ 779,038,567</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Depreciation and Amortization expense was charged to functions/programs of the governmental activities as follows:

Governmental activities:	
Administrative Services and General Government	\$ 2,208,256
Community Services	253,456
Cultural and Recreation Services	4,353,573
Economic and Business Development	1,973,144
Fire	2,142,766
Health	637,147
Other Public Safety	681,370
Police	2,244,935
Streets and Traffic	31,145,455
Solid Waste	1,551,068
Internal Service Funds	<u>10,734,025</u>
Total Depreciation Expense - Governmental Activities	57,925,195
Transfer in of Accumulated Depreciation - Business-Type Activities	<u>231,314</u>
Increase in Accumulated Depreciation - Governmental Activities	<u><u>\$ 58,156,509</u></u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Business Type Activities

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Depreciated:				
Land	\$ 95,407,338	\$ 13,310,396	\$ -	\$ 108,717,734
Construction in Progress	42,909,338	82,918,281	77,832,532	47,995,087
Electric Production Plant	75,410	-	-	75,410
Electric Transmission Plant	31,916,759	-	-	31,916,759
Electric Distribution Plant	18,527,867	206,819	-	18,734,686
Electric General Plant	317,953	-	-	317,953
Total Capital Assets Not Depreciated	<u>189,154,665</u>	<u>96,435,496</u>	<u>77,832,532</u>	<u>207,757,629</u>
Capital Assets Depreciated:				
Buildings	233,632,745	3,419,089	-	237,051,834
Improvements Other than Buildings	1,684,764,022	67,273,948	413,675	1,751,624,295
Machinery and Equipment	228,101,766	18,218,775	1,083,115	245,237,426
Electric Production Plant	89,132,114	-	37,309,756	51,822,358
Electric Transmission Plant	311,270,886	931,769	19,440	312,183,215
Electric Distribution Plant	443,605,407	12,382,387	845,062	455,142,732
Electric Regional Trans Mkt Oper Plant	2,767,781	-	-	2,767,781
Electric General Plant	80,864,141	4,857,795	3,862,578	81,859,358
Total Capital Assets Depreciated	<u>3,074,138,862</u>	<u>107,083,763</u>	<u>43,533,626</u>	<u>3,137,688,999</u>
Less Accumulated Depreciation:				
Buildings	103,987,769	5,086,468	-	109,074,237
Improvements Other than Buildings	639,671,476	42,254,486	380,254	681,545,708
Machinery and Equipment	130,067,743	11,748,150	1,059,342	140,756,551
Electric Production Plant	67,127,351	2,177,623	27,546,437	41,758,537
Electric Transmission Plant	31,425,498	6,523,211	19,440	37,929,269
Electric Distribution Plant	199,558,983	9,976,857	844,497	208,691,343
Electric Regional Trans Mkt Oper Plant	2,743,026	1,800	-	2,744,826
Electric General Plant	31,572,603	5,845,278	3,201,131	34,216,750
Total Accumulated Depreciation	<u>1,206,154,449</u>	<u>83,613,873</u>	<u>33,051,101</u>	<u>1,256,717,221</u>
Total Capital Assets Depreciated, Net	<u>1,867,984,413</u>	<u>23,469,890</u>	<u>10,482,525</u>	<u>1,880,971,778</u>
Capital Assets Amortized:				
Lease Buildings	393,213	-	-	393,213
Lease Equipment	305,268	2,045,531	-	2,350,799
Subscription Based Information Technology Arrangements	2,451,318	-	-	2,451,318
Total Capital Assets Amortized	<u>3,149,799</u>	<u>2,045,531</u>	<u>-</u>	<u>5,195,330</u>
Less Accumulated Amortization:				
Lease Buildings	25,099	8,366	-	33,465
Lease Equipment	246,984	484,507	-	731,491
Subscription Based Information Technology Arrangements	2,247,838	174,129	-	2,421,967
Total Accumulated Amortization	<u>2,519,921</u>	<u>667,002</u>	<u>-</u>	<u>3,186,923</u>
Total Capital Assets Amortized, Net	<u>629,878</u>	<u>1,378,529</u>	<u>-</u>	<u>2,008,407</u>
Business Type Activities Capital Assets, Net	<u>\$ 2,057,768,956</u>	<u>\$ 121,283,915</u>	<u>\$ 88,315,057</u>	<u>\$ 2,090,737,814</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Depreciation and Amortization expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
LP&L	\$ 24,614,346
Water/Wastewater	39,618,871
Storm Water	4,740,417
Airport	10,792,894
Transit	3,260,820
Civic Centers	747,574
Cemetery	35,452
Lake Alan Henry	3,732
Golf	455,363
Internal Service	11,406
Total Depreciation Expense - Business-Type Activities	<u>84,280,875</u>
Transfer in of Accumulated Depreciation - Governmental Activities	-
Increase in Accumulated Depreciation - Business-Type Activities	<u><u>\$ 84,280,875</u></u>

Construction Commitments

The City has active construction projects at fiscal year end.

<u>Projects</u>	<u>Original Commitments</u>	<u>Spent-to-Date</u>	<u>Remaining Commitments</u>
Governmental Capital Projects	\$ 368,995,505	\$ 209,647,302	\$ 159,348,203
TIF Capital Projects	20,682,486	14,762,098	5,920,388
Gateway Street Projects	19,790,311	18,335,027	1,455,284
LP&L	130,494,426	94,076,589	36,417,837
Water/Wastewater	218,727,335	126,070,311	92,657,024
Storm Water	22,222,000	15,075,593	7,146,407
Airport	124,352,631	60,804,044	63,548,587
Civic Center	4,336,143	2,423,863	1,912,280
Cemetery	2,423,491	451,076	1,972,415
Internal Service Fund	41,945,914	27,409,517	14,536,397
Total	<u>\$ 953,970,242</u>	<u>\$ 569,055,420</u>	<u>\$ 384,914,822</u>

Water has an \$41.3 million appropriation to provide major infrastructure upgrades to maintain an appropriate level of water service to West Lubbock.

Airport has an \$62.3 million appropriation for the extension of Taxiway L. This will help reduce taxi time and maximize airfield system efficiency.

One of the many ongoing Governmental Capital Projects is a \$32.7 million appropriation to construct a Solid Waste transfer station. The Transfer Station will provide a substantial savings in fuel, vehicle and equipment maintenance going forward.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Another Governmental Capital Project is an \$8 million appropriation to make multiple improvements to the Tom Martin Sports Complex. Included in the improvements are the additions of new sports fields, upgrading existing facilities, and improving overall amenities to support an increased volume of events and participants.

D. LEASES

The City has entered into multiple lease agreements as lessor. The leases allow the right-to-use of land, buildings, and infrastructure to other organizations over the terms of the lease. The City receives monthly payments at the interest rate stated or implied within the leases. The interest rate for these leases is the City's incremental borrowing rate ranging from 1.97% to 4.17%. The City has \$2,567,042 remaining in lease receivables and \$2,567,043 remaining in deferred inflows as of September 30, 2025.

Fiscal Year	Leases			
	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2026	65,167	6,167	195,450	43,256
2027	66,760	4,764	187,950	39,488
2028	68,399	3,321	189,893	35,777
2029	70,086	1,836	193,668	32,002
2030	6,823	306	197,518	28,152
2031-2035	3,610	44	884,326	83,746
2036-2040	-	-	437,392	13,045
Totals	\$ 280,845	\$ 16,438	\$ 2,286,197	\$ 275,466

E. RETIREMENT PLANS

Each qualified employee is included in one of two retirement plans in which the City participates. These are the Texas Municipal Retirement System (TMRS) and the Lubbock Fire Pension Fund (LFPF). The City does not maintain the accounting records, hold the investments, or administer either retirement plan.

The total (aggregate for the TMRS and LFPF plans) of the City's net pension liabilities, deferred outflows of resources and deferred inflows of resources related to pensions as of September 30, 2025 and the pension expense for the year ended is as follows:

	TMRS	LFPF	Total
Net pension liability	\$ 95,047,251	\$ 96,369,848	\$ 191,417,099
Deferred outflows of resources	43,741,013	24,274,938	68,015,951
Deferred inflows of resources	23,238,322	5,560,256	28,798,578
Pension expense (income)	30,071,313	11,401,897	41,473,210

Summary of significant data for each retirement plan follows:

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Plan Description

The City participates as one of 942 plans in the defined benefit cash-balance plan administered by the Texas Municipal Retirement System (TMRS). TMRS is statewide public retirement plan created by the State of Texas and administered in accordance with the Texas Government Code, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for employees of Texas

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

participating cities. The TMRS Act places the general administration and management of TMRS with a six-member, Governor-appointed Board of Trustees; however, TMRS is not fiscally dependent on the State of Texas. TMRS issues a publicly available annual comprehensive financial report (Annual Report) that can be obtained at tmrs.com.

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

Benefits Provided

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

At retirement, the Member’s benefit is calculated based on the sum of the Member’s contributions, with interest, and the city-financed monetary credits with interest, and their age at retirement and other actuarial factors. The retiring Member may select one of seven monthly benefit payment options. Members may also choose to receive a portion of their benefit as a lump sum distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member’s contributions and interest.

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

	Plan Year 2024
Employee Deposit Rate	7.0%
Matching Ratio (City to Employee)	2 to 1
Years Required for Vesting	5
Service Retirement Eligibility (Expressed as Age/Years of Service)	60/5, 0/20

At the December 31, 2024 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,634
Inactive employees entitled to but not yet receiving benefits	1,197
Active employees	1,879
Total	4,710

Contributions

Member contribution rates in TMRS are either 5%, 6%, or 7% of Member’s total compensation, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The city’s contribution rate is based on the liabilities created from the benefit plan options selected by the city and any changes in benefits or actual experience over time.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.91% and 18.27% in calendar years 2024 and 2025, respectively. The City’s contributions to TMRS for the year ended September 30, 2025, were \$25,905,981, and were equal to the required contributions.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Net Pension Liability

The City's net pension liability (NPL) was measured as of December 31, 2024, 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, 2024 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% 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 investment expense, including inflation

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB (10) mortality tables with 110% of the Public Safety table used for males and 100% of 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. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 to account for future mortality improvements. For disabled annuitants, the same 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% 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 the most recent scale MP-2021 to account for future mortality improvements subject to the 3.5% and 3% floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2018 to December 31, 2022. The assumptions were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rate (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 by best estimate ranges of expected returns for each major asset class. The long-term expected rate of return is determined by weighting the expected return for each major class by the respective target asset allocation percentage.

The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2025 are summarized in the following table:

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	7.1%
Core Fixed Income	6.0%	5.0%
Non-Core Fixed Income	6.0%	6.8%
Hedge Funds	5.0%	6.4%
Private Equity	13.0%	8.5%
Private Debt	13.0%	8.2%
Real Estate	12.0%	6.7%
Infrastructure	6.0%	6.0%
Other Private Markets	4.0%	7.3%
Total	<u>100.0%</u>	

Discount rate

The discount rate used to measure the total pension liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Member 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 Members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in Net Pension Liability

	Plan		
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balance at September 30, 2024	\$ 899,289,673	\$ 780,655,975	\$ 118,633,698
Changes for the year			
Service Cost	23,829,538	-	23,829,538
Interest	59,798,452	-	59,798,452
Difference between expected and actual experience	7,241,886	-	7,241,886
Contributions - employer	-	24,485,759	(24,485,759)
Contributions - employee	-	9,570,096	(9,570,096)
Changes in assumptions	-	-	-
Net investment income	-	80,932,848	(80,932,848)
Benefit payments, including refunds of employee contributions	(50,602,893)	(50,602,893)	-
Administrative expenses	-	(520,213)	520,213
Other Charges	-	(12,167)	12,167
Net changes	<u>\$ 40,266,983</u>	<u>\$ 63,853,430</u>	<u>\$ (23,586,447)</u>
Balance at September 30, 2025	\$ 939,556,656	\$ 844,509,405	\$ 95,047,251

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

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

The following represents 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	\$218,469,964	\$95,047,251	(\$6,860,880)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the Schedule of Changes in Fiduciary Net Position, by Participating City. That report may be obtained at tmrs.com.

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2025 the City recognized pension expense of \$30,071,313.

At September 30, 2025, 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
Difference in expected and actual experience	\$ 29,946,098	\$ 18,144,514
Changes in actuarial assumptions	1,865,864	5,093,808
Difference between projected and actual investment earnings	-7,962,074	-
Contributions subsequent to the measurement date	19,891,125	-
Total	\$ 43,741,013	\$ 23,238,322

\$19,891,125 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 as of September 30, 2025. 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:	
2026	\$ 5,936,390
2027	11,641,762
2028	(11,318,872)
2028	(5,647,714)
Total	\$ 611,566

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

LUBBOCK FIRE PENSION FUND (LFPF)

Plan Description

The city contributes to the retirement plan for firefighters and eligible civilian employees in the Lubbock Fire Department known as the Lubbock Fire Pension Fund (the Fund). The Fund is a single employer, contributory, defined benefit plan. The benefit provisions of the Fund are authorized by the Texas Local Fire Fighters' Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions. The plan is administered by the Board of Trustees of the Lubbock Fire Pension Fund. The city does not have access to nor can it utilize assets within the retirement plan trust. The Fund issues a stand-alone report pursuant to GASB Statement No. 67, which may be obtained by writing the Lubbock Fire Pension Fund at 611 University Avenue, Suite 200, Lubbock, Texas 79401. See that report for all information about the plan fiduciary net position.

Benefits Provided

Firefighters and eligible civilian employees in the Lubbock Fire Department are covered by the Lubbock Fire Pension Fund, which provides service retirement, death, disability, and withdrawal benefits. The retirement benefits fully vest after 20 years of credited service. Plan members become eligible for normal service retirement at age 50 with 20 years of service. A partially vested benefit is provided for members who terminate employment with at least 10 but less than 20 years of service. If a terminated member has a fully vested benefit (with at least 20 years) but is not eligible for normal retirement, the member may elect an actuarially equivalent early retirement benefit or wait to retire starting on the date he or she would have first satisfied both age and service requirements for normal retirement if he or she had remained an eligible plan member. The present plan provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 68.92% of Final 48-Month Average Salary plus \$335.05 for each year of service in excess of 20. Effective April 11, 2020, the plan was amended to change the definition of compensation used to determine the Final 48-Month Average Salary to exclude overtime compensation designated as "Call-Back Overtime Pay" that is overtime in excess of "regular normal scheduled hours."

A retiring plan member eligible for normal service retirement with certain minimum combinations of years of service and age has the option to elect the Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced monthly benefit. The reduced monthly benefit is based on the service and Final 48-Month Average Salary as if the member had terminated employment on the selected RETRO DROP benefit calculation date, which is no earlier than the later of the date the member meets the RETRO DROP eligibility requirements and the date preceding the date of actual retirement by the maximum lump sum accumulation period (24 months). Upon retirement, the member will receive, in addition to the monthly retirement benefit, a lump sum equal to the sum of (1) the amount of monthly contributions the member has made to the Fund after the RETRO DROP benefit calculation date plus (2) the total of the monthly retirement benefits the member would have received between the RETRO DROP benefit calculation date and the date of retirement under the plan. There are no account balances. The lump sum is calculated at the time of retirement and distributed as soon as administratively possible.

There is no provision for automatic postretirement benefit increases. The Fund has the authority to provide, and has periodically in the past provided, ad hoc postretirement benefit increases.

In the December 31, 2024 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	324
Inactive employees entitled to but not yet receiving benefits	5
Active employees	442
Total	771

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Funding Policy

The contribution provisions of the Fund are authorized by TLFRA. TLFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each member and a percentage of payroll by the city.

The contribution policy of the Lubbock Fire Pension Fund requires contributions equal to 14.98% of pay by the firefighters, the rate elected by the firefighters according to TLFRA effective September 29, 2018. For many years, the city contributed according to a long-standing formula. The city's contribution rate to the Fund had been related to the percentage of payroll that the city contributes to the Texas Municipal Retirement System (TMRS) for other employees each calendar year. Beginning October 1, 2022, the city decided to discontinue the formula tied to TMRS and agreed to contribute 150% of the firefighter contribution rate, but not to exceed 21.75%. The actual city contribution rate was 21.50% in plan year 2023 and 21.75% in plan year 2024. Since the firefighter contribution rate is currently 14.98% with no plan to reduce it, the December 31, 2024 actuarial valuation includes the assumption that this current city contribution policy will continue with the city contribution rate of 21.75% at least as long as the unfunded liability amortization period. The costs of administering the plan are paid from the Fund assets.

Ultimately, the contribution policy also depends upon the total return of the Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the board of trustees. For the year ending December 31, 2024, the money-weighted rate of return on pension plan investments was 9.23%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

While the contribution requirements are not actuarially determined, state law requires that each change in plan benefits adopted by the Fund must first be approved by an eligible actuary, certifying that the contribution commitment by the members and the assumed City contribution rate together provide an adequate contribution arrangement. Using the entry age actuarial cost method, the plan's normal cost contribution rate is determined as a percentage of payroll. The excess of the total contribution rate over the normal cost contribution rate is used to amortize the plan's unfunded actuarial accrued liability (UAAL). The number of years needed to amortize the plan's UAAL is actuarially determined using an open, level percentage of payroll method.

The City's contributions to LFPF for the year ended September 30, 2025 were \$10,172,796 and were equal to the statutorily required contributions.

Net Pension Liability

The City of Lubbock's net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2024.

Total pension liability	\$	374,217,092
Plan fiduciary net position		<u>277,847,244</u>
City's net pension liability	\$	96,369,848
Plan fiduciary net position as a percentage of the total pension liability		74.2%

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Actuarial assumptions

The total pension liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5%
Overall payroll growth	2.75%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return	7.5%, net of pension plan investment experience, including inflation

Mortality rates were based on the PubS-2016 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2021.

The long-term expected rate of return on pension plan investments is reviewed for each biennial actuarial valuation and was determined using a building-block method in which expected future net real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These components are combined to produce the long-term expected rate of return by weighting the expected future net real rates of return by the target asset allocation percentage (currently resulting in 5.05%) and by adding expected inflation (2.5%). In addition, the final 7.5% assumption was selected by rounding down. The target allocation and expected arithmetic net real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Domestic total market	10.00%	6.50%
World large cap	40.00%	6.14%
Alternatives		
Real estate	15.00%	4.37%
Private equity	10.00%	7.08%
Fixed income		
Domestic core plus	15.00%	1.80%
Floating rate	5.00%	2.41%
Private credit	5.00%	3.82%
Total	100%	
Weighted Average		5.05%

Discount rate

The discount rate used to measure the total pension liability was 7.5%. No projection of cash flows was used to determine the discount rate because the special study based on the December 31, 2024 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 18 years. Because of the 18-year amortization period of the UAAL, the pension plan's fiduciary net position is expected to be available to make all projected future benefit payments of current active and inactive members. Therefore, the long-term expected rate of return on pension plan investments of 7.5% was applied to all periods of projected benefit payments as the discount rate to determine the total pension liability.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Changes in the Net Pension Liability	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2024	\$361,453,536	\$258,961,847	\$ 102,491,689
Changes for the year:			
Service cost	8,751,021	-	8,751,021
Interest	26,978,844	-	26,978,844
Changes of benefit provisions	-	-	-
Difference between expected and actual experience	(5,471,682)	-	(5,471,682)
Contributions – employer	-	9,714,939	(9,714,939)
Contributions – employee	-	6,691,027	(6,691,027)
Net investment income	-	23,486,083	(23,486,083)
Benefit payments, including refunds of employee contributions	(20,973,278)	(20,973,278)	-
Administrative expense	-	(220,426)	220,426
Assumption changes	3,478,651	-	3,478,651
Other changes	-	187,052	(187,052)
Net changes	<u>\$ 12,763,556</u>	<u>\$ 18,885,397</u>	<u>\$ (6,121,841)</u>
Balance at September 30, 2025	<u>\$374,217,092</u>	<u>\$277,847,244</u>	<u>\$ 96,369,848</u>

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

The following represents the net pension liability of the City, calculated using the discount rate of 7.5%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.5%) or 1-percentage-point higher (8.5%) than the current rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's net pension liability	\$142,807,843	\$96,369,848	\$57,550,678

Pension Plan Fiduciary Net Position

The plan fiduciary net position reported above is the same as reported by the Fund. Detailed information about the plan fiduciary net position is available in the Fund’s separately issued audited financial statements, which are reported using the economic resources measurement focus and the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Investments are reported at fair value, the price that would be recognized to sell an asset in an orderly transaction between market participants at the measurement date. That report can be obtained by contacting the Board of Trustees, LFPF, 611 University Avenue, Suite 200, Lubbock, TX 79401 or at www.lubbockfirepensionfund.com.

Pension Expense and Deferred Outflow of Resources and Deferred Inflows of Resources Related to Pension

For the year ended September 30, 2025, the City recognized pension expense of \$11,401,897. Amounts recognized in the fiscal year represent changes between the current and prior measurement dates.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

At September 30, 2025, 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
Difference between projected and actual economic experience	\$ 9,198,870	\$ 4,880,172
Changes in actuarial assumptions	7,094,711	680,084
Difference between projected and actual investment earnings	99,876	-
Contributions subsequent to the measurement date	7,881,481	
Total	<u>\$ 24,274,938</u>	<u>\$ 5,560,256</u>

\$7,881,481 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 as of September 30, 2026. 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:	
2026	\$1,656,522
2027	5,845,345
2028	(174,769)
2029	1,340,828
2030	1,414,890
Thereafter	750,385
Total	<u>\$10,833,201</u>

F. OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The City sponsors and administers an informal single-employer health/dental plan. Texas statute provides that retirees from a municipality with a population of 25,000 or more and that receive retirement benefits from a municipal retirement plan are entitled to purchase continued health benefits coverage for the person and the person's dependents unless the person is eligible for group health benefits coverage through another employer. The State of Texas has the authority to establish and amend the requirements of this statute. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The City does not issue stand-alone financial statements for the health/dental plan. However, all required information is presented in this report.

Benefits Provided

Permanent full-time employees of the City are eligible to participate in the retiree health/dental care plan provided they meet the criteria for retirement. To be recognized as a "service retiree" and be eligible for group medical/dental coverage, an employee must have worked for the City for five consecutive years immediately preceding the date of retirement and satisfy the retirement eligibility criteria listed below. Employees who retire or are eligible to retire when they leave employment must make an irrevocable decision to accept or deny retiree insurance at the time they terminate their employment with the City.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Normal Retirement Benefits

Texas Municipal Retirement System (TMRS)

- Completion of 20 years of service, regardless of age; or
- Upon attaining age 60 provided the employee has at least five (5) years of service.

Lubbock Fire Pension Fund (LFPF)

- Upon attaining age 50 provided the employee has at least twenty (20) years of service.

Retiree medical/dental coverage levels for retirees is the same as coverage provided to active City employees in accordance with the terms and conditions of the current City Benefit Plan.

Employees who retire with 15 or more years of service or Civil Service employees that retire who have a balance in excess of 90 days sick leave shall be eligible to elect to continue receiving medical coverage in full 30 day periods for the term of their sick leave balance. Retirees are required to pay a prorated premium for the days of coverage not funded by their excess sick leave.

Retirees may purchase retiree health/dental care coverage for eligible spouses and dependents at their own expense. Insured dependents of a deceased insured retiree shall remain eligible for insurance or the Medicare stipend.

The City will provide a \$150 per month Health Retirement Account (HRA) contribution or stipend for Medicare eligible retiree/spouses. Medicare eligible retirees/dependents may not continue coverage on the City’s plan.

The following table provides a summary of the number of participants in the plan as of December 31, 2023:

Inactive plan members or beneficiaries currently receiving benefits	998
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	2,207
Total	3,205

Contributions

The City is not required to contribute to the plan on behalf of the retirees and funds the plan on a projected pay-as-you-go financing method. Plan members pay monthly premiums of \$478/\$27 (medical/dental) for single coverage and \$1,092/\$60 (medical/dental) for family coverage, pre-65.

Total OPEB Liability

The City’s OPEB liability was measured as of December 31, 2023.

Actuarial assumptions

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

Actuarial Cost Method	Individual Entry-Age
Inflation	2.5% per year
Healthcare cost trend rate	Initial rate of 7.2% declining to an ultimate rate of 4.25% after 15 years
Discount rate	4.08% as of December 31, 2024
Salary increases	<u>TMRS</u> : 3.6% to 11.85%, including inflation
	<u>LFPF</u> : 2.75% to 7.89%

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Demographic assumptions were updated to reflect the 2023 TMRS Experience Study and assumptions utilized by the Lubbock Fire Pension Fund valuation.

Mortality rates for TMRS: for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used, with male rates multiplied by 103% and female rates multiplied by 105%. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP-2021 table to account for future mortality improvements.

Mortality rates for LFPF: based on the PubS-2010 (public safety) total dataset mortality tables for employees and for retirees (sex distinct), projected for mortality improvement generationally using the projection scale MP-2018.

Discount rate

For plans that do not have a formal trust that meets GASB’s requirements, the discount rate should equal the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. For purposes of this valuation, the municipal bond rate is 4.08% (based on the daily rate closest to but not later than the measurement date of the Bond Buyer “20-Bond GO Index”). The discount rate was 3.77% as of the prior measurement date.

Changes in the Total OPEB Liability	Total OPEB Liability
Balance at September 30, 2024	\$137,020,521
Changes for the year:	
Service cost	7,578,199
Interest	5,247,875
Difference between expected and actual experience	(2,990,897)
Changes of assumptions	(4,356,849)
Benefit Payments	(3,217,400)
Net Changes	<u>\$2,260,928</u>
Balance at September 30, 2025	<u>\$139,281,449</u>

Sensitivity of the total OPEB liability to changes in the discount rate

The following represents the total OPEB liability of the City, calculated using the discount rate of 4.08%, as well as what the City’s total OPEB liability would be if it were calculated using a discount rate that is one percent lower or one percent higher:

	1% Decrease in Discount Rate (3.08%)	Discount Rate (4.08%)	1% Increase in Discount Rate (5.08%)
City's Total OPEB Liability	\$154,011,656	\$139,281,449	\$126,383,424

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Sensitivity of the Total OPEB Liability to changes in the healthcare cost trend rate

Regarding the sensitivity of the total OPEB liability to changes in the healthcare cost trend rates, the following represents the total OPEB liability of the City, calculated using the assumed healthcare cost trend rate as well as what the City's total OPEB liability would be if it were calculated using a trend rate that is one percent lower or one percent higher:

	1% Decrease in Healthcare Cost Trend Rate	Current Healthcare Cost Trend Rate Assumption	1% Increase in Healthcare Cost Trend Rate
City's Total OPEB Liability	\$126,880,782	\$139,281,449	\$154,112,049

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

For the year ended September 30, 2025, the City recognized total OPEB expense of \$4,326,650.

At September 30, 2025, 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
Difference in expected and actual experience	\$ -	\$ 20,701,190
Changes in assumptions	12,286,067	27,411,011
Contributions subsequent to the measurement date	2,395,808	-
Total	\$ 14,681,875	\$ 48,112,201

\$2,395,808 reported as deferred outflows of resources related to OPEB resulting from benefit payments subsequent to the measurement date will be recognized as a reduction of the total OPEB liability as of September 30, 2025. 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:	
2026	(\$8,379,804)
2027	(8,153,482)
2028	(9,588,147)
2029	(5,644,431)
2030	(3,052,733)
Thereafter	(1,007,537)
Total	\$(35,826,134)

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

G. DEFERRED COMPENSATION

The City offers its employees three deferred compensation plans in accordance with Internal Revenue Code (“IRC”) Section 457. The plans, available to all city employees, permit them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plans’ assets are held in trust for the exclusive benefit of the participants and their beneficiaries. The City does not provide administrative services or have any fiduciary responsibilities for these plans; therefore, they are not presented in the BFS.

H. SURFACE WATER SUPPLY

Canadian River Municipal Water Authority

The Canadian River Municipal Water Authority (CRMWA) is a Conservation and Reclamation Authority established by the Texas Legislature to construct a dam, water reservoir, and aqueduct system for the purpose of supplying water to surrounding cities. The Authority was created in 1953 and is comprised of eleven cities, including Lubbock. The budget, financing, and operations of the Authority are governed by a Board of Directors selected by the governing bodies of each of the member cities, each city being entitled to one or two members dependent upon population. At September 30, 2025, the Board was comprised of 17 members, two of which represented the City. The City contracted with the CRMWA to reimburse CRMWA for a portion of the cost of the Canadian River Dam and aqueduct system in exchange for surface water. The City's pro-rata share of annual fixed and variable operating and reserve assessments are recorded as an expense of obtaining surface water. The City has four contract revenue bonds to pay for the water rights. These assets and liabilities are recorded in the Water and Wastewater Enterprise Fund.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

I. LONG-TERM DEBT

GENERAL OBLIGATION BONDS AND CERTIFICATES OF OBLIGATION:

<u>Interest Rate%</u>	<u>Dated</u>	<u>Maturity Date</u>	<u>Amount Issued</u>	<u>Outstanding 09/30/25</u>
3.21	05/01/15	02/15/31	28,305,000	1,820,000
2.41	04/15/16	02/15/34	26,660,000	14,345,000
2.72	04/15/16	02/15/36	101,305,000	57,225,000
2.47	11/01/16	02/15/34	36,780,000	12,800,000
0.00	02/16/17	02/15/37	35,000,000	21,000,000
3.20	04/15/17	02/15/37	23,290,000	13,770,000
2.92	04/04/18	02/15/38	18,535,000	8,410,000
3.86	04/04/18	02/15/38	14,675,000	10,740,000
2.76	04/04/18	02/15/30	96,160,000	46,245,000
3.07	04/04/19	02/15/39	64,550,000	51,745,000
2.13	04/04/19	02/15/30	12,270,000	5,415,000
2.31	10/08/19	02/15/32	44,875,000	27,935,000
2.51	05/13/20	02/15/40	7,045,000	5,880,000
1.57	12/17/20	02/15/34	32,690,000	22,100,000
0.83	02/18/21	02/15/31	6,010,000	4,055,000
1.97	07/28/21	02/15/41	24,420,000	20,990,000
3.61	03/23/23	02/15/38	15,470,000	14,285,000
3.92	03/23/23	02/15/43	46,085,000	43,990,000
4.02	06/27/24	02/15/44	28,365,000	27,695,000
4.02	06/27/24	02/15/44	58,905,000	57,520,000
3.31	12/12/24	02/15/35	45,610,000	45,070,000
4.15	04/30/25	02/15/45	46,310,000	46,310,000
			\$ 813,315,000	\$ 559,345,000

(A) Excludes net bond premiums and discounts – (\$14,214,091) business-type and (\$26,384,446) governmental. Additionally, this amount includes \$182,800,000 of bonds used to finance enterprise fund activities.

At September 30, 2025, management of the City believes the City complied with all financial bond covenants on outstanding general obligation bonded debt, certificates of obligation, tax notes, electric revenue bonded debt, and water contract bonded debt.

Amounts classified as restricted investment in other governmental funds represent amounts restricted by bond ordinances to cover next year's debt service payments for certain general obligations that will be transferred to the debt service fund next year.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

LP&L REVENUE BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding * 09/30/2025
3.09	05/01/2014	04/15/2034	16,245,000	5,480,000
3.04	04/15/2016	04/15/2046	7,535,000	4,250,000
3.60	08/15/2017	02/15/2047	17,760,000	14,065,000
3.64	07/12/2018	04/15/2048	93,925,000	66,115,000
2.73	09/09/2021	04/15/2051	266,870,000	242,290,000
3.61	09/07/2022	04/15/2042	56,480,000	50,125,000
3.81	12/28/2023	09/30/2043	62,880,000	56,595,000
Total			521,695,000	438,920,000

* Balance outstanding excludes (\$56,065,747) of net bond premiums and discounts.

Debt is secured by a first lien on and pledge of the net revenues of the City's Electric Light and Power System. Remaining interest required to amortize all outstanding debt equals \$243.8 million.

The general purpose for the debt is for acquiring, purchasing, constructing, improving, renovating, enlarging, and/or equipping property, buildings, structures, facilities and/or related infrastructure for the Electric Light and Power System. Net revenue available for debt service is 1.9 times the debt service requirements in FY25.

WATER/WASTEWATER REVENUE BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding* 09/30/2025
2.47	04/04/2109	02/15/2039	16,725,000	9,045,000
2.45	10/08/2019	02/15/2034	88,405,000	61,765,000
2.51	05/14/2020	02/15/2040	42,085,000	35,110,000
0.74	12/17/2020	02/15/2030	27,220,000	16,220,000
1.71	12/17/2020	02/15/2033	22,135,000	15,070,000
0.86	02/18/2021	02/15/2031	9,630,000	6,305,000
1.00	10/14/2021	02/15/2041	10,445,000	8,345,000
2.64	05/12/2022	02/15/2032	7,435,000	5,620,000
3.69	03/23/2023	02/15/2038	14,485,000	13,375,000
3.33	12/12/2024	02/15/2035	57,560,000	56,750,000
3.99	02/13/2025	02/15/2045	57,470,000	57,470,000
Total			353,595,000	285,075,000

* Balance outstanding excludes (\$10,780,780) of bond premiums.

The general purpose for the debt is for acquiring, purchasing, constructing, improving, renovating, enlarging, and/or equipping property, buildings, structures, facilities and/or related infrastructure for the Water and Wastewater Systems. Net revenue available for debt service is 2.3 times the debt service requirements in FY25.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

CONTRACT BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding* 09/30/2025
2.44	10/01/2017	02/15/2029	4,723,042	1,468,115
1.31	11/19/2020	02/15/2031	16,526,365	9,796,386
3.42	06/01/2023	02/15/2027	4,569,251	1,711,925
Total			25,818,658	12,976,426

*Balance outstanding excludes (\$1,228,120) of bond premiums.

TAX NOTE

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding 09/30/2025
1.99	08/01/2019	02/15/2026	7,130,000	500,000
1.11	07/27/2020	02/15/2027	8,705,000	1,270,000
1.11	08/24/2021	02/15/2028	3,000,000	920,000
2.80	06/14/2022	02/15/2029	5,150,000	3,080,000
4.17	06/21/2023	02/15/2030	4,815,000	3,590,000
4.76	12/05/2023	11/15/2030	10,930,000	9,765,000
3.83	05/15/2025	02/15/2032	16,240,000	16,240,000
Total			55,970,000	35,365,000

The City of Lubbock has entered into multiple lease agreements as lessee. The leases allow the right to use assets over the term of the lease. The City of Lubbock is required to make monthly payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

LEASES

Interest Rate (%)	Final Maturity Date	Initial Liability	Balance Outstanding 09/30/2025
1.97	03/01/2030	572,038	330,465
4.17	08/01/2027	522,407	350,168
1.97	03/01/2030	740,795	427,859
1.97	12/01/2026	768,750	193,502
1.97	09/01/2026	143,182	31,848
1.97	09/01/2068	382,483	372,052
2.80	03/01/2026	1,497,104	581,127
4.17	03/01/2026	34,482	7,422
4.02	10/01/2028	1,030,751	815,300
4.02	02/01/2028	1,014,778	750,501
4.02	11/13/2026	2,206,237	1,457,645
4.02	11/01/2029	1,194,983	1,194,983
Total		\$ 10,107,990	\$ 6,512,872

The City has entered into multiple Subscription-Based Information Technology Arrangements (SBITA). These arrangements include cloud computing, and software as a service. The related obligations are presented in the amounts equal to the present value of subscription payments, payable during the remaining SBITA term.

SBITAS

Subscription Based Information Technology Arrangements

Interest Rate (%)	Final Maturity Date	Initial Liability	Balance Outstanding 09/30/2025
4.17	09/01/2033	3,636,123	3,031,381
4.17	09/01/2026	498,887	153,960
4.02	10/01/2026	760,411	517,042
4.02	09/01/2027	400,474	297,944
4.02	09/01/2026	250,543	127,740
4.02	09/01/2027	666,064	464,055
4.02	07/16/2027	84,189	66,082
4.02	07/10/2029	846,650	667,078
Total		\$ 7,143,341	\$ 5,325,282

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The annual requirements to amortize all outstanding debt of the City as of September 30, 2025 are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Tax Notes		SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 31,545,000	\$ 16,526,757	\$ 5,493,959	\$ 993,478	\$ 515,864	\$ 115,742
2027	29,470,000	14,499,288	4,945,000	764,992	529,983	101,623
2028	28,450,000	13,213,204	4,465,000	596,469	544,489	87,117
2029	26,115,000	12,042,982	4,440,000	426,065	559,391	72,214
2030	24,575,000	10,988,491	3,790,000	261,413	574,701	56,904
2031-2035	103,725,000	41,061,397	4,524,997	142,368	1,820,214	74,603
2036-2040	82,130,000	20,124,769	-	-	-	-
2041-2045	50,535,000	4,923,922	-	-	-	-
Totals	\$ 376,545,000	\$ 133,380,810	\$ 27,658,956	\$ 3,184,785	\$ 4,544,642	\$ 508,203

Fiscal Year	Business-Type Activities					
	General Obligation Bonds		Tax Notes		Revenue/Contract Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 23,195,000	\$ 6,369,621	\$ 996,041	\$ 316,453	\$ 52,913,648	\$ 32,353,053
2027	22,295,000	5,441,104	1,020,000	229,090	53,117,094	28,733,437
2028	21,745,000	4,561,626	1,055,000	190,754	52,373,226	26,474,417
2029	21,830,000	3,675,491	1,095,000	151,033	43,470,816	24,373,864
2030	21,490,000	2,796,784	1,140,000	109,742	44,910,754	22,563,826
2031-2035	50,965,000	7,292,119	2,400,001	89,419	175,237,121	88,838,739
2036-2040	18,665,000	1,747,250	-	-	141,085,000	56,369,084
2041-2045	2,615,000	269,875	-	-	105,275,000	29,072,123
2046-2050	-	-	-	-	69,240,000	10,823,525
2051-2055	-	-	-	-	13,075,000	523,000
Totals	\$ 182,800,000	\$ 32,153,870	\$ 7,706,042	\$ 1,086,491	\$ 750,697,659	\$ 320,125,068

Fiscal Year	Leases			
	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,868,885	\$ 70,249	\$ 527,396	\$ 67,555
2027	1,524,279	83,956	515,723	47,328
2028	399,871	36,441	536,722	26,329
2029	412,678	23,633	40,702	6,943
2030	337,459	10,735	6,011	6,709
2031-2035	-	-	31,894	31,706
2036-2040	-	-	35,193	28,407
2041-2045	-	-	38,833	24,767
2046-2050	-	-	42,849	20,751
2051-2055	-	-	47,281	16,319
2056-2060	-	-	52,171	11,429
2061-2065	-	-	57,567	6,033
2066-2070	-	-	37,358	800
Totals	\$ 4,543,172	\$ 225,014	\$ 1,969,700	\$ 295,076

The value of right-to-use assets at the end of the current fiscal year was \$11,083,593 and had accumulated amortization of \$4,283,086.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Fiscal Year	Subscription Based Information Technology Arrangements			
	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2026	\$ 1,418,317	\$ 209,826	\$ -	\$ -
2027	1,196,306	151,781	-	-
2028	524,821	112,774	-	-
2029	546,579	91,017	-	-
20230	385,053	68,357	-	-
2031-2033	1,254,206	106,025	-	-
Totals	\$ 5,325,282	\$ 739,780	\$ -	\$ -

The value of Gross Subscription Assets at the end of the current fiscal year was \$12,110,296 and had accumulated amortization of \$6,894,790.

Long-term obligations for governmental and business-type activities for the year ended September 30, 2025 are as follows:

	Debt Payable			Debt Payable		Due in
	09/30/24	Additions	Deletions	09/30/25		one year
Governmental activities:						
Tax-Supported -						
Obligation Bonds	\$ 388,689,405	\$ 79,515,000	\$ 64,000,449	\$ 404,203,956		\$37,038,959
Bond Premiums	27,177,737	4,813,899	5,607,190	26,384,446		-
SIB Loan	5,046,764	-	502,122	4,544,642		515,864
Leases	2,744,268	3,401,219	1,602,315	4,543,172		1,868,885
Subscription Liability	5,122,813	2,247,919	2,045,450	5,325,282		1,418,317
Closure/Post Closure	7,962,352	312,369	-	8,274,721		-
Compensated Absences	42,524,101	20,753,902	15,202,168	48,075,835		14,304,916
Total OPEB Liability	101,902,314	9,003,430	7,819,566	103,086,178		-
Net Pension Liability	183,763,016	102,739,771	124,297,360	162,205,427		-
Insurance Claims Payable	5,302,467	51,604,057	50,929,991	5,976,533		4,634,743
Total Governmental activities	\$ 770,235,237	\$ 274,391,566	\$ 272,006,611	\$ 772,620,192		\$ 59,781,684
Business-type activities:						
Self-Supported -						
Obligation Bonds	\$ 282,590,594	\$ 28,645,000	\$ 120,729,552	\$ 190,506,042		\$24,191,041
Revenue and Contract Bon	682,352,882	115,030,000	46,685,223	750,697,659		52,913,650
Bond Premiums	88,210,043	9,608,165	15,529,470	82,288,738		-
Leases	439,795	2,045,528	515,623	1,969,700		527,396
Subscription Liability	214,353	-	214,353	-		-
Compensated Absences	8,891,581	4,855,482	4,197,916	9,549,147		4,735,088
Total OPEB Liability	35,118,207	3,822,644	2,745,580	36,195,271		-
Net Pension Liability	37,362,371	28,091,425	36,242,124	29,211,672		-
Insurance Claims Payable	-	-	-	-		-
Total Business-type activities	\$ 1,135,179,826	\$ 192,098,244	\$ 226,859,841	\$ 1,100,418,229		\$ 82,367,175

*Beginning balances have been adjusted due to the Risk Internal Service Fund changing from a business-type activity to a governmental activity in FY 25.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Payments on bonds payable for governmental activities are made in the Debt Service Fund. Bonded debt is subject to the applicability of federal arbitrage regulations. In FY 2025, the City had \$8,739,667 outstanding federal arbitrage. Accrued compensated absences that pertain to governmental activities will be liquidated by the General Fund and Special Revenue Funds. The Risk Management Internal Service Fund will liquidate insurance claims payable that pertain to governmental activities. Payments for the leases that pertain to the governmental activities will be liquidated by the General Fund and Special Revenue Funds.

The General Fund will liquidate the other postemployment benefit liability that pertains to governmental activities. The net pension liability that pertains to the governmental activities will be liquidated mainly by the General Fund.

The total long-term debt is reconciled to the total annual requirements to amortize long-term debt as follows:

Long-Term Debt - Governmental Activities	\$	772,620,193	
Long-Term Debt - Business-Type Activities		1,100,418,230	
Interest		491,699,097	
Total Amount of Debt	\$		2,364,737,520
Less: Bond Discounts/Premiums		(108,673,184)	
Less: Closure/Post Closure		(8,274,721)	
Less: Compensated Absences		(57,624,982)	
Less: Post Employment Benefits		(139,281,449)	
Less: Net Pension Liability		(191,417,099)	
Less: Insurance Claims Payable		(5,976,533)	
Total Other Debt			(511,247,968)
Total Future Bonded Debt Requirements	\$		1,853,489,552

New Bond Issuance

In February 2025, the City issued \$57,470,000 Water and Wastewater System Revenue Bonds, Series 2025 (Bonds), with a 3.99 percent interest rate. The Bonds were issued at a premium of \$3,788,336 and incurred issuance costs of \$521,172. The \$61,258,336 proceeds from the sale of the Bonds will be used to (i) pay the costs of acquiring, purchasing, constructing, improving, renovating, enlarging and equipping property, buildings, structures, facilities and related infrastructure for the Water and Wastewater System, (ii) fund capitalized interest for the Bonds, if necessary, (iii) fund the reserve fund requirement for the Bonds, if necessary, and (iv) pay the costs of issuing the Bonds.

In April 2025, the City issued \$46,310,000 General Obligation Bonds, Series 2025 (Bonds), with a 4.15 percent interest rate. The Bonds were issued at a premium of \$3,161,170 and incurred issuance costs of \$471,170. The \$49,471,170 proceeds from the sale of the Bonds will be used for (i) the acquisition, construction and reconstruction of City street improvements, including but not limited to sidewalks, utility line relocation and traffic signalization, necessary and related storm drainage facilities and the acquisition of land and rights-of-way therefor and (ii) payment of costs of issuance of the Bonds.

In June 2025, the City issued \$16,240,000 Tax Note, Series 2025, with a 3.83 percent interest rate. The Tax Notes incurred issuance costs of \$80,000. The \$16,160,000 proceeds from the sale of Tax Notes will be used to (a) finance (i) renovations, additions, expansions and improvements to the Lubbock Preston Smith

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

International Airport taxiway and (ii) renovations and improvements to the City cemetery, (b) purchase of vehicles (together with (a), the “Project”); and (c) pay the costs incurred in connection with the execution and delivery of the Note.

Refunding

In December 2024, the City issued \$45,610,000 General Obligation Refunding Bonds, Series 2024 (Bonds), with an interest rate of 3.31 percent. The Bonds were issued at a premium of \$3,060,039 and incurred issuance costs of \$401,340. The \$48,670,039 proceeds from the sale of the Bonds were used to refund a portion of the City’s outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunded Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreements between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunded Bonds. The bonds refunded \$47,630,000 of outstanding debt. Because of the refunding, the City decreased debt service requirements by \$1,649,494, which resulted in net present value savings of \$1,462,758, or 3.07 percent savings on refunded bonds.

In December 2024, the City issued \$57,560,000 Water and Wastewater System Revenue Refunding Bonds, Series 2024 (Bonds), with an interest rate of 3.33 percent. The Bonds were issued at a premium of \$4,412,520 and incurred issuance costs of \$494,572. The \$61,972,520 proceeds from the sale of the Bonds were used to refund a portion of the City’s outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunded Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreements between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunded Bonds. The bonds refunded \$60,615,000 of outstanding debt. Because of the refunding, the City decreased total debt service requirements by \$2,812,975, which resulted in net present value savings of \$2,443,580, or 4.03 percent savings on refunded bonds.

Prior year defeasance of debt. In prior years, the City defeased bonds by placing the proceeds of the new bonds in an irrevocable trust account to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the government’s financial statements. At September 30, 2025, the City had no outstanding defeased debt.

J. CONDUIT DEBT

In the past, the City has approved the issuance of Education Facilities Authority Bonds to provide financial assistance to private sector entities for the acquisition and construction of public facilities. The bonds are secured by the property financed. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, nor the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2025, there was one series of Lubbock Education Facilities Authority Inc. Bonds outstanding with an aggregate principal amount payable of \$14,465,000. The bonds were issued in 2007 and refunded in FY 2016.

K. SPECIAL ASSESSMENT DEBT

In FY 2008, the Vintage Township Public Facilities Corporation (PFC), a discretely presented component unit of the City, issued special assessment debt for the acquisition and construction of certain public facilities benefiting Vintage Township. The PFC had \$1,794,000 outstanding special assessment debt as of September 30, 2025. The City collects assessments and forwards the collections to the bondholders. The City is not obligated in any manner for special assessment debt and is not liable for repayment of the debt. As the PFC

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

completes construction of certain public facilities, the assets are donated to the City. As of September 30, 2025, \$4,677,257 in completed construction costs was contributed to the City. The PFC has a deficit in unrestricted net position, which is a result of the debt held in the PFC name while the assets are donated to the City and held in the City's name.

L. STATE INFRASTRUCTURE BANK LOAN (SIB LOAN)

In 2017, the State of Texas agreed to issue a \$7.25 million State Infrastructure Bank Loan to the City of Lubbock for the purposes of purchasing right of way and to adjust utilities for FM 1585 widening in relation to the project for a new outer loop. Planning for the Lubbock Loop 88 project began nearly a decade ago. The Loop will be approximately 12.4 miles long and is located West of US 84. The goal of the project is to improve mobility and reduce congestion in the area as many goods are transported within the region. The loan is scheduled to be paid back in FY 2033.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

M. FUND BALANCE

The City classified governmental fund balances as follows:

Fund Balances	General Fund	Debt Service Fund	Governmental Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:					
Inventory	\$ 148,657	\$ -	\$ -	\$ -	\$ 148,657
Restricted:					
Debt service	-	14,868,746	-	5,919,383	20,788,129
Tax note purchases	270,592	-	-	-	270,592
Economic and business development	-	-	-	241,280	241,280
Tourism, convention centers, arts	-	-	-	1,142,666	1,142,666
Animal assistance	-	-	-	556,338	556,338
Tax improvement financing areas	-	-	-	14,479,955	14,479,955
Public improvement districts	-	-	-	5,879,692	5,879,692
Cable services to community public buildings	-	-	-	3,990,669	3,990,669
Community services grants	-	-	-	2,108,320	2,108,320
Heath grants	-	-	-	367,428	367,428
Police grants	-	-	-	38,251	38,251
Law enforcement purposes	-	-	-	1,832,613	1,832,613
Court technology	-	-	-	2,322,682	2,322,682
Donations for community services	-	-	-	67,181	67,181
Donations for animal services	-	-	-	179,649	179,649
Donations for museums	-	-	-	273,936	273,936
Donations for parks and recreational	-	-	-	148,482	148,482
Donations for fire services	-	-	-	6,231	6,231
Donations for police services	-	-	-	6,159	6,159
Donations for cultural	-	-	-	5,731	5,731
Donations for other programs	-	-	-	56,253	56,253
Street capital projects	-	-	108,065,104	-	108,065,104
General facility capital projects	-	-	22,442,155	-	22,442,155
Public safety capital projects	-	-	202	-	202
Parks capital projects	-	-	-	-	-
TIF capital projects	-	-	-	1,719,876	1,719,876
Committed:					
Gateway street capital projects	-	-	-	3,815,279	3,815,279
TIF capital projects	-	-	-	6,646,193	6,646,193
Infrastructure and neighborhood dev	-	-	-	721,860	721,860
Street capital projects	-	-	20,873,258	-	20,873,258
General facility capital projects	-	-	7,392,432	-	7,392,432
Public safety capital projects	-	-	394,149	-	394,149
Parks capital projects	-	-	7,427,086	-	7,427,086
Tourism, convention centers, arts	-	-	90,093	-	90,093
Unassigned	83,459,391	-	-	(11,691)	83,447,700
Total Fund Balances	\$ 83,878,640	\$ 14,868,746	\$ 166,684,479	\$ 52,514,416	\$ 317,946,281

The restricted special revenue fund balances are also restricted for GWFS net position.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

N. RISK MANAGEMENT

The Risk Management Fund was established to account for liability claims, workers' compensation claims, and premiums for property/casualty insurance coverage. The Risk Management Fund generates its revenue through charges to other departments, which are based on costs.

In April 1999, the City purchased workers' compensation coverage, with no deductible, from Texas Municipal League Intergovernmental Risk Pool (TML-IRP) with continuous coverage through September 30, 2009. Effective October 1, 2009 through September 30, 2018 the City purchased workers' compensation coverage from Texas Political Subdivisions Joint Self-Insurance Fund (TPS). TPS operates as a self-insurance pool offering coverage to municipalities and other political subdivisions in accordance with the local government code and the terms of interlocal agreements among members. The City obtains workers' compensation coverage through a guaranteed-cost plan. Guaranteed-cost members combine their contributions to cover pooled losses and expenses. As required by interlocal agreement, TPS obtains specific excess of loss coverage over and above the self-insured retention stated in the agreement so that members will not have joint and several liabilities beyond their required contribution. Effective October 1, 2018 the City purchased workers' compensation insurance with no deductible from Texas Mutual Insurance Company. The City entered into an interlocal agreement with Texas Municipal League Intergovernmental Risk Pool effective October 1, 2019 in which the City pays a premium and there is a \$25,000 deductible per claim. Prior to April 1999, the City was self-insured for workers' compensation claims. Any claims outstanding prior to April 1999 continue to be the City's responsibility. As of April 1, 2025 the City once again self-insures our workers' compensation program. We hired TRISTAR as our third-party administrator.

The City's self-insurance liability program was funded on a cash flow basis, which means that the servicing contractor processes, adjusts, and pays claims from a deposit account provided by the City until October 1, 2017. After October 1, 2017 all self-insurance liability claims are being adjusted and paid through the use of an in-house claims adjuster who, with the assistance of the Risk Manager, sets reserves. The City accounts for the liability program by charging premiums to replenish funds based upon losses, administrative fees, premiums, and reserve requirements. In order to control the risks associated with liability claims, the City purchases excess liability coverage with a \$14 million annual aggregate limit and is subject to a \$750,000 self-insured retention per claim.

For self-insured coverage, the Risk Management Fund establishes claim liabilities based on estimates of the ultimate cost of claims (including future claim adjustment expenses) that have been reported but not settled, and of claims that have been incurred but not reported (IBNR). The length of time for which such costs must be estimated varies depending on the coverage involved. Because actual claim costs depend on complex factors such as inflation, changes in doctrines of legal liability, and damage awards, the process used in computing claim liabilities does not necessarily result in an exact amount, particularly for liability coverage. Claim liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. Adjustments to claim liabilities are charged or credited to an expense account in the period in which they are incurred.

Additionally, property and boiler coverage is accounted for in the Risk Management Fund. In FY 2018, the City of Lubbock separated Lubbock Power and Light's (LP&L) property and boiler and machinery as a cost savings measure. The City's property insurance policy, excluding LP&L, was purchased from an outside insurance carrier. The policy has a 3% of total values wind/hail deductible per occurrence and a \$250,000 deductible for all other forms of loss. The City's boiler and machinery insurance policy, excluding LP&L, was purchased from an outside insurance carrier. The policy has a \$25,000 deductible. Lubbock Power and Light purchases package property and boiler and machinery coverage from an outside carrier. The policy has various deductibles for both property and boiler and machinery ranging from \$250,000 to 2.5% of location values. Premiums are charged to funds based upon estimated premiums for the upcoming year. Departments that sustain property damage in excess of \$1,000 are eligible to request assistance from the Risk Management Fund for payment of those damages up to the policy deductible.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Other small insurance policies, such as surety bond coverage and miscellaneous floaters, are also accounted for in the Risk Management Fund. Funds are charged based on premium amounts and administrative charges. The City accounts for all insurance activity in the Internal Service Funds.

O. HEALTH INSURANCE

The City provides medical and dental insurance for all full-time employees and accounts for these activities in the Health Benefits Fund. Revenue for the health insurance program is generated from each cost center, based upon the number of full-time employees. The City's plan is self-insured under an Administrative Services Only (ASO) Agreement. The City purchases excess coverage of \$700,000 per covered individual annually. Beginning on January 1, 2012, the City discontinued coverage that included an aggregate cap. The insurance vendor, based on medical trend, claims history, and utilization assists in the determination of the individual deductible. The actuarially determined IBNR calculations of Active/COBRA employees, Pre-65 Retirees and Disabled Retirees for the claim reserve liability estimate was \$2.47 million at September 30, 2025 for all health coverages including medical, prescription drugs and dental claims.

The City also provides full-time employees basic term life insurance. The life insurance policy has a face value of \$10,000 per employee.

Full-time employees may elect to purchase medical insurance for eligible dependents at a reduced rate. Employees may elect to purchase dental insurance for eligible dependents. Employees may also elect, at their cost, to participate in several voluntary insurance programs such as vision insurance, voluntary life, and accident insurance.

The Risk Management and Health Benefits Funds established a liability for self-insurance for both reported and unreported insured events, which included estimates of future payments of losses and related claim adjustment expenses.

The following represents changes in those aggregate liabilities for these funds during the past two years ended September 30:

	<u>FY 2025</u>	<u>FY 2024</u>
Workers' Compensation and Liability Reserves at Beginning of Fiscal Year	\$ 2,982,648	\$ 2,655,524
Claims Expenses	8,995,238	11,778,123
Claims Payments	<u>(8,528,333)</u>	<u>(11,450,999)</u>
Workers' Compensation and Liability Reserves at End of Fiscal Year	<u>3,449,553</u>	<u>2,982,648</u>
Medical and Dental Claims Liability at Beginning of Fiscal Year	2,319,819	2,002,759
Claims Expenses	42,608,819	39,083,231
Claims Payments	<u>(42,401,658)</u>	<u>(38,766,171)</u>
Medical and Dental Claims Liability at End of Fiscal Year	<u>2,526,980</u>	<u>2,319,819</u>
Total Self-Insurance Liability at End of Fiscal Year	<u>\$ 5,976,533</u>	<u>\$ 5,302,467</u>
Total Assets to Pay Claims at End of Fiscal Year	<u>\$ 32,297,635</u>	<u>\$ 29,238,150</u>
Accrued Insurance Claims Payable - Current	\$ 4,634,743	\$ 3,628,442
Accrued Insurance Claims Payable - Noncurrent	<u>1,341,790</u>	<u>1,674,025</u>
Total Accrued Insurance Claims	<u>\$ 5,976,533</u>	<u>\$ 5,302,467</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

P. LANDFILL CLOSURE AND POSTCLOSURE CARE COST

State and federal laws and regulations require the City to place final covers on its landfill sites at closure and to perform certain maintenance and monitoring functions for 30 years thereafter. Although closure and post closure care costs will be paid only near or after the date that the landfills stop accepting waste, the City reports a portion of these closure and post closure costs as operating expenses (and recognizes a corresponding liability) in each period based on landfill capacity used as of each statement of net position date.

The \$8,274,721 included in landfill closure and post closure care liability at September 30, 2025, represents the cumulative amount expensed by the City to date for its two landfills, that are registered under TCEQ permit numbers 69 (Landfill 69) and 2252 (Landfill 2252), less amounts that have been paid. Approximately 99.4 percent of the estimated capacity of Landfill 69 has been used, with \$591,689 remaining to be recognized over the remaining closure period. Approximately 10.4 percent of the estimated capacity of Landfill 2252 has been used to date, with \$23,498,697 remaining to be recognized over the remaining closure period. Post closure care costs are based on prior estimates and have been adjusted for inflation. Actual costs may differ due to inflation, deflation, changes in technology, or other regulatory changes.

The City is required by state and federal laws and regulations to provide assurance that financial resources will be available for landfill closure, post closure care, and remediation or containment of environmental hazards. The City is in compliance with these requirements and has chosen the Local Government Financial Test mechanism for providing assurance. The City expects to finance costs through normal operations.

Q. DISAGGREGATION OF ACCOUNTS – FUND FINANCIAL STATEMENTS

	<u>Accounts Receivable Summary</u>				Balance at 09/30/25
	Court Fines	Consumer Metered	Property Damage	Paving	
Governmental Funds:					
General Fund	\$ 11,974,066	\$ 4,709,790	\$ 482,464	\$ 221,417	\$ 17,387,737
Capital Projects	-	-	-	-	-
Total	<u>\$ 11,974,066</u>	<u>\$ 4,709,790</u>	<u>\$ 482,464</u>	<u>\$ 221,417</u>	<u>\$ 17,387,737</u>

	<u>Accounts Receivable Summary</u>		Balance at 09/30/25
	General Consumer	Misc.	
Proprietary Funds:			
LP&L	\$ 31,284,885	\$ 1,264,075	\$ 32,548,960
Water/Wastewater	20,062,905	15,824	20,078,729
Storm Water	3,388,536	-	3,388,536
Nonmajor	1,961,782	221,202	2,182,984
Total	<u>\$ 56,698,108</u>	<u>\$ 1,501,101</u>	<u>\$ 58,199,209</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Allowance for Doubtful Accounts Summary

	Balance at 09/30/25
Governmental Funds:	
General Fund	\$ 12,380,726
Proprietary Funds:	
LP&L	4,599,255
Water/Wastewater	4,585,391
Storm Water	896,596
Nonmajor	10,547
Total	\$ 22,472,515

Accounts Payable Summary

	Vouchers	Accounts	Miscellaneous	Balance at 09/30/25
Governmental Funds:				
General Fund	\$ 1,510,098	\$ 649,594	\$ 3,834,853	\$ 5,994,545
Govt. Capital Projects	3,239,545	2,364,057	418,301	6,021,903
Nonmajor	282,729	2,511,897	1,569,157	4,363,783
Proprietary Funds:				
LP&L	1,123,488	3,669	5,634,370	6,761,527
Water/Wastewater	3,133,594	1,338,595	1,686,952	6,159,141
Storm Water	184,678	487,434	241,617	913,729
Nonmajor	2,098,542	2,140,700	394,636	4,633,878
Internal Service	3,923,503	443,942	454,122	4,821,567
Total	\$ 15,496,177	\$ 9,939,888	\$ 14,234,008	\$ 39,670,073

R. DISAGGREGATION OF ACCOUNTS - GOVERNMENT-WIDE

	Net Receivables				Balance at 09/30/25
	Accounts Receivable	Interest Receivable	Taxes Receivable	Internal Service Receivables	
Governmental Activities	\$ 5,007,011	\$ 521,001	\$ 23,100,662	\$ 486,129	\$ 29,114,803
Business-Type Activities	48,107,420	1,741,913	-	1,458	49,850,791
Total	\$ 53,114,431	\$ 2,262,914	\$ 23,100,662	\$ 487,587	\$ 78,965,594

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

	Accounts Payable		
	Accounts Payable	Internal Service Payables	Balance at 09/30/25
Governmental Activities	\$ 16,380,231	\$ 4,742,457	\$ 21,122,688
Business-Type Activities	18,468,275	79,110	18,547,385
Total	\$ 34,848,506	\$ 4,821,567	\$ 39,670,073

NOTE IV. CONTINGENT LIABILITIES

A. FEDERAL GRANTS

In the normal course of operations, the City receives grant funds from state and federal agencies. The grant programs are subject to audits by agents of the granting authority to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement which may arise as the result of audits of grants is not believed to be significant.

B. LITIGATION

The City is involved in various legal proceedings related to alleged personal and property damages, breach of contract and civil rights cases, some of which involve claims against the City that exceed \$500,000. State law limits municipal liability for personal injury to \$250,000 per person/\$500,000 per occurrence and property damage to \$100,000 per claim for activities arising out of its governmental functions. This limit is not applicable to claims pertaining to the City’s electric utility.

The City’s insurance coverage, if available, contains a \$750,000 self-insured retention per claim. As of September 30, 2025, the City has \$873,400 reserved on general liability claims, as determined by an actuarial calculation.

LP&L is involved in various legal and regulatory proceedings. Those lawsuits and claims which are considered probable and estimable are accrued as a liability, while those claims and judgments which are considered reasonably possible are disclosed but not accrued. On September 30, 2025, LP&L has not accrued any liabilities for pending material claims and lawsuits considered to be probable.

NOTE V. TAX ABATEMENTS

GASB Statement No. 77, *Tax Abatement Disclosures*, defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forego tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the government or citizens of those governments.

The City utilizes the industrial tax abatement program to provide powerful new resources and incentives to grow the economy in the region, revitalize targeted areas of the City and promote strong, balanced growth throughout the community.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

The City has not entered into agreements with other governments that would reduce the reporting government's tax revenues. Other entities are not authorized to enter tax abatement agreements that reduce the City tax revenue without the City's consent.

Industrial Tax Abatement Program

The purpose of the program is promotion of high quality development in all parts of the City of Lubbock, Texas and to an ongoing improvement in the quality of life for the citizens residing within the City. The specific taxes abated are real/personal property tax, and the authority under which abatement agreements are entered into is V.T.C.A., Tax Code, Chapter 312. To qualify for tax abatement, the company must meet both of the following criteria:

- The modernization or expansion of the existing facility of any type as herein defined or construction of a new facility of any type as herein defined.
- Producer, manufacturer or distributor of goods and services of which 50 percent or more are distributed outside of Lubbock County.

In addition to the aforementioned, the City will consider abatement only if the company meets one of the following criteria:

- One of the following target industries:
 - Advanced Technologies and Manufacturing
 - Value-added Agricultural Production including Food Processing and Machinery
 - Research and Development
 - Medical Services (as defined in Section II Definitions)
 - Warehouse/Distribution
 - Corporate Headquarters of a Region/National Service Center
 - Information and Data Centers
- The project is not included as a target industry, but has the potential of generating additional, significant economic development opportunities to Lubbock.

The company must meet one of the following criteria:

- The project will add at least \$10 million in Real Property improvements or new Personal Property, or combination of the two, and 25 new permanent jobs if the facility is a new company to Lubbock.
- The project will add at least \$10 million in Real Property improvements or new Personal Property, or combination of the two, and 25 new permanent jobs if the facility is an existing company.

New or existing facilities of any type herein defined, located in a designated Enterprise Zone, Reinvestment Zone, or upon Real Property eligible for such status will be eligible for consideration for tax abatement status provided that all other criteria and guidelines are satisfied.

Improvements to Real Property are eligible for tax abatement status. The types of property contained in Section IV 5. shall be ineligible for tax abatement status and shall be fully taxed. In order for a Facility to qualify for abatement, the following conditions must apply:

- The owner or leaseholder of Real Property must make eligible improvements to the real property; and,
- In the case of lessees, the leaseholder must have a lease commitment of at least five (5) years.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

Taxes are reduced through a reduction of the property's assessed value. Taxable value is calculated and then the tax abatement eligible value is determined by the Central Appraisal District. The amount of abatement is determined by multiplying the percentage of abatement in the contract times the abatement eligible value.

The provisions for recapturing abated taxes are as follows:

- In the event that any type of facility, is completed and begins producing goods or services, but subsequently discontinues producing goods or services for any reason, excepting fire, explosion or other casualty or accident or natural disaster or other event beyond the reasonable control of applicant or owner for a period of 180 days during the term of a Tax Abatement Agreement, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate.
- In the event that the application or owner has entered into a Tax Abatement Agreement to make improvements to a facility of any type described in Section 1 above, but fails to undertake or complete such improvements or fails to create all or a portion of the number of new jobs provided by the Tax Abatement Agreement, then in such event the City shall give the applicant or owner sixty (60) days notice of such failure. The applicant or owner shall demonstrate to the satisfaction of the City, above mentioned, that the applicant or owner has commenced to cure such failure within the sixty (60) days above mentioned. In the event that the applicant or owner fails to demonstrate that he is taking affirmative action to cure his failure, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate.
- In the event that the City determines that the applicant or owner is in default of any of the terms or conditions contained in the Tax Abatement Agreement, then in such event the City shall give the applicant or owner sixty (60) days written notice to cure such default. In the event such default is not cured to the satisfaction of the City within the sixty (60) days notice period, then the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate.
- In the event that the applicant or owner allows ad valorem taxes on property ineligible for tax abatement owed to the City, to become delinquent and fails to timely and properly follow the legal procedures for their protest or contest, then in such event the Tax Abatement Agreement shall terminate and all abatement of taxes shall likewise terminate.
- In the event that the applicant or owner, who has executed a Tax Abatement Agreement with the City, relocates the business, for which tax abatement has been granted, to a location outside of the designated Reinvestment Zone, then in such event, the Tax Abatement Agreement shall terminate after sixty (60) days written notice by the City to the applicant or owner. Taxes abated during the calendar year in which termination, under this section takes place shall be payable to the City by no later than January 31st of the following year. Taxes abated in years prior to the year of termination shall be payable to the City within sixty (60) days of the date of termination.
- The date of termination as the term is used in this Section IX shall, in every instance, be the 60th day after the day the City sends notice of default, in the mail to the address shown in the Tax Abatement Agreement to the applicant or owner. Should the default be cured by the applicant or owner within the sixty (60) day notice period, the applicant or owner shall be responsible for so advising in the City and obtaining a release from the notice of default from the City, failing in which, the abatement remains terminated and the abated taxes must be paid.
- In event case of termination set forth in Paragraphs 1, 2, 3, 4, and 5 above, the City shall determine whether default has occurred by applicant or owner in the terms and conditions of the Tax Abatement Agreement and shall so notify all other affected jurisdictions.
- In the event that a Tax Abatement Agreement is terminated for any reason whatsoever, and taxes are not paid within the time period herein specified, then in such event, the provisions of V.T.C.A., Tax Code, Section 33.01 will apply.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2025

No other commitments are included in tax abatement agreements. The gross dollar amount by which the City's tax revenues were reduced, was \$513,565.

Industrial Tax Abatement Program	Amount of Taxes Abated During the Fiscal Year
Monsanto	\$ 493,017
United/Safeway	20,548
	\$ 513,565

NOTE VI. SUBSEQUENT EVENTS

On March 19, 2026, the City of Lubbock plans to price General Obligation Bonds in the amount of \$105,000,000, Certificates of Obligation in the amount of \$15,000,000, and Water and Wastewater System Revenue Bonds in the amount of \$60,000,000. The planned closing date for all issuances is April 22, 2026.

**City of Lubbock, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service Cost	\$ 23,829,538	22,018,861	20,783,149	\$ 18,751,672	\$ 18,540,809	\$ 17,744,764	\$ 16,842,100	\$ 16,420,981	\$ 15,823,941	\$ 15,646,134
Interest (on the total pension liability)	59,798,452	57,555,986	54,430,194	51,719,509	50,306,547	48,499,961	47,036,685	45,317,091	43,569,660	43,381,064
Difference between expected and actual experience	7,241,886	7,425,516	14,653,185	11,312,485	(7,266,289)	(3,365,549)	(6,213,444)	(709,626)	(116,124)	(2,308,849)
Change of assumptions	-	(6,959,672)	-	-	-	1,696,165	-	-	-	1,083,512
Benefit payments, including refunds of employee contributions	(50,602,893)	(44,845,733)	(43,506,972)	(41,775,241)	(39,732,225)	(36,686,001)	(36,191,022)	(35,336,067)	(32,040,199)	(32,247,421)
Net Change in Total Pension Liability	40,266,983	35,194,958	46,359,556	40,008,425	21,848,842	27,889,340	21,474,319	25,692,379	27,237,278	25,554,440
Total Pension Liability - Beginning	899,289,673	864,094,715	817,735,159	777,726,734	755,877,892	727,988,552	706,514,233	680,821,854	653,584,576	628,030,136
Total Pension Liability - Ending (a)	<u>\$ 939,556,656</u>	<u>899,289,673</u>	<u>864,094,715</u>	<u>817,735,159</u>	<u>777,726,734</u>	<u>755,877,892</u>	<u>727,988,552</u>	<u>706,514,233</u>	<u>680,821,854</u>	<u>653,584,576</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 24,485,759	22,135,983	20,355,513	\$ 19,270,118	\$ 19,151,231	\$ 18,573,283	\$ 17,977,519	\$ 17,388,324	\$ 16,727,368	\$ 17,455,926
Contributions - Employee	9,570,096	9,109,458	8,553,456	7,721,277	7,630,862	7,341,830	6,972,627	6,781,947	6,519,575	6,580,584
Net Investment Income	80,932,848	82,313,890	(57,169,662)	92,125,932	50,799,016	91,140,108	(18,566,799)	76,875,125	35,696,237	791,199
Benefit payments, including refunds of employee contributions	(50,602,893)	(44,845,733)	(43,506,972)	(41,775,241)	(39,732,225)	(36,686,001)	(36,191,022)	(35,336,067)	(32,040,199)	(32,247,421)
Administrative Expense	(520,213)	(524,594)	(495,317)	(426,591)	(328,945)	(515,289)	(358,970)	(398,475)	(403,223)	(481,936)
Other	(12,167)	(3,665)	591,061	2,922	(12,833)	(15,479)	(18,755)	(20,194)	(21,725)	(23,803)
Net Change in Plan Fiduciary Net Position	63,853,430	68,185,339	(71,671,921)	76,918,417	37,507,106	79,838,452	(30,185,400)	65,290,660	26,478,033	(7,925,451)
Plan Fiduciary Net Position - Beginning	780,655,975	712,470,636	784,142,557	707,224,140	669,717,034	589,878,582	620,063,982	554,773,322	528,295,289	536,220,740
Plan Fiduciary Net Position - Ending (b)	<u>\$ 844,509,405</u>	<u>780,655,975</u>	<u>712,470,636</u>	<u>784,142,557</u>	<u>707,224,140</u>	<u>669,717,034</u>	<u>589,878,582</u>	<u>620,063,982</u>	<u>554,773,322</u>	<u>528,295,289</u>
City's Net Pension Liability - Ending (a) - (b)	\$ 95,047,251	118,633,698	151,624,079	\$ 33,592,602	\$ 70,502,594	\$ 86,160,858	\$ 138,109,970	\$ 86,450,251	\$ 126,048,532	\$ 125,289,287
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	89.88%	86.81%	82.45%	95.89%	90.93%	88.60%	81.03%	87.76%	81.49%	80.83%
Covered Payroll	136,715,653	130,135,114	122,181,946	110,303,954	108,999,463	104,874,493	99,598,464	96,821,824	93,136,791	93,914,371
City's Net Pension Liability as a Percentage of Covered Payroll	69.52%	91.16%	124.10%	30.45%	64.68%	82.16%	138.67%	89.29%	135.34%	133.41%

Changes in assumptions: In 2020, the payroll growth assumption was lowered from 3.0% to 2.75%. In 2016, the discount rate was lowered from 7.0% to 6.75%; the inflation rate was lowered from 3% to 2.5%; the experience study for retirement age was updated.

City of Lubbock, Texas
 Required Supplementary Information
 Schedule of Contributions
 Texas Municipal Retirement System

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Actuarially Determined Contribution	\$ 25,905,981	\$ 23,827,846	\$ 21,799,011	\$ 20,802,453	\$ 18,970,523	\$ 19,163,541	\$ 18,379,276	\$ 17,788,537	\$ 17,128,597	\$ 16,819,070
Contributions in relation to the actuarially determined contribution	25,905,981	23,827,846	21,799,011	20,802,453	18,970,523	19,163,541	18,379,276	17,788,537	17,128,597	16,819,070
Covered payroll	142,456,936	134,624,689	128,774,138	123,343,099	108,423,015	108,835,832	103,246,935	98,700,040	95,409,809	92,797,625
Contributions as a percentage of covered payroll	18.19%	17.70%	16.93%	16.87%	17.50%	17.61%	17.80%	18.02%	17.95%	18.12%

Notes to Schedule of Contributions

Valuation Date: December 31, 2023
 Notes: Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.5%
Salary Increases	3.6% to 11.85% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Other Information

Notes: There were no benefit changes during the year.

**City of Lubbock, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Lubbock Fire Pension Fund**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total pension liability										
Service Cost	\$ 8,751,021	8,475,565 \$	7,586,703	7,347,896	6,968,616 \$	6,732,962 \$	6,633,905 \$	6,378,755 \$	6,133,418 \$	5,897,517
Interest (on total pension liability)	26,978,844	25,940,134	24,049,453	23,206,562	22,472,953	21,681,080	21,482,849	20,651,840	19,752,539	18,983,849
Changes of benefit provisions	-	-	-	-	-	(5,954,023)	-	-	-	-
Difference between expected and actual experience	(5,471,682)	-	12,896,584	-	996,773	-	35,696	-	1,284,558	-
Change of assumptions	3,478,651	-	-	-	8,341,782	-	(2,680,334)	-	-	-
Benefit payments, including refunds of employee contributions	(20,973,278)	(20,710,099)	(19,714,938)	(19,394,522)	(20,029,797)	(16,834,155)	(17,284,513)	(15,841,569)	(15,782,381)	(14,614,970)
Net Change in Total Pension Liability	12,763,556	13,705,600	24,817,802	11,159,936	18,750,327	5,625,864	8,187,603	11,189,026	11,388,134	10,266,396
Total Pension Liability - Beginning	361,453,536	347,747,936	322,930,134	311,770,198	293,019,871	287,394,007	279,206,404	268,017,378	256,629,244	246,362,848
Total Pension Liability - Ending (a)	\$ 374,217,092	361,453,536 \$	347,747,936	322,930,134	311,770,198 \$	293,019,871 \$	287,394,007 \$	279,206,404 \$	268,017,378 \$	256,629,244
Plan Fiduciary Net Position										
Contributions - Employer	\$ 9,714,939	9,130,120 \$	8,439,910	8,063,879	7,661,634 \$	7,555,031 \$	7,214,819 \$	6,897,164 \$	6,598,900 \$	6,652,094
Contributions - Employee	6,691,027	6,361,358	5,806,171	5,445,830	5,363,142	5,189,023	4,312,808	3,947,134	3,774,706	3,716,202
Net Investment Income	23,486,083	24,807,547	(11,730,635)	38,837,083	19,792,987	29,245,480	(2,831,237)	23,109,838	7,668,252	(5,133,050)
Benefit payments, including refunds of employee contributions	(20,973,278)	(20,710,099)	(19,714,938)	(19,394,522)	(20,029,797)	(16,834,155)	(17,284,513)	(15,841,569)	(15,782,381)	(14,614,970)
Administrative Expense	(220,426)	(215,310)	(262,048)	(375,072)	(303,578)	(316,533)	(351,995)	(290,549)	(322,882)	(244,762)
Other	187,052	69	941	1,929	436,792	225,073	570,341	1,015,473	1,244,040	136,500
Net Change in Plan Fiduciary Net Position	18,885,397	19,373,685	(17,460,599)	32,579,127	12,921,180	25,063,919	(8,369,777)	18,837,491	3,180,635	(9,487,986)
Plan Fiduciary Net Position - Beginning	258,961,847	239,588,162	257,048,761	224,469,634	211,548,454	186,484,535	194,854,312	176,016,821	172,836,186	182,324,172
Plan Fiduciary Net Position - Ending (b)	\$ 277,847,244	258,961,847 \$	239,588,162	257,048,761	224,469,634 \$	211,548,454 \$	186,484,535 \$	194,854,312 \$	176,016,821 \$	172,836,186
City's Net Pension Liability - Ending (a) - (b)	\$ 96,369,848	102,491,689 \$	108,159,774	65,881,373	87,300,564 \$	81,471,417 \$	100,909,472 \$	84,352,092 \$	92,000,557 \$	83,793,058
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	74.25%	71.64%	68.90%	79.60%	72.00%	72.20%	64.89%	69.79%	65.67%	67.35%
Covered Payroll	44,666,402	42,465,674	38,759,486	36,354,005	35,802,016	34,639,673	33,080,326	31,754,899	30,367,707	29,897,052
City's Net Pension Liability as a Percentage of Covered Payroll	215.75%	241.35%	279.05%	181.22%	243.84%	235.20%	305.04%	265.63%	302.96%	280.27%

Changes in benefit provisions: Effective April 11, 2020, the plan was amended to change the definition of compensation used to determine the Final 48-Month Average Salary to exclude "Call-Back Overtime Pay" that is overtime in excess of "regular normal scheduled hours."

Changes in assumptions: In 2020, the discount rate was lowered from 7.75% to 7.5%.

**City of Lubbock, Texas
Required Supplementary Information
Schedule of Contributions
Lubbock Fire Pension Fund (LFPF)**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily Determined Contribution	\$ 10,172,796	\$ 9,592,201	\$ 9,081,090	\$ 8,221,494	\$ 8,021,424	\$ 7,551,705	\$ 7,525,133	\$ 7,111,376	\$ 7,071,721	\$ 6,591,298
Contributions in relation to the contractually determined contribution	10,172,796	9,592,201	9,081,090	8,221,494	8,021,424	7,551,705	7,525,133	7,111,376	7,071,721	6,591,298
Covered payroll	46,771,478	44,218,360	42,112,792	37,756,575	36,308,606	35,134,173	34,502,908	32,636,722	32,554,784	30,141,037
Contributions as a percentage of covered payroll	21.75%	21.69%	21.56%	21.77%	22.09%	21.49%	21.81%	21.79%	21.72%	21.87%

Notes to Schedule of Contributions

Valuation Date: December 31, 2022
Notes: Contribution rates were based on the budgeted contribution rates.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Percentage of Payroll, Open
Remaining Amortization Period: 25 years
Inflation: 2.5%
Salary Increases: 2.75%, plus promotion, step and longevity increases that vary by service
Investment Rate of Return: 7.5%
Mortality: Pubs-2010 total dataset mortality tables, projected for mortality improvement generationally using the projection scale MP-2018.

Other Information

Notes: There were no benefit changes during the year.

City of Lubbock, Texas
 Required Supplementary Information
 Schedule of Changes in Total OPEB Liability and Related Ratios

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service Cost	\$ 7,578,199	6,844,157	\$ 10,103,936	\$ 10,509,230	\$ 8,633,091	\$ 8,904,939	\$ 7,851,201	\$ 6,889,393
Interest (on the total OPEB liability)	5,247,875	5,299,115	2,899,710	3,516,052	4,212,162	5,372,294	4,731,705	4,871,975
Changes of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(2,990,897)	(11,385,117)	(205,595)	(19,857,298)	(761,751)	(8,855,483)	(1,162,564)	-
Change of assumptions	(4,356,849)	10,949,561	(33,405,883)	(7,915,478)	13,543,540	7,232,469	(6,179,217)	7,332,144
Benefit payments	(3,217,400)	(4,214,935)	(4,810,834)	(3,708,212)	(4,155,820)	(4,153,211)	(3,674,958)	(5,316,929)
Net Change in Total OPEB Liability	2,260,928	7,492,781	(25,418,666)	(17,455,706)	21,471,222	8,501,008	1,566,167	13,776,583
Total OPEB Liability - Beginning	137,020,521	129,527,740	154,946,406	172,402,112	150,930,890	142,429,882	140,863,715	127,087,132
Total OPEB Liability - Ending (a)	\$ 139,281,449	\$ 137,020,521	\$ 129,527,740	\$ 154,946,406	\$ 172,402,112	\$ 150,930,890	\$ 142,429,882	\$ 140,863,715
Covered-Employee Payroll	164,849,057	152,176,690	149,072,944	134,640,357	126,617,473	125,767,169	123,461,642	120,830,434
City's Total OPEB Liability as a Percentage of Covered-Employee Payroll	84.49%	90.04%	86.89%	115.08%	136.16%	120.01%	115.36%	116.58%

NOTE: The City implemented GASB Statement No. 75 in FY 2018. Information in this table has been determined as of the measurement date (December 31) of the total OPEB liability. This table is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Changes in assumptions: reflects a change in the discount rate from 4.05% as of December 31, 2022 to 3.77% as of December 31, 2023. Additionally, the demographic and salary increase assumptions were updated to reflect the 2023 TMRS Experience Study and the health care trend rates were updated to reflect the plan's anticipated experience.

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

City of Lubbock, Texas
Required Supplementary Information
Mandatory Budgetary Comparison Schedule
General Fund
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Taxes				
Property Tax	\$ 89,351,424	\$ 89,351,424	\$ 88,683,045	\$ (668,379)
Delinquent Taxes	1,025,000	1,025,000	1,545,391	520,391
Sales Tax	105,648,634	105,648,634	100,476,724	(5,171,910)
Mixed Beverage Tax	2,000,000	2,000,000	1,925,542	(74,458)
Bingo Tax	200,000	200,000	209,505	9,505
Suddenlink	1,535,000	1,535,000	938,945	(596,055)
Xcel	1,000	1,000	781	(219)
Atmos	3,778,000	3,778,000	3,480,154	(297,846)
South Plains Electric Cooperative	2,175,000	2,175,000	2,599,939	424,939
West Texas Gas Company	75,000	75,000	66,251	(8,749)
Franchise Fee	24,158,803	24,158,803	25,936,154	1,777,351
Telecom Right of Way	1,576,000	1,576,000	939,338	(636,662)
Development Services	320,900	320,900	214,635	(106,265)
General Government	276,950	276,950	262,453	(14,497)
City Secretary	500,150	500,150	522,888	22,738
Public Safety	975,665	912,165	1,054,348	142,183
Public Works	29,614,228	29,678,128	29,489,419	(188,709)
Health	134,100	134,100	23,305	(110,795)
Animal Shelter	94,500	94,500	115,110	20,610
Cultural/Recreational	629,684	629,684	794,983	165,299
Museum	349,350	273,592	241,691	(31,901)
Licenses and Permits	5,882,279	5,882,279	5,513,224	(369,055)
Intergovernmental	546,561	543,551	746,525	202,974
Fines and Forfeitures	2,867,475	2,867,475	3,419,622	552,147
Interest Earnings	2,630,000	2,630,000	4,652,947	2,022,947
In Lieu of Property Tax	11,015,679	11,015,679	12,455,324	1,439,645
Rental	68,000	68,000	22,147	(45,853)
Recoveries of Expenditures	1,035,080	1,037,690	818,840	(218,850)
Oil and Gas Royalties	400,000	400,000	320,754	(79,246)
Other	532,400	532,400	1,157,218	624,818
Transfers from Street Improvement Fund	-	1,524,850	1,524,850	-
Transfers from Solid Waste CIP	290,900	290,900	290,900	-
Transfers from Electric Fund	2,017,848	2,017,848	2,017,848	-
Transfers from Water/Wastewater Fund	3,097,316	3,097,316	3,097,316	-
Transfers from Airport Fund	2,502,392	2,502,392	2,502,392	-
Transfer from Risk Fund	216,295	216,295	216,295	-
Transfers from Stormwater	632,884	632,884	632,884	-
Total Revenue	<u>\$ 298,154,497</u>	<u>\$ 299,603,589</u>	<u>\$ 298,909,687</u>	<u>\$ (693,902)</u>
EXPENDITURES				
<u>Administrative Services</u>				
City Attorney	\$ 2,617,904	\$ 2,699,687	\$ 2,493,845	\$ 205,842
City Council	604,742	613,325	535,191	78,134
City Manager	1,852,421	1,911,128	1,930,817	(19,689)
City Secretary	1,747,041	2,171,131	1,833,753	337,378
Facilities Management	5,508,382	5,559,449	4,861,768	697,681
Finance	3,852,551	3,960,600	3,743,397	217,203
Human Resources	1,317,432	1,353,300	1,243,898	109,402
Internal Audit	300,072	307,914	218,952	88,962
Non-departmental	4,282,015	4,282,015	4,133,423	148,592
Communications and Marketing and Call Center	1,061,846	1,085,793	1,039,726	46,067
Total Administrative Services	<u>23,144,406</u>	<u>23,944,342</u>	<u>22,034,770</u>	<u>1,909,572</u>

City of Lubbock, Texas
Required Supplementary Information
Mandatory Budgetary Comparison Schedule (Continued)
General Fund
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
EXPENDITURES (Continued)				
<u>Development Services*</u>				
Building Safety	\$ 3,020,984	\$ 3,103,534	\$ 2,925,260	\$ 178,274
Codes and Environmental Health	5,302,458	4,780,743	4,824,505	(43,762)
Planning	1,192,409	1,224,452	1,174,961	49,491
Total Development Services	<u>9,515,851</u>	<u>9,108,729</u>	<u>8,924,726</u>	<u>184,003</u>
<u>Cultural and Recreation Services</u>				
Library	4,410,917	4,488,133	4,106,419	381,714
Cultural Arts	1,378,512	1,401,703	1,329,930	71,773
Parks and Recreation	13,848,816	14,006,323	14,220,613	(214,290)
Total Cultural and Recreation Services	<u>19,638,245</u>	<u>19,896,159</u>	<u>19,656,962</u>	<u>239,197</u>
<u>Public Works</u>				
Solid Waste	28,305,627	22,017,087	20,651,293	1,365,794
Engineering	790,637	1,135,722	1,332,761	(197,039)
Streets	6,695,908	6,546,070	5,002,817	1,543,253
Traffic	4,563,611	4,649,355	4,077,600	571,755
Total Public Works	<u>40,355,783</u>	<u>34,348,234</u>	<u>31,064,471</u>	<u>3,283,763</u>
<u>Public Safety and Health Services</u>				
Animal Services	4,699,459	3,766,543	3,585,023	181,520
Fire	71,400,961	73,818,439	73,663,867	154,572
Municipal Court	1,955,010	2,000,222	1,771,349	228,873
Police	92,765,166	95,607,816	95,416,126	191,690
Public Health	1,804,628	2,468,842	2,289,340	179,502
Total Public Safety and Health Services	<u>172,625,224</u>	<u>177,661,862</u>	<u>176,725,705</u>	<u>936,157</u>
Transfers	38,958,365	52,142,710	51,423,994	718,716
Payroll Accrual/Other Adjustments	6,435,719	-	84,189	(84,189)
Total Expenditures	<u>\$ 310,673,593</u>	<u>\$ 317,102,036</u>	<u>\$ 309,914,817</u>	<u>\$ 7,187,219</u>
Revenues less expenditures	<u>\$ (12,519,096)</u>	<u>\$ (17,498,447)</u>	<u>\$ (11,005,130)</u>	<u>\$ 6,493,317</u>

*Building Inspection and Codes & Environmental Health are included in "Other public safety" and Planning is included in "Economic and business development" on the General Fund Statement of Revenues, Expenditures and Changes in Fund Balance.

City of Lubbock, Texas
Required Supplementary Information
Mandatory Budget Comparison Schedule (Continued)
General Fund
For the Year Ended September 30, 2025

Explanation of Differences between Budgetary Revenues and Expenditures to the General Fund Statement of Revenues, Expenditures and Changes in Fund Balances - Revenues, Expenditures, and Other Financing Sources (Uses)

Revenues and Other Financing Sources

Actual amounts (budgetary basis) "Total Revenue" from the Budget Comparison Schedule	\$298,909,687
--	---------------

Adjustments:

Right to Use Lease Proceeds and Subscription Proceeds are classified as other financing sources for GAAP reporting, but are not included in total revenue on the budget basis	<u>84,189</u>
---	---------------

Total general fund revenues and other financing sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$298,993,876</u>
---	----------------------

Expenditures and Other Financing Uses

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule	\$309,914,817
---	---------------

Adjustments:

-

Total general fund expenditures and other financing uses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$309,914,817</u>
--	----------------------

City of Lubbock, Texas
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2025

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
REVENUES				
Property Tax	\$ 29,404,282	\$ 29,404,282	\$ 29,541,841	\$ 137,559
Interest Earnings	100,000	100,000	703,235	603,235
Transfers from Solid Waste	4,661,378	4,661,378	4,661,378	-
Transfers from North Overton TIF	2,919,557	2,919,557	2,919,557	-
Transfers from CBD TIF	940,954	940,954	940,954	-
Transfers from Hotel Tax Fund	90,500	90,500	90,500	-
Transfers from Gateway	8,778,479	8,778,479	8,778,479	-
Transfers from LP&L	1,141,493	1,141,493	1,141,493	-
Transfers from Water	146,744	146,744	146,744	-
Transfers from Storm Water	102,721	102,721	102,721	-
Transfers from General Capital Projects	-	-	-	-
Total Revenue	<u>48,286,108</u>	<u>48,286,108</u>	<u>49,026,902</u>	<u>740,794</u>
EXPENDITURES				
Principal	32,107,122	32,107,122	32,447,122	(340,000)
Interest and other charges	15,743,100	15,743,100	15,467,422	275,678
Transfer to Civic Center	442,206	442,206	442,206	-
Total Expenditures	<u>48,292,428</u>	<u>48,292,428</u>	<u>48,356,750</u>	<u>(64,322)</u>
Revenues less expenditures	<u>\$ (6,320)</u>	<u>\$ (6,320)</u>	<u>\$ 670,152</u>	<u>\$ 805,116</u>

City of Lubbock, Texas
Budget Comparison Schedule (Continued)
Debt Service Fund
For the Year Ended September 30, 2025

Explanation of Differences between Budgetary Revenues and Expenditures to the Debt Service Fund
Statement of Revenues, Expenditures and Changes in Fund Balances - Revenues, Expenditures, and Other
Financing Sources (Uses)

Revenues and Other Financing Sources

Actual amounts (budgetary basis) "Total Revenue" from the Budget Comparison Schedule	\$49,026,902
---	--------------

Adjustments:	_____ -
--------------	---------

Total debt service fund revenues and other financing sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$49,026,902</u>
--	---------------------

Expenditures and Other Financing Uses

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule	\$48,356,750
--	--------------

Adjustments:	_____ -
--------------	---------

Total debt service fund expenditures and other financing uses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	<u>\$48,356,750</u>
---	---------------------

CITY OF LUBBOCK, TEXAS

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted or committed by City Council to expenditures for specified purposes.

Criminal Investigation Fund – Accounts for the allocation of revenues derived from court ordered forfeitures of monies from criminal investigations and related activities.

Municipal Court Fund – Accounts for certain revenues from municipal court fees collected to be used on court technology and juvenile case managers.

Abandoned Motor Vehicle Fund – Accounts for the proceeds from the sale of abandoned vehicles and payments to wrecker services.

Economic Development Incentive Fund – Accounts for a portion of tax revenues to promote industrial and economic development.

Donations Fund – Accounts for various special interest donations and the distribution of those funds.

Hotel/Motel Tax Fund – Accounts for total hotel/motel occupancy tax receipts and distributions.

Animal Assistance Program – Accounts for registration/identification fees collected to be used to promote the sterilization program for dogs and cats.

Lubbock Economic Development Alliance Fund – Accounts for sales tax received and distribution to Lubbock Economic Development Alliance.

North Overton District Tax Increment Finance (TIF) Reinvestment Zone Fund – Accounts for incremental property tax funds dedicated to the development of the North Overton District.

Central Business District (CBD) Tax Increment Finance (TIF) Reinvestment Zone Fund – Accounts for incremental property tax funds dedicated to the development of the Central Business District.

Lubbock Business Park Tax Increment Finance (TIF) Fund – Accounts for incremental property tax funds dedicated to the development of the Lubbock Business Park.

North Overton Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used in the payment of professional services and special security charges.

North Point Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to maintain the North Point area. This includes maintaining common areas and landscaping at the entry stations, and constructing a hike and bike trail.

Vintage Township Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to construct public improvements in the PID.

CITY OF LUBBOCK, TEXAS

Special Revenue Funds (Continued)

Northwest Passage Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to design, construct, install and maintain parks, amenities, walkways, and landscaping in the PID.

Quincy Park Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to maintain the Quincy Park area. This includes maintaining common areas, landscaping on the boulevard and entrances, and the park at 91st and Quitman.

Valencia Park Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to maintain the amenities in the 87th Street right-of-way (ROW), median, and park.

Bell Farms Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to maintain five parks, repair and replace amenities including lighting, and enhance and maintain amenities at the entry stations.

Cypress Ranch Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to design, construct, install and maintain parks, amenities, walkways, and landscaping in the PID.

Upland Crossing Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to design, construct, install and maintain parks, amenities, walkways, and landscaping in the PID.

Upland Crossing #2 Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to maintain parks, amenities, walkways, and landscaping in the PID.

Upland Crossing #3 Public Improvement District (PID) Fund – Accounts for dedicated assessments, which are used to design, construct, install and maintain parks, amenities, walkways, and landscaping in the PID.

Willow Bend Public Improvement District (PID) Fund - Accounts for dedicated assessments, which are used to design, construct, install and maintain parks, amenities, walkways, and landscaping in the PID.

Gateway Streets Fund – Accounts for collection of franchise fees from various utility companies. Amounts are distributed to a Capital Projects Gateway Streets fund for street improvements.

Cable Services – Accounts for franchise fees received on cable/video services to be used by the City as allowed by federal law.

North and East Lubbock Neighborhood & Infrastructure Fund – Accounts for a percentage of mineral interest revenue to be used for downtown redevelopment, neighborhood infrastructure projects, and community development in the north and east portions of the City.

Community Development Fund – Accounts for the receipt and disbursement of Community Development Block Grant funds from the United States Department of Housing and Urban Development.

CITY OF LUBBOCK, TEXAS

Special Revenue Funds (Continued)

Community Services Fund – Accounts for the receipt and disbursement of funds received from the Texas Department of Housing and Community Affairs, United States Department of Energy, and United States Department of Health and Human Services.

Health Fund – Accounts for the receipt and disbursement of grant funds received from the Texas Department of State Health Services and the United States Department of Health and Human Services; and 340 B Drug Pricing Program and Charity Care – 1115 Waiver funds.

Library Fund – Accounts for the receipt and disbursement of funds received from the Texas State Library and Archives Commission and United States Department of Education.

Police Fund – Accounts for the receipt and disbursement of funds received from the United States Department of Transportation, United States Department of Treasury, Texas Department of Highways and Public Transportation, Office of the Governor, Office of Justice Program, Criminal Justice Division, and United States Department of Justice.

Other Grants Fund – Accounts for the receipt and disbursement of funds received from the United States Department of Commerce, Texas Department of Transportation, Texas Forest Service, United States Department of Energy, Texas Department of Aging and Disability Services, Lubbock Emergency Communication District and the Governor's Emergency Management Grant.

Capital Project Funds

The Capital Projects Funds account for all capital improvements, except for those accounted for in proprietary funds, which are financed by the City's general obligation bond issues, certain sales taxes, certain Federal capital grants, and other specific receipts.

Tax Increment Finance (TIF) Capital Projects Fund – Accounts for the financing and expenditures related to the Central Business, North Overton and Lubbock Business Park Districts.

Gateway Streets Project Fund – Accounts for the financing and expenditures related to major street improvements.

City of Lubbock, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

Special Revenue Funds

	Criminal Investigation	Municipal Court	Abandoned Motor Vehicle	Economic Development Incentive	Donations	Hotel/Motel Tax
ASSETS						
Cash and cash equivalents	\$ 4,799	\$ 30,675	\$ 21,666	\$ 3,990	\$ 9,852	\$ 7,882
Investments	357,671	2,286,300	1,614,865	297,400	734,337	587,471
Taxes receivable (net)	-	-	-	89,314	-	-
Interest receivable	-	5,707	4,035	-	1,833	-
Due from other governments	-	-	-	-	-	-
Due from others	-	-	-	-	-	1,403,283
Restricted investments	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	\$ 362,470	\$ 2,322,682	\$ 1,640,566	\$ 390,704	\$ 746,022	\$ 1,998,636
LIABILITIES						
Accounts payable	\$ 7,800	\$ -	\$ 61,612	\$ 57,857	\$ 2,400	\$ 848,040
Accrued liabilities	-	-	-	9,468	-	7,930
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Unearned revenue - other	-	-	101,011	-	-	-
Total liabilities	7,800	-	162,623	67,325	2,400	855,970
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows from Leases	-	-	-	-	-	-
Unavailable revenue	-	-	-	82,099	-	-
Total deferred inflows of resources	-	-	-	82,099	-	-
FUND BALANCES (DEFICIT)						
Restricted	354,670	2,322,682	1,477,943	241,280	743,622	1,142,666
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	354,670	2,322,682	1,477,943	241,280	743,622	1,142,666
Total liabilities, deferred inflows of resources, and fund balances (deficit)	\$ 362,470	\$ 2,322,682	\$ 1,640,566	\$ 390,704	\$ 746,022	\$ 1,998,636

Special Revenue Funds

Animal Assistance Program	Lubbock Economic Development Alliance	North Overton TIF	Central Business District TIF	Lubbock Business Park TIF	North Overton PID
\$ 7,637	\$ 36	\$ 120,157	\$ 29,346	\$ 41,675	\$ 32,353
569,244	2,651	8,955,789	2,187,236	3,106,227	2,411,380
-	1,631,516	-	-	-	-
1,421	6	25,311	6,461	7,753	6,031
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,202,233	405,764	-	-
-	-	247,683	-	-	-
<u>\$ 578,302</u>	<u>\$ 1,634,209</u>	<u>\$ 10,551,173</u>	<u>\$ 2,628,807</u>	<u>\$ 3,155,655</u>	<u>\$ 2,449,764</u>
\$ 21,065	\$ 1,634,209	\$ -	\$ -	\$ -	\$ 180,296
899	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>21,964</u>	<u>1,634,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>180,296</u>
-	-	247,683	-	-	-
-	-	-	-	-	-
-	-	247,683	-	-	-
556,338	-	10,303,490	2,628,807	3,155,655	2,269,468
-	-	-	-	-	-
-	-	-	-	-	-
<u>556,338</u>	<u>-</u>	<u>10,303,490</u>	<u>2,628,807</u>	<u>3,155,655</u>	<u>2,269,468</u>
<u>\$ 578,302</u>	<u>\$ 1,634,209</u>	<u>\$ 10,551,173</u>	<u>\$ 2,628,807</u>	<u>\$ 3,155,655</u>	<u>\$ 2,449,764</u>

City of Lubbock, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

Special Revenue Funds

	North Point PID	Vintage Township PID	Northwest Passage PID	Quincy Park PID	Valencia PID	Bell Farms PID
ASSETS						
Cash and cash equivalents	\$ 14,616	\$ 252	\$ -	\$ 7,425	\$ 1,971	\$ 12,158
Investments	1,089,423	18,757	-	553,408	146,940	906,188
Taxes receivable (net)	-	-	-	-	-	-
Interest receivable	2,721	-	-	1,382	367	2,263
Due from other governments	-	-	-	-	-	-
Due from others	95	4,218	-	42	-	-
Restricted investments	-	142,240	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 1,106,855</u>	<u>\$ 165,467</u>	<u>\$ -</u>	<u>\$ 562,257</u>	<u>\$ 149,278</u>	<u>\$ 920,609</u>
LIABILITIES						
Accounts payable	\$ 19,718	\$ -	\$ -	\$ -	\$ 1,865	\$ 50,916
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	7,293	-	-	-
Due to other governments	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-	-
Total liabilities	<u>19,718</u>	<u>-</u>	<u>7,293</u>	<u>-</u>	<u>1,865</u>	<u>50,916</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows from Leases	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted	1,087,137	165,467	-	562,257	147,413	869,693
Committed	-	-	-	-	-	-
Unassigned	-	-	(7,293)	-	-	-
Total fund balances (deficit)	<u>1,087,137</u>	<u>165,467</u>	<u>(7,293)</u>	<u>562,257</u>	<u>147,413</u>	<u>869,693</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 1,106,855</u>	<u>\$ 165,467</u>	<u>\$ -</u>	<u>\$ 562,257</u>	<u>\$ 149,278</u>	<u>\$ 920,609</u>

Special Revenue Funds

Cypress Ranch PID	Upland Crossing PID	Upland Crossing #2 PID	Upland Crossing #3 PID	Willow Bend PID	Gateway Streets	Cable Services	North and East Lubbock Neighborhood and Infrastructure
\$ -	\$ 9,759	\$ 423	\$ 33	\$ 2,265	\$ 18,195	\$ 52,151	\$ 9,533
-	727,409	31,547	2,489	168,856	1,356,139	3,887,019	710,565
-	-	-	-	-	-	-	-
-	1,816	-	-	421	13,650	9,703	1,762
-	-	-	-	-	-	-	-
-	76	-	-	-	-	43,789	-
-	-	-	-	-	4,169,146	-	-
-	-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ 739,060</u>	<u>\$ 31,970</u>	<u>\$ 2,522</u>	<u>\$ 171,542</u>	<u>\$ 5,557,130</u>	<u>\$ 3,992,662</u>	<u>\$ 721,860</u>
\$ -	\$ 24,597	\$ -	\$ -	\$ -	\$ -	\$ 1,993	\$ -
-	-	-	-	-	-	-	-
4,398	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>4,398</u>	<u>24,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,993</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	714,463	31,970	2,522	171,542	4,169,146	3,990,669	-
-	-	-	-	-	1,387,984	-	721,860
<u>(4,398)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(4,398)</u>	<u>714,463</u>	<u>31,970</u>	<u>2,522</u>	<u>171,542</u>	<u>5,557,130</u>	<u>3,990,669</u>	<u>721,860</u>
<u>\$ -</u>	<u>\$ 739,060</u>	<u>\$ 31,970</u>	<u>\$ 2,522</u>	<u>\$ 171,542</u>	<u>\$ 5,557,130</u>	<u>\$ 3,992,662</u>	<u>\$ 721,860</u>

City of Lubbock, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2025

Special Revenue Funds

	Community Development	Community Services	Health	Library	Police	Other Grants
ASSETS						
Cash and cash equivalents	\$ 22,649	\$ -	\$ -	\$ -	\$ 7,833	\$ 19,737
Investments	1,688,112	-	-	-	583,846	1,471,078
Taxes receivable (net)	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Due from other governments	1,175,892	284,865	606,615	-	285,018	965,558
Due from others	-	-	55,742	-	-	-
Restricted investments	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 2,886,653</u>	<u>\$ 284,865</u>	<u>\$ 662,357</u>	<u>\$ -</u>	<u>\$ 876,697</u>	<u>\$ 2,456,373</u>
LIABILITIES						
Accounts payable	\$ 356,668	\$ 99,784	\$ 4,654	\$ -	\$ 96,501	\$ 1,244
Accrued liabilities	18,728	6,776	72,113	-	-	109,003
Due to other funds	-	131,956	212,484	-	-	-
Due to other governments	-	-	2,973	-	-	-
Due to others	-	-	11,405	-	-	-
Unearned revenue - other	2,511,257	-	-	-	741,945	275,455
Total liabilities	<u>2,886,653</u>	<u>238,516</u>	<u>303,629</u>	<u>-</u>	<u>838,446</u>	<u>385,702</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows from Leases	-	-	-	-	-	-
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted	-	46,349	358,728	-	38,251	2,070,671
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>46,349</u>	<u>358,728</u>	<u>-</u>	<u>38,251</u>	<u>2,070,671</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 2,886,653</u>	<u>\$ 284,865</u>	<u>\$ 662,357</u>	<u>\$ -</u>	<u>\$ 876,697</u>	<u>\$ 2,456,373</u>

Capital Projects Funds

Total Special Revenue Funds	TIF Capital Projects	Gateway Streets Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 489,068	\$ 88,496	\$ 34,572	\$ 123,068	\$ 612,136
36,452,347	6,595,974	2,576,789	9,172,763	45,625,110
1,720,830	-	-	-	1,720,830
92,643	-	-	-	92,643
3,317,948	-	-	-	3,317,948
1,507,245	-	-	-	1,507,245
5,919,383	2,390,175	-	2,390,175	8,309,558
247,683	-	-	-	247,683
<u>\$ 49,747,147</u>	<u>\$ 9,074,645</u>	<u>\$ 2,611,361</u>	<u>\$ 11,686,006</u>	<u>\$ 61,433,153</u>
\$ 3,471,219	\$ 708,576	\$ 183,988	\$ 892,564	\$ 4,363,783
224,917	-	78	78	224,995
356,131	-	-	-	356,131
2,973	-	-	-	2,973
11,405	-	-	-	11,405
3,629,668	-	-	-	3,629,668
<u>7,696,313</u>	<u>708,576</u>	<u>184,066</u>	<u>892,642</u>	<u>8,588,955</u>
247,683	-	-	-	247,683
82,099	-	-	-	82,099
<u>329,782</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>329,782</u>
39,622,899	1,719,876	-	1,719,876	41,342,775
2,109,844	6,646,193	2,427,295	9,073,488	11,183,332
(11,691)	-	-	-	(11,691)
<u>41,721,052</u>	<u>8,366,069</u>	<u>2,427,295</u>	<u>10,793,364</u>	<u>52,514,416</u>
<u>\$ 49,747,147</u>	<u>\$ 9,074,645</u>	<u>\$ 2,611,361</u>	<u>\$ 11,686,006</u>	<u>\$ 61,433,153</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

	Special Revenue Funds					
	Criminal Investigation	Municipal Court	Abandoned Motor Vehicle	Economic Development Incentive	Donations	Hotel/Motel Tax
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 3,493,855	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	9,929,153
Franchise taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Fees and fines	-	722,429	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	12,103	82,179	90,928	-	26,152	38,229
Miscellaneous	153,345	-	1,268,918	-	145,058	-
Total revenues	<u>165,448</u>	<u>804,608</u>	<u>1,359,846</u>	<u>3,493,855</u>	<u>171,210</u>	<u>9,967,382</u>
EXPENDITURES						
Current:						
Administrative services and general government	-	-	-	-	14,331	-
Community services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	76,222	-
Economic and business development	-	-	-	3,688,133	-	5,616,112
Health	-	-	-	-	79,001	-
Fire	-	-	-	-	899	-
Police	212,690	-	2,152,652	-	3,198	-
Other public safety	-	382,892	-	-	-	-
Streets and traffic	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	17,297	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>212,690</u>	<u>382,892</u>	<u>2,169,949</u>	<u>3,688,133</u>	<u>173,651</u>	<u>5,616,112</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(47,242)</u>	<u>421,716</u>	<u>(810,103)</u>	<u>(194,278)</u>	<u>(2,441)</u>	<u>4,351,270</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	89,768	-	-
Transfers out	-	-	-	(400,000)	-	(3,923,003)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(310,232)</u>	<u>-</u>	<u>(3,923,003)</u>
Net change in fund balances (deficit)	(47,242)	421,716	(810,103)	(504,510)	(2,441)	428,267
Fund balances (deficit) - beginning of year	401,912	1,900,966	2,288,046	745,790	746,063	714,399
Fund balances (deficit) - end of year	<u>\$ 354,670</u>	<u>\$ 2,322,682</u>	<u>\$ 1,477,943</u>	<u>\$ 241,280</u>	<u>\$ 743,622</u>	<u>\$ 1,142,666</u>

Special Revenue Funds

Animal Assistance Program	Lubbock Economic Development Alliance	North Overton TIF	Central Business District TIF	Lubbock Business Park TIF	North Overton PID
\$ -	\$ -	\$ 5,616,543	\$ 1,934,036	\$ 883,890	\$ -
-	9,134,248	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	819,576
-	-	-	-	-	-
-	-	-	-	-	-
359,450	-	-	-	-	-
21,968	-	332,188	81,163	94,243	144,878
-	-	171,144	-	-	-
<u>381,418</u>	<u>9,134,248</u>	<u>6,119,875</u>	<u>2,015,199</u>	<u>978,133</u>	<u>964,454</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,134,248	30,757	103,995	24,335	1,091,075
338,322	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>338,322</u>	<u>9,134,248</u>	<u>30,757</u>	<u>103,995</u>	<u>24,335</u>	<u>1,091,075</u>
<u>43,096</u>	<u>-</u>	<u>6,089,118</u>	<u>1,911,204</u>	<u>953,798</u>	<u>(126,621)</u>
-	-	471,706	-	-	-
-	-	(4,919,557)	(1,140,954)	-	-
-	-	(4,447,851)	(1,140,954)	-	-
43,096	-	1,641,267	770,250	953,798	(126,621)
513,242	-	8,662,223	1,858,557	2,201,857	2,396,089
<u>\$ 556,338</u>	<u>\$ -</u>	<u>\$ 10,303,490</u>	<u>\$ 2,628,807</u>	<u>\$ 3,155,655</u>	<u>\$ 2,269,468</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

Special Revenue Funds

	North Point PID	Vintage Township PID	Northwest Passage PID	Quincy Park PID	Valencia PID	Bell Farms PID	Cypress Ranch PID
REVENUES							
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-	-
Special assessments	329,764	207,168	12,263	250,455	77,561	510,529	748
Fees and fines	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Interest	45,788	3,322	-	22,790	5,880	37,772	-
Miscellaneous	-	-	-	-	-	-	-
Total revenues	<u>375,552</u>	<u>210,490</u>	<u>12,263</u>	<u>273,245</u>	<u>83,441</u>	<u>548,301</u>	<u>748</u>
EXPENDITURES							
Current:							
Administrative services and general government	-	-	-	-	-	-	-
Community services	-	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-	-
Economic and business development	168,674	202,287	11,336	143,896	55,437	335,200	5,095
Health	-	-	-	-	-	-	-
Fire	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-
Other public safety	-	-	-	-	-	-	-
Streets and traffic	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-	51
Capital outlay	201,615	-	-	40,722	-	50,567	-
Total expenditures	<u>370,289</u>	<u>202,287</u>	<u>11,336</u>	<u>184,618</u>	<u>55,437</u>	<u>385,767</u>	<u>5,146</u>
Excess (deficiency) of revenues over (under) expenditures	<u>5,263</u>	<u>8,203</u>	<u>927</u>	<u>88,627</u>	<u>28,004</u>	<u>162,534</u>	<u>(4,398)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances (deficit)	5,263	8,203	927	88,627	28,004	162,534	(4,398)
Fund balances (deficit) - beginning of year	1,081,874	157,264	(8,220)	473,630	119,409	707,159	-
Fund balances (deficit) - end of year	<u>\$ 1,087,137</u>	<u>\$ 165,467</u>	<u>\$ (7,293)</u>	<u>\$ 562,257</u>	<u>\$ 147,413</u>	<u>\$ 869,693</u>	<u>\$ (4,398)</u>

Special Revenue Funds

Upland Crossing PID	Upland Crossing #2 PID	Upland Crossing #3 PID	Willow Bend PID	Gateway Streets	Cable Services	North and East Lubbock Neighborhood and Infrastructure
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	226,599	-
297,481	43,139	18,121	88,751	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
27,185	881	78	5,862	207,531	151,579	-
-	-	-	-	-	-	-
<u>324,666</u>	<u>44,020</u>	<u>18,199</u>	<u>94,613</u>	<u>207,531</u>	<u>378,178</u>	<u>-</u>
-	-	-	-	-	20,770	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
123,824	10,627	10,404	18,246	-	-	365,035
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	645,000	-	-
-	-	-	-	384,314	-	-
-	-	-	-	-	21,556	-
<u>123,824</u>	<u>10,627</u>	<u>10,404</u>	<u>18,246</u>	<u>1,029,314</u>	<u>42,326</u>	<u>365,035</u>
<u>200,842</u>	<u>33,393</u>	<u>7,795</u>	<u>76,367</u>	<u>(821,783)</u>	<u>335,852</u>	<u>(365,035)</u>
-	-	-	-	8,327,074	-	288,679
-	-	-	-	(9,578,479)	-	-
-	-	-	-	(1,251,405)	-	288,679
200,842	33,393	7,795	76,367	(2,073,188)	335,852	(76,356)
513,621	(1,423)	(5,273)	95,175	7,630,318	3,654,817	798,216
<u>\$ 714,463</u>	<u>\$ 31,970</u>	<u>\$ 2,522</u>	<u>\$ 171,542</u>	<u>\$ 5,557,130</u>	<u>\$ 3,990,669</u>	<u>\$ 721,860</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2025

Special Revenue Funds

	Community Development	Community Services	Health	Library	Police	Other Grants
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Fees and fines	-	-	-	-	-	-
Intergovernmental	4,864,042	1,945,196	5,690,109	6,024	409,499	1,856,599
Charges for services	-	-	-	-	-	-
Interest	-	-	6,636	-	16,097	609,775
Miscellaneous	632,027	-	394,307	-	-	14,109
Total revenues	<u>5,496,069</u>	<u>1,945,196</u>	<u>6,091,052</u>	<u>6,024</u>	<u>425,596</u>	<u>2,480,483</u>
EXPENDITURES						
Current:						
Administrative services and general government	-	-	-	-	-	-
Community services	5,497,419	1,946,421	-	-	-	899,806
Cultural and recreation	-	-	-	6,024	-	26,572
Economic and business development	-	-	-	-	-	-
Health	-	-	5,817,686	-	-	233,425
Fire	-	-	-	-	-	-
Police	-	-	-	-	316,318	-
Other public safety	-	-	-	-	-	793,884
Streets and traffic	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	-	-	-	96,167	-
Total expenditures	<u>5,497,419</u>	<u>1,946,421</u>	<u>5,817,686</u>	<u>6,024</u>	<u>412,485</u>	<u>1,953,687</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,350)</u>	<u>(1,225)</u>	<u>273,366</u>	<u>-</u>	<u>13,111</u>	<u>526,796</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	2,986	36,057
Transfers out	-	-	-	-	-	(2,992,935)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,986</u>	<u>(2,956,878)</u>
Net change in fund balances (deficit)	(1,350)	(1,225)	273,366	-	16,097	(2,430,082)
Fund balances (deficit) - beginning of year	1,350	47,574	85,362	-	22,154	4,500,753
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ 46,349</u>	<u>\$ 358,728</u>	<u>\$ -</u>	<u>\$ 38,251</u>	<u>\$2,070,671</u>

Capital Projects Funds

Total Special Revenue Funds	TIF Capital Projects	Gateway Streets Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 11,928,324	\$ -	\$ -	\$ -	\$ 11,928,324
9,134,248	-	-	-	9,134,248
9,929,153	-	-	-	9,929,153
226,599	-	-	-	226,599
2,655,556	-	-	-	2,655,556
722,429	-	-	-	722,429
14,771,469	-	-	-	14,771,469
359,450	-	-	-	359,450
2,065,207	109,374	95,380	204,754	2,269,961
2,778,908	-	-	-	2,778,908
<u>54,571,343</u>	<u>109,374</u>	<u>95,380</u>	<u>204,754</u>	<u>54,776,097</u>
35,101	-	-	-	35,101
8,343,646	-	-	-	8,343,646
108,818	-	-	-	108,818
21,138,716	62,645	-	62,645	21,201,361
6,468,434	-	-	-	6,468,434
899	-	-	-	899
2,684,858	-	-	-	2,684,858
1,176,776	-	-	-	1,176,776
-	-	-	-	-
-	-	-	-	-
662,297	-	-	-	662,297
384,365	-	-	-	384,365
410,627	2,776,957	1,830,626	4,607,583	5,018,210
<u>41,414,537</u>	<u>2,839,602</u>	<u>1,830,626</u>	<u>4,670,228</u>	<u>46,084,765</u>
<u>13,156,806</u>	<u>(2,730,228)</u>	<u>(1,735,246)</u>	<u>(4,465,474)</u>	<u>8,691,332</u>
9,216,270	2,200,000	1,500,000	3,700,000	12,916,270
(22,954,928)	-	-	-	(22,954,928)
<u>(13,738,658)</u>	<u>2,200,000</u>	<u>1,500,000</u>	<u>3,700,000</u>	<u>(10,038,658)</u>
(581,852)	(530,228)	(235,246)	(765,474)	(1,347,326)
42,302,904	8,896,297	2,662,541	11,558,838	53,861,742
<u>\$ 41,721,052</u>	<u>\$ 8,366,069</u>	<u>\$ 2,427,295</u>	<u>\$ 10,793,364</u>	<u>\$ 52,514,416</u>

City of Lubbock, Texas
Budgetary Comparison Schedule
Special Revenue Funds
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
Abandoned Motor Vehicle		
Revenues and transfers in	1,277,900	1,359,846
Utilization of fund balance	1,418,951	810,103
Expenditures and transfers out	(2,696,851)	(2,169,949)
Animal Assistance		
Revenues and transfers in	313,307	381,418
Utilization of fund balance	16,064	(43,096)
Expenditures and transfers out	(329,371)	(338,322)
Bell Farms PID		
Revenues and transfers in	504,766	548,301
Utilization of fund balance	54,677	(162,534)
Expenditures and transfers out	559,443	(385,767)
Cable Services		
Revenues and transfers in	415,645	378,178
Utilization of fund balance	84,355	(335,852)
Expenditures and transfers out	(500,000)	(42,326)
Central Business District TIF		
Revenues and transfers in	1,755,508	2,015,199
Expenditures and transfers out	(1,293,065)	(1,244,949)
Charity Care		
Revenues and transfers in	55,435	205,131
Expenditures and transfers out	(55,435)	(52,257)
Community Development Grant		
Revenues and transfers in	5,449,782	5,496,069
Expenditures and transfers out	(5,449,782)	(5,497,419)
Criminal Investigation		
Revenues and transfers in	175,300	165,448
Utilization of fund balance	268,700	47,242
Expenditures and transfers out	(444,000)	(212,690)
Cypress Ranch PID		
Revenues and transfers in	257	748
Expenditures and transfers out	(257)	(5,146)
Economic Development Incentive		
Revenues and transfers in	3,601,325	3,583,623
Utilization of fund balance	513,565	504,511
Expenditures and transfers out	(4,114,890)	(4,088,133)

City of Lubbock, Texas
Budgetary Comparison Schedule (Continued)
Special Revenue Funds
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts</u> <u>Budgetary Basis</u>
Gateway Streets		
Revenues and transfers in	9,300,570	8,534,605
Utilization of fund balance	277,909	2,073,188
Expenditures and transfers out	(9,578,479)	(10,607,793)
Grants		
Revenues and transfers in	8,496,045	2,516,540
Expenditures and transfers out	(8,496,045)	(4,946,622)
Health Rebate and Insurance Fund		
Revenues and transfers in	129,600	176,461
Expenditures and transfers out	(129,146)	(130,434)
Hotel Motel Tax		
Revenues and transfers in	9,700,000	9,967,382
Expenditures and transfers out	(9,700,000)	(9,539,115)
Lubbock Business Park TIF		
Revenues and transfers in	1,170,618	978,133
Expenditures and transfers out	(25,414)	(24,335)
Lubbock Economic Development Alliance		
Revenues and transfers in	9,604,421	9,134,248
Expenditures and transfers out	(9,604,421)	(9,134,248)
Municipal Court		
Revenues and transfers in	632,519	804,608
Expenditures and transfers out	(322,765)	(382,892)
North and East Lubbock Neighborhood and Infrastructure Fund		
Revenues and transfers in	360,000	288,679
Utilization of fund balance	300,000	76,355
Expenditures and transfers out	(660,000)	(365,035)
North Overton PID		
Revenues and transfers in	1,046,093	964,454
Utilization of fund balance	517,931	126,621
Expenditures and transfers out	(1,564,023)	(1,091,075)
North Overton District TIF		
Revenues and transfers in	5,894,579	6,591,581
Utilization of fund balance	(472,951)	(1,641,266)
Expenditures and transfers out	(4,951,892)	(4,950,314)

City of Lubbock, Texas
Budgetary Comparison Schedule (Continued)
Special Revenue Funds
For the Year Ended September 30, 2025

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
North Point PID		
Revenues and transfers in	341,398	375,552
Utilization of fund balance	589,342	(5,263)
Expenditures and transfers out	(930,740)	(370,289)
Northwest Passage PID		
Revenues and transfers in	14,669	12,263
Expenditures and transfers out	(14,669)	(11,336)
Quincy Park PID		
Revenues and transfers in	261,139	273,245
Expenditures and transfers out	(248,192)	(184,618)
Upland Crossing PID		
Revenues and transfers in	293,724	324,666
Expenditures and transfers out	(197,423)	(123,824)
Upland Crossing 2 PID		
Revenues and transfers in	38,981	44,020
Expenditures and transfers out	(10,881)	(10,627)
Upland Crossing 3 PID		
Revenues and transfers in	16,539	18,199
Expenditures and transfers out	(10,881)	(10,404)
Valencia PID		
Revenues and transfers in	78,521	83,441
Expenditures and transfers out	78,241	(55,437)
Vintage Township PID		
Revenues and transfers in	207,823	210,490
Expenditures and transfers out	(207,823)	(202,287)
Willow Bend Villas PID		
Revenues and transfers in	86,269	94,613
Expenditures and transfers out	(79,308)	(18,246)

The following Governmental Funds have been intentionally excluded from this schedule due to the fact that they do not have legally adopted budgets or they are budgeted on a project or grant cumulative basis, crossing fiscal years: Donations, Community Services, Health, Police, Other Grants, and the two Capital Project Funds.

CITY OF LUBBOCK, TEXAS

Nonmajor Enterprise Funds

The Proprietary Funds are used to account for the operations of the City financed and operated in a manner similar to private business enterprises, where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered in whole or part through user charges.

Airport Fund – Accounts for the operations of Lubbock Preston Smith International Airport.

Transit Fund – Accounts for the City-owned transportation system.

Cemetery Fund – Accounts for the operations of the City's cemetery.

Civic Centers Fund – Accounts for the utilization of the Civic Center, Coliseum, Municipal Auditorium and Amphitheater.

Lake Alan Henry Fund – Accounts for fees and charges collected at the Lake site and the costs of operations of that facility.

Golf Fund – Accounts for fees and charges collected at Meadowbrook golf course and the costs of operations of that facility.

City of Lubbock, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2025

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 433,384	\$ 8,714	\$ 12,949
Investments	32,301,815	649,493	965,115
Accounts receivable, net	1,035,894	891,952	46,752
Interest receivable	126,408	-	7,637
Due from others	1,264,035	-	-
Due from other funds	131,956	-	-
Due from other governments	-	4,125,288	-
Prepaid expenses	-	636,281	-
Inventories	-	902,704	-
	<u>35,293,492</u>	<u>7,214,432</u>	<u>1,032,453</u>
Noncurrent assets:			
Restricted investments	12,600,908	-	2,134,205
Lease receivable	2,276,775	-	-
	<u>14,877,683</u>	<u>-</u>	<u>2,134,205</u>
Capital assets:			
Land	3,608,781	318,539	14,097
Construction in progress	4,722,990	77,421	188,500
Buildings	47,511,304	4,389,056	846,652
Improvements other than buildings	244,622,770	3,940,562	294,558
Machinery and equipment	32,545,392	49,950,297	497,202
Lease right-of-use assets, net	-	-	-
Less accumulated depreciation	<u>(199,371,813)</u>	<u>(27,331,110)</u>	<u>(748,515)</u>
	<u>133,639,424</u>	<u>31,344,765</u>	<u>1,092,494</u>
	<u>148,517,107</u>	<u>31,344,765</u>	<u>3,226,699</u>
	<u>\$183,810,599</u>	<u>\$ 38,559,197</u>	<u>\$ 4,259,152</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	(220,776)	-	(1,785)
Deferred outflows from pensions	828,239	-	87,913
Deferred outflows from OPEB	309,919	-	41,930
	<u>917,382</u>	<u>-</u>	<u>128,058</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 43,078	\$ 10,162	\$ 4,509	\$ 512,796
3,210,774	757,442	336,108	38,220,747
110,836	53,067	33,936	2,172,437
19,182	1,891	-	155,118
-	-	-	1,264,035
-	-	-	131,956
-	-	-	4,125,288
-	-	-	636,281
-	-	-	902,704
<u>3,383,870</u>	<u>822,562</u>	<u>374,553</u>	<u>48,121,362</u>
216,556	-	-	14,951,669
9,422	-	-	2,286,197
<u>225,978</u>	<u>-</u>	<u>-</u>	<u>17,237,866</u>
873,850	-	-	4,815,267
91,861	-	31,574	5,112,346
15,875,670	-	-	68,622,682
8,170,992	-	-	257,028,882
5,845,218	170,484	-	89,008,593
-	-	1,590,166	1,590,166
<u>(22,391,813)</u>	<u>(147,087)</u>	<u>-</u>	<u>(249,990,338)</u>
<u>8,465,778</u>	<u>23,397</u>	<u>1,621,740</u>	<u>176,187,598</u>
<u>8,691,756</u>	<u>23,397</u>	<u>1,621,740</u>	<u>193,425,464</u>
<u>\$ 12,075,626</u>	<u>\$ 845,959</u>	<u>\$ 1,996,293</u>	<u>\$ 241,546,826</u>
18,672	-	-	(203,889)
364,334	60,540	-	1,341,026
116,934	10,466	-	479,249
<u>499,940</u>	<u>71,006</u>	<u>-</u>	<u>1,616,386</u>

City of Lubbock, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2025

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,841,201	\$ 1,305,054	\$ 119,264
Accrued liabilities	154,139	424,300	7,027
Accrued interest payable	213,314	-	18,845
Due to other funds	-	4,016,494	-
Customer deposits	-	-	-
Unearned revenue - other	48,132	-	3,220
Compensated absences	257,950	594,374	24,145
Leases payable	-	-	-
Bonds payable	<u>2,575,000</u>	<u>-</u>	<u>295,000</u>
 Total current liabilities	 <u>6,089,736</u>	 <u>6,340,222</u>	 <u>467,501</u>
Noncurrent liabilities:			
Compensated absences	299,897	-	28,071
Post employment benefits	2,877,716	-	191,848
Net pension liability	1,885,350	-	145,501
Rebatable arbitrage	148,814	-	5,542
Leases payable	-	-	-
Bonds payable	<u>36,320,320</u>	<u>-</u>	<u>1,777,436</u>
Total noncurrent liabilities	<u>41,532,097</u>	<u>-</u>	<u>2,148,398</u>
 Total liabilities	 <u>47,621,833</u>	 <u>6,340,222</u>	 <u>2,615,899</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	459,146	-	40,740
Deferred inflows from OPEB	956,673	-	108,561
Deferred inflows from leases	<u>2,276,775</u>	<u>-</u>	<u>-</u>
 Total deferred inflows of resources	 <u>3,692,594</u>	 <u>-</u>	 <u>149,301</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	96,617,799	31,344,765	849,153
Restricted for passenger facility charges	8,595,791	-	-
Restricted for debt service	1,669,612	-	196,164
Unrestricted	<u>26,530,352</u>	<u>874,210</u>	<u>576,693</u>
 Total net position (deficit)	 <u>\$133,413,554</u>	 <u>\$ 32,218,975</u>	 <u>\$ 1,622,010</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 352,785	\$ 15,574	\$ -	\$ 4,633,878
47,124	10,326	-	642,916
10,685	-	-	242,844
-	-	500,000	4,516,494
116,567	-	-	116,567
-	-	-	51,352
112,410	5,750	-	994,629
-	-	489,992	489,992
365,000	-	-	3,235,000
<u>1,004,571</u>	<u>31,650</u>	<u>989,992</u>	<u>14,923,672</u>
130,690	6,686	-	465,344
1,406,883	127,898	-	4,604,345
570,306	115,836	-	2,716,993
-	-	-	154,356
-	-	1,075,809	1,075,809
1,696,546	-	-	39,794,302
<u>3,804,425</u>	<u>250,420</u>	<u>1,075,809</u>	<u>48,811,149</u>
<u>4,808,996</u>	<u>282,070</u>	<u>2,065,801</u>	<u>63,734,821</u>
142,101	26,190	-	668,177
498,867	44,034	-	1,608,135
9,422	-	-	2,286,197
<u>650,390</u>	<u>70,224</u>	<u>-</u>	<u>4,562,509</u>
6,422,904	23,397	55,939	135,313,957
-	-	-	8,595,791
216,556	-	-	2,082,332
476,720	541,274	(125,447)	28,873,802
-	-	-	-
<u>\$ 7,116,180</u>	<u>\$ 564,671</u>	<u>\$ (69,508)</u>	<u>\$ 174,865,882</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For Fiscal Year Ended September 30, 2025

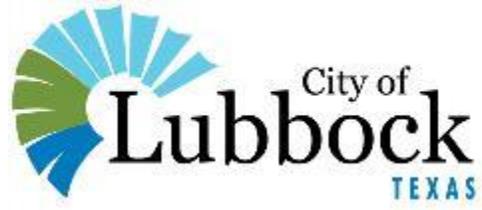
	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
OPERATING REVENUES			
Charges for services (net)	\$ 17,130,858	\$ 5,979,120	\$ 453,471
Total operating revenues	<u>17,130,858</u>	<u>5,979,120</u>	<u>453,471</u>
OPERATING EXPENSES			
Personnel services	4,418,517	10,630,417	208,648
Supplies	322,698	1,105,098	31,906
Maintenance	1,036,525	1,197,751	67,666
Other services and charges	5,088,097	2,345,619	101,230
Depreciation and amortization	10,792,894	3,260,820	35,452
Total operating expenses	<u>21,658,731</u>	<u>18,539,705</u>	<u>444,902</u>
Operating income (loss)	<u>(4,527,873)</u>	<u>(12,560,585)</u>	<u>8,569</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	1,777,823	-	83,306
Passenger facility charges/Federal grants	3,452,881	19,858,961	-
Disposition of assets	(6,163)	18,387	-
Miscellaneous	264,712	(517,832)	-
Interest expense	(1,494,055)	(1,493)	(33,685)
Net nonoperating revenues (expenses)	<u>3,995,198</u>	<u>19,358,023</u>	<u>49,621</u>
Income (loss) before contributions and transfers	(532,675)	6,797,438	58,190
Capital contributions/grants	9,493,288	-	-
Transfers in	-	3,358,473	20,000
Transfers out	(2,502,392)	-	(20,000)
Change in net position (deficit)	<u>6,458,221</u>	<u>10,155,911</u>	<u>58,190</u>
Total net position - beginning of year	<u>126,955,333</u>	<u>22,063,064</u>	<u>1,563,820</u>
Total net position (deficit) - ending	<u>\$ 133,413,554</u>	<u>\$ 32,218,975</u>	<u>\$ 1,622,010</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 576,969	\$ 825,574	\$ 2,394,750	\$ 27,360,742
<u>576,969</u>	<u>825,574</u>	<u>2,394,750</u>	<u>27,360,742</u>
1,647,244	354,837	-	17,259,663
76,053	7,539	625,252	2,168,546
322,295	59,492	220,378	2,904,107
1,512,854	121,691	1,245,478	10,414,969
747,574	3,732	455,363	15,295,835
<u>4,306,020</u>	<u>547,291</u>	<u>2,546,471</u>	<u>48,043,120</u>
<u>(3,729,051)</u>	<u>278,283</u>	<u>(151,721)</u>	<u>(20,682,378)</u>
159,504	24,695	11,300	2,056,628
-	-	-	23,311,842
-	-	-	12,224
10,639	17,120	-	(225,361)
<u>(64,545)</u>	<u>-</u>	<u>(35,678)</u>	<u>(1,629,456)</u>
<u>105,598</u>	<u>41,815</u>	<u>(24,378)</u>	<u>23,525,877</u>
(3,623,453)	320,098	(176,099)	2,843,499
-	-	-	9,493,288
3,949,268	-	106,591	7,434,332
<u>(589,047)</u>	<u>(107,912)</u>	<u>-</u>	<u>(3,219,351)</u>
<u>(263,232)</u>	<u>212,186</u>	<u>(69,508)</u>	<u>16,551,768</u>
<u>7,379,412</u>	<u>352,485</u>	<u>-</u>	<u>158,314,114</u>
<u>\$ 7,116,180</u>	<u>\$ 564,671</u>	<u>\$ (69,508)</u>	<u>\$ 174,865,882</u>

City Of Lubbock, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2025

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 17,022,295	\$ 5,998,485	\$ 451,414
Payments to suppliers	(4,685,364)	(2,093,226)	(288,279)
Payments to employees	(4,535,467)	(10,641,066)	(215,675)
Other receipts (payments)	264,712	-	-
Net cash provided (used) by operating activities	<u>8,066,176</u>	<u>(6,735,807)</u>	<u>(52,540)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	3,358,473	20,000
Transfers out to other funds	(2,502,392)	-	(20,000)
Short-term interfund borrowings	-	(2,321,416)	-
Operating grants	<u>3,452,881</u>	<u>19,858,961</u>	<u>-</u>
Net cash provided (used) by noncapital and related financing activities	<u>950,489</u>	<u>20,896,018</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(14,679,820)	(13,596,539)	(324,246)
Sale of capital assets	8,143	18,387	-
Principal paid on bonds	(1,975,000)	(136,513)	(50,000)
Issuance of capital leases	-	-	-
Issuance of bonds	5,082,726	-	2,010,554
Interest paid on bonds and leases	(1,702,297)	(1,493)	(18,417)
Payment/proceeds of rebatable arbitrage	127,674	-	5,542
Capital grants and contributions	<u>9,493,288</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>(3,645,286)</u>	<u>(13,716,158)</u>	<u>1,623,433</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	12,122,449	-	-
Purchase of investments	(18,987,005)	(436,663)	(1,645,913)
Interest earnings (expenses) on cash and investments	<u>1,749,334</u>	<u>-</u>	<u>79,111</u>
Net cash provided (used) by investing activities	<u>(5,115,222)</u>	<u>(436,663)</u>	<u>(1,566,802)</u>
Net increase (decrease) in cash and cash equivalents	256,157	7,390	4,091
Cash and cash equivalents - beginning of year	177,227	1,324	8,858
Cash and cash equivalents - end of year	<u>\$ 433,384</u>	<u>\$ 8,714</u>	<u>\$ 12,949</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (4,527,873)	\$ (12,571,234)	\$ 8,569
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	10,792,894	3,260,820	35,452
Other income (expense)	264,712	(517,832)	-
Change in current assets and liabilities:			
Accounts receivable	(108,563)	19,365	(2,057)
Inventory	-	79,513	-
Prepaid expenses	-	(486,605)	-
Due from other governments	(647,033)	2,966,582	-
Accounts payable	1,325,333	187,047	78,079
Other accrued expenses	30,233	249,167	(1,035)
Due to/from other funds	1,011,052	-	-
Customer deposits	-	-	-
Change in compensated absences and retirement benefits	(74,579)	77,370	(171,548)
Net cash provided (used) by operating activities	<u>\$ 8,066,176</u>	<u>\$ (6,735,807)</u>	<u>\$ (52,540)</u>
Supplemental cash flow information:			
Noncash capital contributions and other charges	\$ -	\$ -	\$ -

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Golf</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 595,646	\$ 775,308	\$ 2,360,814	\$ 27,203,962
(1,684,819)	(124,656)	(2,091,108)	(10,967,452)
(1,694,365)	(365,163)	-	(17,451,736)
10,639	17,120	-	292,471
<u>(2,772,899)</u>	<u>302,609</u>	<u>269,706</u>	<u>(922,755)</u>
3,949,268	-	106,591	7,434,332
(589,047)	(107,912)	-	(3,219,351)
-	-	500,000	(1,821,416)
-	-	-	23,311,842
<u>3,360,221</u>	<u>(107,912)</u>	<u>606,591</u>	<u>25,705,407</u>
(1,472,583)	-	(2,077,103)	(32,150,291)
-	-	-	26,530
(340,000)	-	-	(2,501,513)
-	-	1,565,801	1,565,801
-	-	-	7,093,280
(109,544)	-	(35,678)	(1,867,429)
-	-	-	133,216
-	-	-	9,493,288
<u>(1,922,127)</u>	<u>-</u>	<u>(546,980)</u>	<u>(18,207,118)</u>
2,639,679	108,260	-	14,870,388
(1,449,238)	(320,282)	(336,108)	(23,175,209)
159,988	24,095	11,300	2,023,828
<u>1,350,429</u>	<u>(187,927)</u>	<u>(324,808)</u>	<u>(6,280,993)</u>
15,624	6,770	4,509	294,541
27,454	3,392	-	218,255
<u>\$ 43,078</u>	<u>\$ 10,162</u>	<u>\$ 4,509</u>	<u>\$ 512,796</u>
\$ (3,729,051)	\$ 278,283	\$ (151,721)	\$ (20,693,027)
747,574	3,732	455,363	15,295,835
10,639	17,120	-	(225,361)
18,677	(50,266)	(33,936)	(156,780)
-	-	-	79,513
-	-	-	(486,605)
-	-	-	2,319,549
155,398	13,360	-	1,759,217
6,612	4,213	-	289,190
-	-	-	1,011,052
(16,839)	-	-	(16,839)
34,091	36,167	-	(98,499)
<u>\$ (2,772,899)</u>	<u>\$ 302,609</u>	<u>\$ 269,706</u>	<u>\$ (922,755)</u>
\$ -	\$ -	\$ -	\$ -



CITY OF LUBBOCK, TEXAS

Internal Service Funds

The Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other departments or agencies of the City, or to other governments, on a user charge basis.

Print Shop and Warehouse Fund – Accounts for central warehouse operations, printing services and central office supplies provided to City departments.

Risk Management Fund – Accounts for activities related to general liability, auto liability, public officials liability, and workers' compensation liability.

Fleet Maintenance Fund – Accounts for vehicle service operations.

Information Technology Fund – Accounts for the information processing services provided to City departments and other governmental agencies and for the telephone and radio shop operations.

Health Benefits Fund – Accounts for the health, dental, and other employee benefits activities.

Investment Pool Fund – Accounts for the operations of centralizing the activities relative to the City's investment portfolio.

City of Lubbock, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2025

	<u>Business-type Activities</u>			
	<u>Print Shop and Warehouse</u>	<u>Total Business-type Activities</u>	<u>Risk Management</u>	<u>Fleet Maintenance</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 13,002	\$ 13,002	\$ 261,645	\$ 76,001
Investments	969,061	969,061	19,501,406	5,664,668
Accounts receivable (net)	-	-	100,140	-
Interest receivable	1,458	1,458	50,444	58,350
Due from others	14,585	14,585	-	-
Inventories	993,092	993,092	-	394,415
Total current assets	<u>1,991,198</u>	<u>1,991,198</u>	<u>19,913,635</u>	<u>6,193,434</u>
Noncurrent assets:				
Restricted investments	-	-	-	11,195,146
Capital assets:				
Construction in Progress	-	-	-	5,120,310
Buildings	162,117	162,117	-	1,469,765
Improvements other than buildings	-	-	-	2,039,092
Machinery and equipment	195,529	195,529	57,472	66,141,666
Lease right-of-use assets, net	-	-	-	-
Subscription assets, net	-	-	-	-
Less accumulated depreciation	<u>(298,903)</u>	<u>(298,903)</u>	<u>(55,309)</u>	<u>(25,972,240)</u>
Total capital assets	<u>58,743</u>	<u>58,743</u>	<u>2,163</u>	<u>48,798,593</u>
Total noncurrent assets	<u>58,743</u>	<u>58,743</u>	<u>2,163</u>	<u>59,993,739</u>
Total assets	<u>\$ 2,049,941</u>	<u>\$ 2,049,941</u>	<u>\$ 19,915,798</u>	<u>\$ 66,187,173</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	95,312	95,312	218,168	472,495
Deferred outflows from OPEB	46,167	46,167	41,669	138,436
Total deferred outflows of resources	<u>141,479</u>	<u>141,479</u>	<u>259,837</u>	<u>610,931</u>

Governmental Activities

Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$ 132,572	\$ 163,551	\$ 929	\$ 634,698	\$ 647,700
9,881,096	12,190,058	69,223	47,306,451	48,275,512
183,285	-	-	283,425	283,425
63,519	30,391	-	202,704	204,162
-	-	-	-	14,585
17,725	-	-	412,140	1,405,232
<u>10,278,197</u>	<u>12,384,000</u>	<u>70,152</u>	<u>48,839,418</u>	<u>50,830,616</u>
<u>2,151,943</u>	<u>-</u>	<u>-</u>	<u>13,347,089</u>	<u>13,347,089</u>
1,170,113	-	-	6,290,423	6,290,423
60,000	-	-	1,529,765	1,691,882
8,847,052	-	-	10,886,144	10,886,144
22,511,697	-	-	88,710,835	88,906,364
3,839,260	-	-	3,839,260	3,839,260
4,963,734	-	-	4,963,734	4,963,734
(25,025,309)	-	-	(51,052,858)	(51,351,761)
<u>16,366,547</u>	<u>-</u>	<u>-</u>	<u>65,167,303</u>	<u>65,226,046</u>
<u>18,518,490</u>	<u>-</u>	<u>-</u>	<u>78,514,392</u>	<u>78,573,135</u>
<u>\$ 28,796,687</u>	<u>\$ 12,384,000</u>	<u>\$ 70,152</u>	<u>\$ 127,353,810</u>	<u>\$ 129,403,751</u>
1,329,994	97,368	23,091	2,141,116	2,236,428
290,237	27,652	-	497,994	544,161
<u>1,620,231</u>	<u>125,020</u>	<u>23,091</u>	<u>2,639,110</u>	<u>2,780,589</u>

City of Lubbock, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2025

	Business-type Activities			
	Print Shop and Warehouse	Total Business-type Activities	Risk Management	Fleet Maintenance
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 79,110	\$ 79,110	\$ 192,869	\$ 695,105
Accrued liabilities	12,160	12,160	27,689	57,989
Accrued interest payable	2	2	-	170,260
Compensated absences	25,103	25,103	52,948	59,093
Accrued insurance claims	-	-	2,354,657	-
Leases payable	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable	2,988	2,988	-	3,307,800
Total current liabilities	<u>119,363</u>	<u>119,363</u>	<u>2,628,163</u>	<u>4,290,247</u>
Noncurrent liabilities:				
Accrued insurance claims	-	-	1,094,896	-
Compensated absences	29,184	29,184	124,999	139,507
Post employment benefits	383,695	383,695	383,695	1,278,985
Net pension liability	165,623	165,623	432,844	880,347
Rebatable arbitrage	-	-	-	186,038
Leases payable	-	-	-	-
Bonds payable	-	-	-	15,511,753
Subscription liability	-	-	-	-
Total noncurrent liabilities	<u>578,502</u>	<u>578,502</u>	<u>2,036,434</u>	<u>17,996,630</u>
Total liabilities	<u>697,865</u>	<u>697,865</u>	<u>4,664,597</u>	<u>22,286,877</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	790
Deferred inflows from pensions	46,342	46,342	129,913	240,482
Deferred inflows from OPEB	128,030	128,030	122,297	465,490
Total deferred inflows of resources	<u>\$ 174,372</u>	<u>174,372</u>	<u>252,210</u>	<u>\$ 706,762</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	55,755	55,755	2,163	39,146,996
Restricted for debt service	-	-	-	2,027,190
Unrestricted	1,263,428	1,263,428	15,256,665	2,630,279
Total net position (deficit)	<u>\$ 1,319,183</u>	<u>\$ 1,319,183</u>	<u>\$ 15,258,828</u>	<u>\$ 43,804,465</u>

Governmental Activities

Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$ 1,420,233	\$ 2,434,250	\$ -	\$ 4,742,457	\$ 4,821,567
147,046	11,025	2,932	246,681	258,841
17,367	-	-	187,627	187,629
247,085	32,486	229	391,841	416,944
-	2,280,086	-	4,634,743	4,634,743
1,369,142	-	-	1,369,142	1,369,142
1,232,549	-	-	1,232,549	1,232,549
1,467,200	-	-	4,775,000	4,777,988
<u>5,900,622</u>	<u>4,757,847</u>	<u>3,161</u>	<u>17,580,040</u>	<u>17,699,403</u>
-	246,894	-	1,341,790	1,341,790
583,316	76,693	540	925,055	954,239
3,197,462	255,797	-	5,115,939	5,499,634
2,646,478	168,578	50,442	4,178,689	4,344,312
155,917	-	-	341,955	341,955
2,128,986	-	-	2,128,986	2,128,986
3,046,960	-	-	18,558,713	18,558,713
3,872,692	-	-	3,872,692	3,872,692
<u>15,631,811</u>	<u>747,962</u>	<u>50,982</u>	<u>36,463,819</u>	<u>37,042,321</u>
<u>21,532,433</u>	<u>5,505,809</u>	<u>54,143</u>	<u>54,043,859</u>	<u>54,741,724</u>
-	-	-	790	790
1,036,032	95,064	29,100	1,530,591	1,576,933
890,376	68,220	-	1,546,383	1,674,413
<u>1,926,408</u>	<u>163,284</u>	<u>29,100</u>	<u>3,077,764</u>	<u>3,252,136</u>
3,540,618	-	-	42,689,777	42,745,532
853,171	-	-	2,880,361	2,880,361
2,564,288	6,839,927	10,000	27,301,159	28,564,587
<u>\$ 6,958,077</u>	<u>\$ 6,839,927</u>	<u>\$ 10,000</u>	<u>\$ 72,871,297</u>	<u>\$ 74,190,480</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenses
And Changes in Net Position
Internal Service Funds
For The Year Ended September 30, 2025

	<u>Business-type Activities</u>			
	<u>Print Shop and Warehouse</u>	<u>Total Business-type Activities</u>	<u>Risk Management</u>	<u>Fleet Maintenance</u>
OPERATING REVENUES				
Charges for services (net)	<u>\$ 7,529,991</u>	<u>\$ 7,529,991</u>	<u>\$ 12,992,697</u>	<u>\$ 18,800,003</u>
Total operating revenues	<u>7,529,991</u>	<u>7,529,991</u>	<u>12,992,697</u>	<u>18,800,003</u>
OPERATING EXPENSES				
Personnel services	449,703	449,703	968,106	1,946,528
Insurance and claims	-	-	8,995,238	-
Supplies	167,741	167,741	12,090	78,969
Materials	6,744,001	6,744,001	-	4,784,409
Maintenance	17,581	17,581	8,028	9,938,343
Other services and charges	120,137	120,137	745,422	391,131
Depreciation and amortization	<u>11,406</u>	<u>11,406</u>	<u>4,213</u>	<u>6,796,488</u>
Total operating expenses	<u>7,510,569</u>	<u>7,510,569</u>	<u>10,733,097</u>	<u>23,935,868</u>
Operating income (loss)	<u>19,422</u>	<u>19,422</u>	<u>2,259,600</u>	<u>(5,135,865)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	38,173	38,173	743,102	513,437
Federal grants	-	-	-	1,370,415
Disposition of assets	-	-	-	168,126
Miscellaneous	-	-	204,815	290
Interest expense	<u>(122)</u>	<u>(122)</u>	<u>-</u>	<u>(643,993)</u>
Net nonoperating revenues (expenses)	<u>38,051</u>	<u>38,051</u>	<u>947,917</u>	<u>1,408,275</u>
Income (loss) before contributions and transfers	57,473	57,473	3,207,517	(3,727,590)
Transfers in	-	-	-	16,102,537
Transfers out	<u>-</u>	<u>-</u>	<u>(938,188)</u>	<u>(34,239)</u>
Change in net position (deficit)	57,473	57,473	2,269,329	12,340,708
Total net position (deficit) - beginning of year,	<u>1,261,710</u>	<u>1,261,710</u>	<u>12,989,499</u>	<u>31,463,757</u>
Total net position (deficit) - end of year	<u>\$ 1,319,183</u>	<u>\$ 1,319,183</u>	<u>\$ 15,258,828</u>	<u>\$ 43,804,465</u>

Governmental Activities

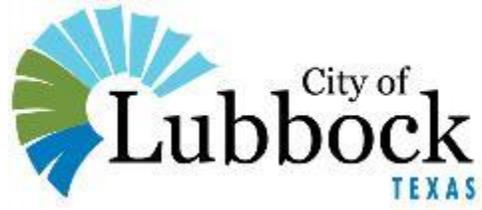
Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$19,047,608	\$ 41,842,563	\$ -	\$ 92,682,871	\$ 100,212,862
19,047,608	41,842,563	-	92,682,871	100,212,862
6,097,848	483,573	108,438	9,604,493	10,054,196
-	42,608,819	-	51,604,057	51,604,057
24,504	17,730	2,277	135,570	303,311
92,780	-	-	4,877,189	11,621,190
5,387,497	-	-	15,333,868	15,351,449
2,567,809	479,902	177,802	4,362,066	4,482,203
4,011,456	-	-	10,812,157	10,823,563
18,181,894	43,590,024	288,517	96,729,400	104,239,969
865,714	(1,747,461)	(288,517)	(4,046,529)	(4,027,107)
471,119	454,349	288,517	2,470,524	2,508,697
170,288	-	-	1,540,703	1,540,703
6,326	-	-	174,452	174,452
-	-	-	205,105	205,105
(419,328)	-	-	(1,063,321)	(1,063,443)
228,405	454,349	288,517	3,327,463	3,365,514
1,094,119	(1,293,112)	-	(719,066)	(661,593)
-	-	-	16,102,537	16,102,537
-	-	-	(972,427)	(972,427)
1,094,119	(1,293,112)	-	14,411,044	14,468,517
5,863,958	8,133,039	10,000	58,460,253	59,721,963
\$ 6,958,077	\$ 6,839,927	\$ 10,000	\$ 72,871,297	\$ 74,190,480

City of Lubbock, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2025

	Business-type Activities			
	Print Shop and Warehouse	Total Business-type Activities	Risk Management	Fleet Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 7,136,218	\$ 7,136,218	\$ 12,921,990	\$ 18,800,003
Receipts from interfund services	393,773	393,773	-	-
Payments to suppliers	(7,130,046)	(7,130,046)	(9,028,952)	(15,306,948)
Payments to employees	(426,850)	(426,850)	(1,003,764)	(2,045,880)
Other receipts	-	-	204,815	290
Net cash provided (used) by operating activities	<u>(26,905)</u>	<u>(26,905)</u>	<u>3,094,089</u>	<u>1,447,465</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in from other funds	-	-	-	16,102,537
Transfers out to other funds	-	-	(938,188)	(34,239)
Federal grants	-	-	-	1,370,415
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>(938,188)</u>	<u>17,438,713</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	-	-	-	(17,896,000)
Sale of capital assets	-	-	-	168,127
Principal paid on leases	-	-	-	-
Payment of rebatable arbitrage	-	-	-	77,480
Principal paid on bonds	(2,988)	(2,988)	-	(2,087,300)
Issuance of bonds	-	-	-	8,600,000
Interest paid on bonds and leases	(126)	(126)	-	(643,631)
Net cash provided (used) by capital and related financing activities	<u>(3,114)</u>	<u>(3,114)</u>	<u>-</u>	<u>(11,781,324)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	407,952	407,952	5,515,177	-
Purchase of investments	(409,766)	(409,766)	(8,246,122)	(7,528,026)
Interest earnings (loss) on cash and investments	38,819	38,819	732,388	486,348
Net cash provided (used) by investing activities	<u>37,005</u>	<u>37,005</u>	<u>(1,998,557)</u>	<u>(7,041,678)</u>
Net increase (decrease) in cash and cash equivalents	6,986	6,986	157,344	63,176
Cash and cash equivalents - beginning of year	6,016	6,016	104,301	12,825
Cash and cash equivalents - end of year	<u>\$ 13,002</u>	<u>\$ 13,002</u>	<u>\$ 261,645</u>	<u>\$ 76,001</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ 19,422	\$ 19,422	\$ 2,259,600	\$ (5,135,865)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	11,406	11,406	4,213	6,796,488
Other income	-	-	204,815	290
Change in current assets and liabilities:				
Accounts receivable	-	-	(70,707)	-
Inventory	(80,797)	(80,797)	-	24,670
Accounts payable	(23,502)	(23,502)	162,944	(166,356)
Due from other funds	(1,617)	(1,617)	-	-
Other accrued expenses	2,257	2,257	477,497	13,624
Change in compensated absences and retirement benefits	45,926	45,926	55,727	(85,386)
Net cash provided (used) by operating activities	<u>\$ (26,905)</u>	<u>\$ (26,905)</u>	<u>\$ 3,094,089</u>	<u>\$ 1,447,465</u>
Supplemental cash flow information:				
Noncash subscription-based arrangements	\$ -	\$ -	\$ -	\$ -

Governmental Activities

<u>Information Technology</u>	<u>Health Benefits</u>	<u>Investment Pool</u>	<u>Total Governmental Activities</u>	<u>Total Internal Service Funds</u>
\$ 17,025,042	\$ 41,842,563	\$ -	\$ 90,589,598	\$ 97,725,816
2,022,566	-	-	2,022,566	2,416,339
(8,257,145)	(41,797,311)	(177,463)	(74,567,819)	(81,697,865)
(6,141,438)	(409,825)	(108,438)	(9,709,345)	(10,136,195)
-	-	-	205,105	205,105
<u>4,649,025</u>	<u>(364,573)</u>	<u>(285,901)</u>	<u>8,540,105</u>	<u>8,513,200</u>
-	-	-	16,102,537	16,102,537
-	-	-	(972,427)	(972,427)
<u>170,288</u>	<u>-</u>	<u>-</u>	<u>1,540,703</u>	<u>1,540,703</u>
<u>170,288</u>	<u>-</u>	<u>-</u>	<u>16,670,813</u>	<u>16,670,813</u>
(1,943,596)	-	-	(19,839,596)	(19,839,596)
6,326	-	-	174,453	174,453
(2,990,189)	-	-	(2,990,189)	(2,990,189)
24,830	-	-	102,310	102,310
(1,772,700)	-	-	(3,860,000)	(3,862,988)
-	-	-	8,600,000	8,600,000
<u>(496,672)</u>	<u>-</u>	<u>-</u>	<u>(1,140,303)</u>	<u>(1,140,429)</u>
<u>(7,172,001)</u>	<u>-</u>	<u>-</u>	<u>(18,953,325)</u>	<u>(18,956,439)</u>
7,038,737	5,153,971	-	17,707,885	18,115,837
(5,088,144)	(5,154,536)	(2,104)	(26,018,932)	(26,428,698)
467,511	452,878	288,517	2,427,642	2,466,461
<u>2,418,104</u>	<u>452,313</u>	<u>286,413</u>	<u>(5,883,405)</u>	<u>(5,846,400)</u>
65,416	87,740	512	374,188	381,174
67,156	75,811	417	260,510	266,526
<u>\$ 132,572</u>	<u>\$ 163,551</u>	<u>\$ 929</u>	<u>\$ 634,698</u>	<u>\$ 647,700</u>
\$ 865,714	\$ (1,747,461)	\$ (288,517)	\$ (4,046,529)	\$ (4,027,107)
4,011,456	-	-	10,812,157	10,823,563
-	-	-	205,105	205,105
-	-	-	(70,707)	(70,707)
(6,279)	-	-	18,391	(62,406)
(437,027)	1,068,988	-	628,549	605,047
(133,918)	-	-	(133,918)	(135,535)
17,280	209,836	508	718,745	721,002
331,799	104,064	2,108	408,312	454,238
<u>\$ 4,649,025</u>	<u>\$ (364,573)</u>	<u>\$ (285,901)</u>	<u>\$ 8,540,105</u>	<u>\$ 8,513,200</u>
\$ -	\$ -	\$ -	\$ -	\$ -



CITY OF LUBBOCK, TEXAS

Nonmajor Component Units

The following Component Units, which are legally separate entities, are included in the reporting entity because the City is financially accountable and is able to impose its will.

Urban Renewal Agency (URA) – Accounts for housing rehabilitation, housing acquisition, and land disposition. The URA is governed by a board appointed by the City Council.

Civic Lubbock, Inc. was organized to foster and promote the presentation of wholesome educational and cultural programs, attractions and entertainment for the general moral, intellectual, physical improvement, and welfare of the people of the City of Lubbock and surrounding area.

Market Lubbock Economic Development Corporation, dba Market Lubbock, Inc. was formed to create, manage, operate, and supervise programs and activities that assist and enhance economic development within and around the City.

Lubbock Economic Development Alliance was formed to create, manage and supervise programs and activities to promote, assist, and enhance economic development within and around the City.

Vintage Township Public Facilities Corporation was formed to assist the City in financing, refinancing, providing or otherwise assisting in the acquisition, construction and maintenance of certain public facilities benefiting the Vintage Township.

City of Lubbock, Texas
Combining Statement of Net Position
Nonmajor Component Units
September 30, 2025

	Urban Renewal Agency (URA)	Civic Lubbock, Inc.	Market Lubbock, Inc.
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 1,237,710	\$ 6,657,107
Investments	-	-	5,037,687
Accounts receivable, net	-	366,111	17,561
Interest receivable	-	-	-
Due from other governments	-	-	1,148,829
Inventories	-	18,301	47,842
Prepaid expenses	-	59,970	22,740
Restricted assets:			
Cash and cash equivalents	-	1,190,965	-
Investment in property	206,518	-	-
Mortgage receivables	908,456	-	-
Land inventory	-	-	-
Capital assets (net of accumulated depreciation):			
Non-depreciable	-	250,000	-
Depreciable	-	-	532,282
Total assets	<u>1,114,974</u>	<u>3,123,057</u>	<u>13,464,048</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	483,874	186,356
Accrued liabilities	-	24,176	131,482
Accrued interest payable	-	-	-
Unearned revenues	-	1,090,102	-
Noncurrent liabilities due within one year:			
Contracts and leases payable	-	-	1,601,243
Bonds	-	-	-
Noncurrent liabilities due in more than one year:			
Contracts and leases payable	-	-	438,688
Bonds payable	-	-	-
Total liabilities	<u>-</u>	<u>1,598,152</u>	<u>2,357,769</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	-	250,000	56,565
Restricted for:			
Primary government agreement	-	100,000	-
Special revenue	1,114,974	-	-
Unrestricted	-	1,174,905	11,049,714
Total net position (deficit)	<u>\$ 1,114,974</u>	<u>\$ 1,524,905</u>	<u>\$ 11,106,279</u>

Lubbock Economic Development Alliance	Vintage Township Public Facilities Corporation	Total Nonmajor Component Units
\$ 14,271,834	\$ -	\$ 22,166,651
16,761,595	-	21,799,282
3,571,590	-	3,955,262
23,022	-	23,022
-	-	1,148,829
-	-	66,143
29,236	-	111,946
-	-	1,190,965
-	-	206,518
-	-	908,456
15,010,188	-	15,010,188
-	-	250,000
<u>13,857,667</u>	<u>-</u>	<u>14,389,949</u>
<u>63,525,132</u>	<u>-</u>	<u>81,227,211</u>
1,710,081	-	2,380,311
338,894	-	494,552
-	66,154	66,154
-	-	1,090,102
9,852,729	-	11,453,972
-	61,000	61,000
44,729,188	-	45,167,876
-	1,733,000	1,733,000
<u>56,630,892</u>	<u>1,860,154</u>	<u>62,446,967</u>
13,381,950	-	13,688,515
-	-	100,000
1,152,450	-	2,267,424
<u>(7,640,160)</u>	<u>(1,860,154)</u>	<u>2,724,305</u>
<u>\$ 6,894,240</u>	<u>\$ (1,860,154)</u>	<u>\$ 18,780,244</u>

City of Lubbock, Texas
Combining Statement of Activities
Nonmajor Component Units
For the Year Ended September 30, 2025

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Urban Renewal Agency (URA)				
Community services	\$ 330,511	\$ 3,142	\$ -	\$ -
Civic Lubbock, Inc.				
Cultural and recreation	3,360,800	3,305,898	77,753	-
Market Lubbock, Inc.				
Economic and business development	9,704,648	31,625	303,213	-
Lubbock Economic Development Alliance				
Economic and business development	7,040,474	-	1,000,000	1,877,061
Vintage Township Public Facilities Corporation				
Interest on long-term debt	132,308	-	-	188,299
Total component units	<u>\$ 20,568,741</u>	<u>\$ 3,340,665</u>	<u>\$ 1,380,966</u>	<u>\$ 2,065,360</u>

General revenues:

Property taxes

Sales taxes

Occupancy taxes

Investment earnings

Miscellaneous

Total general revenues

Change in net position (deficit)

Net position (deficit) - beginning of year restated

Net position (deficit) - end of year

**Net (Expense) Revenue and
Changes in Net Position**

Urban Renewal Agency (URA)	Civic Lubbock, Inc.	Market Lubbock, Inc.	Lubbock Economic Development Alliance	Vintage Township Public Facilities Corporation	Total
\$ (327,369)	\$ -	\$ -	\$ -	\$ -	\$ (327,369)
-	22,851	-	-	-	22,851
-	-	(9,369,810)	-	-	(9,369,810)
-	-	-	(4,163,413)	-	(4,163,413)
-	-	-	-	55,991	55,991
<u>(327,369)</u>	<u>22,851</u>	<u>(9,369,810)</u>	<u>(4,163,413)</u>	<u>55,991</u>	<u>(13,781,750)</u>
-	-	3,500,298	-	-	3,500,298
-	-	-	9,134,437	-	9,134,437
-	-	4,902,779	-	-	4,902,779
42,408	13,224	446,325	1,079,247	-	1,581,204
-	-	6,000	3,474,809	-	3,480,809
<u>42,408</u>	<u>13,224</u>	<u>8,855,402</u>	<u>13,688,493</u>	<u>-</u>	<u>22,599,527</u>
(284,961)	36,075	(514,408)	9,525,080	55,991	8,817,777
<u>1,399,935</u>	<u>1,488,830</u>	<u>11,620,687</u>	<u>(2,630,840)</u>	<u>(1,916,145)</u>	<u>9,962,467</u>
<u>\$ 1,114,974</u>	<u>\$ 1,524,905</u>	<u>\$ 11,106,279</u>	<u>\$ 6,894,240</u>	<u>\$ (1,860,154)</u>	<u>\$ 18,780,244</u>

City of Lubbock, Texas
Statement of Net Position
Discretely Presented Component Unit
Urban Renewal Agency (URA)
September 30, 2025

ASSETS	
Restricted assets:	
Investment in Property	\$ 206,518
Mortgage receivables	<u>908,456</u>
Total assets	<u><u>\$ 1,114,974</u></u>
LIABILITIES	
Total liabilities	<u>\$ -</u>
NET POSITION	
Restricted for:	
Special revenue	<u>1,114,974</u>
Total net position	<u><u>\$ 1,114,974</u></u>

City of Lubbock, Texas
Statement of Revenues, Expenses and
and Changes in Fund Net Position
Discretely Presented Component Unit
Urban Renewal Agency (URA)
For Fiscal Year Ended September 30, 2025

OPERATING REVENUES	
Other services and charges	\$ 3,142
Interest income	<u>42,408</u>
Total operating revenues	<u>45,550</u>
OPERATING EXPENSES	
Other services and charges	<u>289,432</u>
Total operating expenses	<u>289,432</u>
Operating income	<u>(243,882)</u>
NONOPERATING REVENUES (EXPENSES)	
Disposition of property	(30,422)
Miscellaneous	<u>(10,657)</u>
Nonoperating revenues (expenses)	(41,079)
Change in net position	(284,961)
Total net position - beginning	<u>1,399,935</u>
Total net position - ending	<u><u>\$ 1,114,974</u></u>

City Of Lubbock, Texas
Statement of Cash Flows
Urban Renewal Agency
For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ 257,681
Payments to suppliers	(289,432)
Payments to employees	-
Other receipts (payments)	<u>(10,657)</u>
Net cash provided (used) by operating activities	<u>(42,408)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	-
Purchase of investments	-
Interest earnings on cash and investments	42,408
Net cash provided by (used for) investing activities	<u>42,408</u>
Net increase (decrease) in cash and cash equivalents	-
Cash and cash equivalents - beginning of year	<u>-</u>
Cash and cash equivalents - end of year	<u><u>-</u></u>

**Reconciliation of operating income (loss) to net cash provided
(used) by operating activities:**

Operating income (loss)	(286,290)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Other income (expense)	(10,657)
Change in current assets and liabilities:	
Mortgage receivable	<u>254,539</u>
Net cash provided (used) by operating activities	<u>(42,408)</u>

Supplemental cash flow information:

Noncash capital improvements and other changes	\$ <u><u>-</u></u>
--	--------------------

City of Lubbock, Texas
Statement of Net Position
Discretely Presented Component Unit
Vintage Township Public Facilities Corporation
September 30, 2025

ASSETS	
Total assets	<u><u>\$ -</u></u>
LIABILITIES	
Current liabilities:	
Accrued interest payable	\$ 66,154
Bonds payable	<u>61,000</u>
Total current liabilities	<u>127,154</u>
Noncurrent liabilities:	
Bonds payable	<u>1,733,000</u>
Total noncurrent liabilities	<u>1,733,000</u>
Total liabilities	<u>1,860,154</u>
NET POSITION (DEFICIT)	
Unrestricted	<u>(1,860,154)</u>
Total net position (deficit)	<u><u>\$ (1,860,154)</u></u>

City of Lubbock, Texas
Statement of Revenues, Expenses and
and Changes in Fund Net Position
Discretely Presented Component Unit
Vintage Township Public Facilities Corporation
For Fiscal Year Ended September 30, 2025

NONOPERATING REVENUES (EXPENSES)

Grants	\$ 188,299
Interest expense	<u>(132,308)</u>
Net nonoperating revenues (expenses)	<u>55,991</u>
Change in net position	55,991
Total net position (deficit) - beginning	<u>(1,916,145)</u>
Total net position (deficit) - ending	<u><u>\$ (1,860,154)</u></u>

City Of Lubbock, Texas
Statement of Cash Flows
Vintage Township Public Facilities Corporation
For the Year Ended September 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$	-
Payments to suppliers		-
Payments to employees		-
Net cash provided (used) by operating activities		<u>-</u>

CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES

Operating grants		<u>188,299</u>
Net cash provided (used) by noncapital and related financing activities		<u>188,299</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds		(54,000)
Interest paid on bonds		<u>(134,299)</u>
Net cash provided (used) for capital and related financing activities		<u>(188,299)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

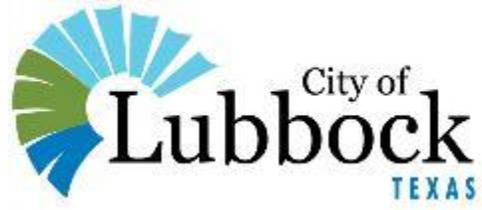
Proceeds from sales and maturities of investments		-
Purchase of investments		-
Interest earnings on cash and investments		<u>-</u>
Net cash provided by (used for) investing activities		<u>-</u>
Net increase (decrease) in cash and cash equivalents		-
Cash and cash equivalents - beginning of year		<u>-</u>
Cash and cash equivalents - end of year		<u><u>-</u></u>

Reconciliation of operating income (loss) to net cash provided (used) by operating activities:

Operating income (loss)		-
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Accounts receivable		<u>-</u>
Net cash provided (used) by operating activities		<u>-</u>

Supplemental cash flow information:

Noncash capital improvements and other changes	\$	<u><u>-</u></u>
--	----	-----------------



City of Lubbock, Texas
Statistical Section
(Unaudited – for Analytical Purposes Only)
September 30, 2025

The following portion of the City of Lubbock Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information regarding the City’s overall financial health.

TABLE **CONTENTS**

Financial Trends - *These tables contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.*

- Entity-wide information:
- A Net position by component, last ten fiscal years
- B Changes in net position, last ten fiscal years
- Governmental funds information:
- C Fund balance, last ten fiscal years
- D Changes in fund balances, last ten fiscal years

Revenue Capacity - *These tables contain information to help the reader assess one of the City’s most significant revenue sources, the property tax.*

- E Tax revenues by source, last ten fiscal years
- F Assessed and estimated actual value of taxable property, last ten fiscal years
- G Principal taxpayers, current year and nine years ago
- H Property tax levies and collections, last ten fiscal years
- I Property tax rates - direct and overlapping governments, last ten fiscal years

Debt Capacity - *These tables present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.*

- J Ratio of outstanding debt by type, last ten fiscal years
- K Ratio of net general bonded debt to assessed value and net bonded debt per capita, last ten fiscal years
- L Computation of legal debt margin, last ten fiscal years
- M Revenue bond coverage – LP&L and Water Bonds, last ten fiscal years
- N Ratio of annual debt service expenditures for general obligation bonded debt to total general governmental expenditures
- O Computation of direct and overlapping bonded debt - general obligation bonds in governmental activities

Demographic and Economic Information - *These tables offer demographic and economic indicators to help understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.*

- P Demographic statistics, last ten years
- Q Principal employers, current year and nine years ago

Operating Information - *These tables contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and activities it performs.*

- R Full-time equivalents city government employees by function, last ten fiscal years
- S Operating indicators by function/program, last ten fiscal years
- T Capital assets statistics by function/program, last ten fiscal years

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

CITY OF LUBBOCK, TEXAS
Table A - Net Position by Component

Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	\$ 478,850	\$ 422,576	\$ 358,630	\$ 310,186	\$ 253,191	\$ 221,288	\$ 186,559	\$ 152,999	\$ 126,549	\$ 107,639
Restricted	55,375	50,852	36,508	30,605	27,909	27,866	26,958	22,597	20,190	17,194
Unrestricted	(137,113)	(134,285)	(123,838)	(124,563)	(137,923)	(160,126)	(166,772)	(160,028)	(120,441)	(97,536)
Total governmental activities net position	\$ 397,112	\$ 339,143	\$ 271,300	\$ 216,228	\$ 143,177	\$ 89,028	\$ 46,745	\$ 15,568	\$ 26,298	\$ 27,297
Business-type activities										
Net investment in capital assets	1,132,639	1,047,325	1,040,403	996,595	931,616	870,350	810,898	764,280	730,908	676,613
Restricted	85,319	89,833	80,625	81,977	74,355	63,638	50,997	32,147	39,889	38,728
Unrestricted	124,917	127,378	56,485	92,406	75,453	92,759	99,196	121,879	99,534	100,079
Total business-type activities net position	\$ 1,342,875	\$ 1,264,536	\$ 1,177,513	\$ 1,170,978	\$ 1,081,424	\$ 1,026,747	\$ 961,091	\$ 918,306	\$ 870,331	\$ 815,420
Primary Government										
Net investment in capital assets	1,611,489	1,469,901	1,399,033	1,306,781	1,184,807	1,091,638	997,457	917,279	857,457	784,252
Restricted	140,694	140,685	117,133	112,582	102,264	91,504	77,955	54,744	60,079	55,922
Unrestricted	(12,196)	(6,907)	(67,353)	(32,157)	(62,470)	(67,367)	(67,576)	(38,149)	(20,907)	2,543
Total Primary government net position	\$ 1,739,987	\$ 1,603,679	\$ 1,448,813	\$ 1,387,206	\$ 1,224,601	\$ 1,115,775	\$ 1,007,836	\$ 933,874	\$ 896,629	\$ 842,717

Beginning FY 2013 net position restated due to implementation of GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities."
Beginning FY 2015 net position restated due to implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27."
Beginning FY 2018 net position restated due to implementation of GASB Statement No. 75, "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)."

CITY OF LUBBOCK, TEXAS
Table B - Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
EXPENSES										
Governmental activities:										
Administrative services and general government	\$ 28,262,534	\$ 24,948,194	\$ 22,865,383	\$ 20,346,789	\$ 21,532,871	\$ 18,499,321	\$ 16,151,468	\$ 14,854,781	\$ 14,598,216	\$ 14,944,792
Community services	8,833,593	6,580,794	5,963,785	13,916,400	9,315,841	7,099,445	6,257,498	5,064,842	6,219,680	5,254,214
Cultural and recreation	25,375,124	23,974,155	22,142,916	19,372,136	17,903,647	18,630,068	19,543,417	18,894,418	20,145,662	19,132,813
Economic and business development	24,954,874	24,818,360	26,104,347	24,176,858	20,025,126	18,534,771	20,174,850	18,938,568	17,207,379	16,833,858
Fire	76,090,501	72,549,132	69,839,062	56,783,166	60,500,949	47,665,316	67,973,842	61,089,454	61,435,103	56,337,294
Health	14,882,879	14,235,860	14,118,024	10,918,444	10,623,328	7,120,460	6,717,959	5,790,308	5,905,200	5,702,354
Police	103,138,106	95,429,075	90,456,263	77,531,673	69,069,600	76,433,464	73,600,529	67,835,367	69,597,467	69,246,130
Other public safety	11,075,693	10,249,310	10,555,801	15,244,449	16,238,744	21,922,781	8,136,634	8,014,293	7,991,003	9,573,985
Streets and traffic	40,706,048	38,054,474	35,636,558	32,104,649	31,273,463	32,943,125	35,768,130	30,656,165	28,674,025	28,459,651
Solid Waste	26,301,631	26,434,407	25,199,298	22,147,098	18,801,094	19,575,283	19,604,313	16,820,311	-	-
Interest on long-term debt	13,958,888	14,845,260	11,130,899	12,712,394	8,475,848	10,569,582	11,326,682	11,857,748	12,348,553	12,566,751
Total governmental activities	373,579,871	352,119,021	334,012,336	305,254,056	283,762,511	278,993,616	285,255,322	259,816,255	244,122,288	238,051,842
Business-type activities:										
Electric	157,152,929	256,031,710	384,894,877	312,502,376	266,509,594	199,682,842	193,325,242	217,957,566	224,783,283	206,965,251
Water/Wastewater	140,968,006	137,259,135	125,708,930	110,359,956	113,325,126	111,443,296	101,952,908	94,690,532	84,788,838	87,463,378
Solid Waste	-	-	-	-	-	-	-	-	19,276,982	18,085,516
Storm Water	15,214,005	15,424,786	13,858,961	13,536,713	13,771,425	14,367,473	12,676,579	11,658,461	11,900,754	11,482,663
Transit	19,040,643	18,311,185	16,679,992	15,585,043	13,529,584	13,636,366	14,184,242	13,611,841	13,293,179	12,721,209
Airport	23,078,357	23,126,767	27,260,108	21,433,761	24,394,222	17,823,376	18,544,972	17,864,799	16,719,986	15,882,259
Civic Centers	4,328,139	4,169,602	4,555,913	3,408,833	3,073,298	3,885,956	4,364,240	4,147,240	4,344,371	4,865,583
Cemetery	497,655	706,140	671,173	507,682	549,490	622,854	604,329	606,304	760,032	752,734
Lake Alan Henry	550,668	596,449	633,506	539,989	537,206	535,390	462,046	390,539	382,614	359,639
Golf	2,582,149	-	-	-	-	-	-	-	-	-
Total business-type activities	363,412,551	455,625,774	574,263,460	477,874,333	435,689,945	361,997,533	346,114,558	360,929,282	376,250,039	358,578,232
Total primary government expenses	\$ 736,992,422	\$ 807,744,795	\$ 908,275,796	\$ 783,128,409	\$ 719,452,456	\$ 640,991,169	\$ 631,369,880	\$ 620,745,537	\$ 620,372,327	\$ 596,630,074
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Cultural and recreation	\$ 1,058,872	\$ 1,019,980	\$ 1,073,426	\$ 1,119,788	\$ 986,458	\$ 611,111	\$ 1,324,648	\$ 1,344,698	\$ 1,358,711	\$ 1,394,377
Other public safety	10,711,666	9,922,002	10,426,703	9,648,262	8,239,418	7,413,943	8,236,256	7,111,784	7,193,605	7,369,011
Other activities	8,445,758	7,883,063	9,168,789	6,248,025	4,331,198	3,310,544	2,902,347	2,377,728	2,354,065	2,240,458
Solid Waste	29,013,262	27,257,745	26,408,854	26,117,694	26,051,133	24,018,777	24,084,828	22,656,887	-	-
Operating grants and contributions	17,417,799	22,118,410	21,661,193	29,414,550	22,249,601	22,554,192	7,410,775	6,447,093	7,240,734	6,362,542
Capital grants and contributions	21,627,239	26,142,730	19,069,331	30,472,222	13,600,561	17,387,769	20,668,740	15,152,177	10,831,852	12,889,721
Total governmental activities program revenues:	88,274,596	94,343,930	87,808,296	103,020,541	75,458,369	75,296,336	64,627,594	55,090,367	28,978,967	30,256,109
Business-type activities										
Charges for services:										
Electric	168,119,458	268,257,463	332,150,988	339,021,968	273,843,064	213,061,262	215,456,633	246,862,911	252,069,677	230,349,802
Water/Wastewater	151,288,057	148,349,861	141,694,678	143,881,122	134,824,670	136,392,723	124,756,503	134,393,703	122,897,934	118,514,604
Solid Waste	-	-	-	-	-	-	-	-	20,738,031	20,483,239
Storm Water	22,302,986	22,298,818	23,679,141	23,653,255	22,423,463	22,226,051	25,797,905	26,401,167	25,538,337	24,970,570
Transit	5,979,120	5,805,865	5,742,741	4,932,365	4,433,573	3,988,367	5,901,555	5,872,405	5,732,262	5,638,145
Airport	17,130,858	15,152,248	12,998,392	11,499,558	9,802,801	9,940,756	12,498,983	11,640,261	9,419,404	9,335,596
Civic Centers	576,969	572,698	656,038	463,525	396,032	308,267	534,064	819,382	834,156	728,652
Cemetery	453,471	455,850	415,187	575,814	609,490	450,789	310,796	370,857	363,327	402,480
Lake Alan Henry	825,574	823,217	776,381	710,736	716,640	975,011	609,164	615,979	571,513	600,320
Golf	2,394,750	-	-	-	-	-	-	-	-	-
Operating grants and contributions	29,835,106	29,449,512	18,442,279	14,797,977	12,772,714	10,844,975	8,691,337	8,297,344	7,902,035	8,054,492

CITY OF LUBBOCK, TEXAS
Table B - Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Capital grants and contributions	38,025,101	16,963,065	25,639,393	21,109,421	33,072,973	26,341,054	17,576,344	16,465,762	15,325,835	31,914,754
Total business-type activities program revenues	436,931,450	508,128,597	562,195,218	560,645,741	492,900,420	424,529,255	412,133,284	451,739,771	461,392,511	450,992,654
Total primary government program revenues	\$ 525,206,046	\$ 602,472,527	\$ 650,003,514	\$ 663,666,282	\$ 568,358,789	\$ 499,825,591	\$ 476,760,878	\$ 506,830,138	\$ 490,371,478	\$ 481,248,763
NET (EXPENSES) AND PROGRAM REVENUES										
Governmental activities	\$ (285,305,275)	\$ (257,775,091)	\$ (246,204,040)	\$ (202,233,515)	\$ (208,304,142)	\$ (203,697,280)	\$ (220,627,728)	\$ (204,725,888)	\$ (215,143,321)	\$ (207,795,733)
Business-type activities	73,518,899	52,502,823	(12,068,242)	82,771,388	57,210,475	62,531,702	66,018,726	90,810,489	85,142,472	92,414,422
Total net (expenses) and program revenues	\$ (211,786,376)	\$ (205,272,268)	\$ (258,272,282)	\$ (119,462,127)	\$ (151,093,667)	\$ (141,165,578)	\$ (154,609,002)	\$ (113,915,399)	\$ (130,000,849)	\$ (115,381,311)
GENERAL REVENUE, SPECIAL ITEMS, AND TRANSFERS										
Governmental activities:										
Property taxes	132,115,189	125,731,679	113,376,196	109,140,028	105,517,120	103,521,290	97,439,994	89,644,354	86,301,543	80,613,271
Sales taxes	109,610,972	108,208,214	105,747,752	100,990,723	89,999,993	80,703,622	78,160,193	73,571,504	70,417,997	67,978,112
Occupancy taxes	9,929,153	9,842,670	9,763,985	9,191,083	7,483,912	5,931,465	7,855,116	7,355,293	7,025,004	6,852,082
Other taxes	2,135,046	2,152,460	2,213,535	2,017,783	1,771,582	1,471,037	1,743,275	1,662,833	1,603,945	1,562,933
Franchise taxes	34,188,162	28,845,822	32,022,103	33,393,106	29,733,044	26,325,804	9,617,200	9,332,330	9,073,332	9,279,073
Investment earnings	17,079,134	21,004,511	12,478,098	803,476	1,080,449	4,817,702	6,923,972	2,674,797	1,371,387	1,068,978
Miscellaneous	18,760,915	20,337,601	19,074,171	21,883,156	19,781,846	16,874,646	7,753,533	4,255,168	3,362,347	3,413,969
Special items: gain or (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Transfers, net	7,399,683	9,494,277	6,705,744	6,725,541	7,085,290	6,334,943	42,311,185	38,479,748	34,989,088	31,814,641
Total governmental activities	\$ 331,218,254	\$ 325,617,234	\$ 301,381,584	\$ 284,144,896	\$ 262,453,236	\$ 245,980,509	\$ 251,804,468	\$ 226,976,027	\$ 214,144,643	\$ 202,583,059
Business-type activities:										
Investment earnings	22,520,228	33,714,534	22,569,426	-	3,238,746	9,952,776	16,333,948	8,241,483	2,841,137	1,873,424
Miscellaneous	3,227,043	10,300,688	4,345,220	2,710,099	1,313,002	575,131	2,742,846	1,302,592	1,916,621	192,436
Special items: gain or (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Termination of interest rate swap	-	-	-	-	-	-	-	-	-	-
Transfers, net	(7,399,683)	(9,494,277)	(6,705,744)	(6,725,541)	(7,085,290)	(6,334,943)	(42,311,185)	(38,479,748)	(34,989,088)	(31,814,641)
Total business-type activities	\$ 18,347,588	\$ 34,520,945	\$ 20,208,902	\$ (4,015,442)	\$ (2,533,542)	\$ 4,192,964	\$ (23,234,391)	\$ (28,935,673)	\$ (30,231,330)	\$ (29,748,781)
Total primary government	\$ 349,565,842	\$ 360,138,179	\$ 321,590,486	\$ 280,129,454	\$ 259,919,694	\$ 250,173,473	\$ 228,570,077	\$ 198,040,354	\$ 183,913,313	\$ 172,834,278
CHANGES IN NET POSITION										
Governmental activities	\$ 45,912,979	\$ 67,842,143	\$ 55,177,544	\$ 81,911,381	\$ 54,149,094	\$ 42,283,229	\$ 31,176,740	\$ 22,250,139	\$ (98,678)	\$ (5,212,674)
Business-type activities	91,866,487	87,023,768	8,140,660	78,755,946	54,676,933	66,724,666	42,784,335	61,874,816	54,911,142	62,665,641
Total primary government	\$ 137,779,466	\$ 154,865,911	\$ 63,318,204	\$ 160,667,327	\$ 108,826,027	\$ 109,007,895	\$ 73,961,075	\$ 84,124,955	\$ 53,912,464	\$ 57,452,967

CITY OF LUBBOCK, TEXAS
Table C - Fund Balance of Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	\$ 148,657	\$ 150,529	\$ 130,895	\$ 137,510	\$ 141,304	\$ 158,566	\$ 154,233	\$ 121,578	\$ 119,300	\$ 107,770
Restricted	270,592	270,799	270,854	206,205	246,718	3,235,247	206,655	5,007,610	1,966,885	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	83,459,391	94,378,253	92,449,011	89,183,331	87,829,092	71,555,145	55,265,460	47,963,825	37,543,346	35,565,756
Total general fund	\$ 83,878,640	\$ 94,799,581	\$ 92,850,760	\$ 89,527,046	\$ 88,217,114	\$ 74,948,958	\$ 55,626,348	\$ 53,093,013	\$ 39,629,531	\$ 35,673,526
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	187,343,098	170,651,847	123,461,407	86,259,167	108,785,632	105,250,786	118,168,350	88,910,538	94,749,432	105,010,204
Committed	46,690,051	46,746,552	43,573,964	36,726,464	32,571,537	26,491,812	26,916,895	22,680,630	18,313,066	20,737,501
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	34,492	(14,916)	19,130	-	(533)	(122)	-	-	(621,125)	(2,469,447)
Total all other governmental funds	\$ 234,067,641	\$ 217,383,483	\$ 167,054,501	\$ 122,985,631	\$ 141,356,636	\$ 131,742,476	\$ 145,085,245	\$ 111,591,168	\$ 112,441,373	\$ 123,278,258

CITY OF LUBBOCK, TEXAS
Table D - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
REVENUES										
Taxes	\$ 253,373,772	\$ 245,485,578	\$ 230,881,320	\$ 221,184,893	\$ 205,060,544	\$ 191,327,688	\$ 185,073,679	\$ 172,268,079	\$ 165,214,167	\$ 156,881,965
Franchise taxes	34,188,162	28,845,822	32,022,103	33,393,106	29,733,044	26,325,804	9,617,200	9,332,330	9,073,332	9,279,072
Special assessments	2,655,556	2,578,630	2,116,592	1,842,756	1,576,264	1,542,553	1,427,669	1,186,366	1,196,693	972,073
Fees and fines	8,178,756	7,498,404	8,951,406	5,357,193	2,676,436	2,438,784	3,206,853	3,385,607	2,970,915	3,154,394
Licenses and permits	5,523,306	4,893,385	5,389,965	5,694,576	4,740,527	4,549,345	4,176,891	2,746,803	3,274,043	3,568,885
Intergovernmental	19,535,376	32,709,834	23,594,333	29,899,459	22,959,634	23,365,257	9,533,067	7,056,331	7,630,355	6,879,827
Charges for services	32,957,951	30,834,768	30,333,569	30,239,475	30,373,725	26,936,207	27,693,602	25,949,128	3,261,092	3,369,472
Interest	14,607,123	18,813,073	11,313,808	596,461	758,436	3,918,908	5,813,270	2,249,259	1,121,782	837,193
IRS Build America Bond subsidy	-	-	-	-	-	-	-	306,422	427,246	427,694
Miscellaneous	18,471,648	18,872,186	18,712,060	21,179,790	19,255,564	18,442,818	7,589,653	3,991,826	3,105,525	3,111,861
Total revenues	389,491,650	390,531,680	363,315,156	349,387,698	317,134,174	298,847,359	254,131,884	228,468,151	197,275,150	188,482,436
EXPENDITURES										
Current:										
Administrative services and general government	25,090,199	22,151,858	19,612,229	18,979,915	19,782,344	16,147,334	14,630,983	13,938,352	13,068,496	12,567,136
Community services	8,343,646	6,227,410	5,318,756	14,060,720	9,300,036	6,680,349	5,736,399	4,828,621	5,674,147	4,529,775
Cultural and recreation	20,299,452	19,409,428	17,409,395	16,089,629	14,342,422	13,965,338	14,755,806	14,699,119	15,153,618	13,740,289
Economic and business development	22,376,322	22,732,461	23,108,578	23,283,347	18,799,837	16,198,335	17,176,903	16,499,599	15,123,557	14,847,901
Fire	71,457,614	68,672,227	64,326,973	11,009,832	54,317,718	43,053,910	51,843,242	49,141,306	48,371,296	46,749,381
Health	13,806,444	13,586,611	13,139,769	57,780,266	10,409,362	6,424,095	5,947,787	5,286,487	5,160,284	4,792,986
Police	98,044,984	91,468,228	84,257,772	78,795,176	68,895,672	71,047,654	67,028,966	64,186,346	62,152,361	59,349,562
Other public safety	10,196,242	9,650,505	9,491,645	15,596,080	16,344,921	21,351,751	7,520,203	7,415,365	7,389,499	8,595,231
Streets and traffic	9,060,032	8,603,096	7,521,825	6,891,830	7,306,204	8,838,268	11,561,871	7,590,003	7,165,545	7,301,215
Solid Waste	22,057,162	21,614,088	19,873,947	19,041,030	15,241,865	14,610,714	14,227,434	13,132,441	-	-
Intergovernmental	-	114,355	104,947	101,979	88,429	107,386	194,959	28,067	90,482	69,671
Debt services:										
Principal	35,344,354	33,991,758	34,619,069	35,467,819	36,473,607	37,769,203	39,007,406	43,248,742	31,871,125	26,293,733
Interest and other charges	16,399,072	14,746,357	11,582,831	15,762,383	13,131,400	15,088,704	14,524,848	14,869,630	15,203,216	13,661,955
Capital outlay	72,661,475	99,258,654	65,732,450	54,472,145	47,212,309	41,847,523	42,057,859	38,712,531	33,945,200	45,440,546
Total expenditures	425,136,998	432,227,036	376,100,186	367,332,151	331,646,139	313,130,564	306,214,666	293,576,609	260,368,826	257,939,381
Deficiency of revenues under expenditures	(35,645,348)	(41,695,356)	(12,785,030)	(17,944,453)	(14,511,965)	(14,283,205)	(52,082,782)	(65,108,458)	(63,093,676)	(69,456,945)
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	70,915,000	84,260,000	61,555,000	-	59,075,538	38,026,000	59,243,627	41,718,979	33,336,596	75,465,000
Payment of refunded debt to escrow agent	(26,043,245)	7,656,572	4,432,591	-	(26,983,904)	(20,600,990)	(7,856,803)	(20,510,547)	(14,745,470)	(17,872,864)
Bond premium (discount)	4,813,899	-	-	-	5,309,885	1,194,216	7,240,311	4,084,766	2,560,230	10,646,353
Capital leases issued	-	-	-	-	-	-	-	-	-	6,591,692
Right-to-use lease proceeds	-	34,482	23,623	2,785,552	-	-	-	-	-	-
Subscription proceeds	84,189	498,887	189,405	-	-	-	-	-	-	-
Transfers in	78,303,598	64,835,630	58,198,851	60,597,455	53,829,456	51,520,962	78,989,966	96,370,476	60,402,576	63,706,307
Transfers out	(86,664,876)	(63,312,412)	(64,221,856)	(62,499,627)	(53,836,694)	(49,877,142)	(49,506,907)	(43,941,939)	(25,341,136)	(30,145,694)
Net other financing sources (uses)	41,408,565	93,973,159	60,177,614	883,380	37,394,281	20,263,046	88,110,194	77,721,735	56,212,796	108,390,794
Net change in fund balances	\$ 5,763,217	\$ 52,277,803	\$ 47,392,584	\$ (17,061,073)	\$ 22,882,316	\$ 5,979,841	\$ 36,027,412	\$ 12,613,277	\$ (6,880,880)	\$ 38,933,849
Debt service as a percentage of noncapital expenditures	14.68%	14.64%	14.89%	16.37%	17.44%	19.48%	20.27%	22.80%	20.79%	18.80%

CITY OF LUBBOCK, TEXAS
Table E - Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year	Property Tax		Sales Tax		Hotel and Motel Tax		Other Tax		Total Tax Revenues ⁽³⁾
	Revenues ⁽¹⁾		Revenues		Revenues		Revenues ⁽²⁾		
2016	80,488,838		67,978,112		6,852,082		1,562,933		156,881,965
2017	86,167,221		70,417,997		7,025,004		1,603,945		165,214,167
2018	89,678,449		73,571,504		7,355,293		1,662,833		172,268,079
2019	97,315,095		78,160,193		7,855,116		1,743,275		185,073,679
2020	103,221,564		80,703,622		5,931,465		1,471,037		191,327,688
2021	105,805,057		89,999,993		7,483,912		1,771,582		205,060,544
2022	108,985,304		100,990,723		9,191,083		2,017,783		221,184,893
2023	113,156,048		105,747,752		9,763,985		2,213,535		230,881,320
2024	125,282,234		108,208,214		9,842,670		2,152,460		245,485,578
2025	131,698,600		109,610,972		9,929,153		2,135,046		253,373,771

Notes:

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Includes bingo tax and mixed beverage tax.

(3) Excludes Franchise Fees

CITY OF LUBBOCK, TEXAS
Table F - Assessed and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ending	Real Property		Personal Property		Exemptions		Total		Ratio of total assessed value to total estimated actual value	Total Direct Rate
	Assessed value	Estimated actual value	Assessed value	Estimated actual value	All Property	Assessed value	Estimated actual value			
2016	12,882,158,966	13,361,592,620	1,984,707,241	2,010,300,306	505,026,719	14,866,866,207	15,371,892,926	96.7%	0.538020	
2017	13,970,641,963	14,479,415,338	1,977,345,557	2,014,425,875	545,853,693	15,947,987,520	16,493,841,213	96.7%	0.538020	
2018	14,842,866,044	15,402,907,644	1,998,744,101	2,006,854,629	568,152,128	16,841,610,145	17,409,762,273	96.7%	0.538020	
2019	15,677,748,201	16,239,589,207	1,960,118,288	2,024,751,187	626,473,905	17,637,866,489	18,264,340,394	96.6%	0.548020	
2020	16,524,212,137	17,185,462,873	2,131,725,105	2,269,378,591	798,904,222	18,655,937,242	19,454,841,464	95.9%	0.558020	
2021	17,318,410,371	17,976,302,600	2,234,289,406	2,401,955,595	825,558,418	19,552,699,777	20,378,258,195	95.9%	0.541573	
2022	18,473,664,661	19,158,511,489	2,398,027,654	2,491,673,622	778,492,796	20,871,692,315	21,650,185,111	96.4%	0.523230	
2023	21,042,220,104	21,785,206,688	2,566,820,014	2,719,812,628	895,979,198	23,609,040,118	24,505,019,316	96.3%	0.476762	
2024	23,518,985,428	24,342,568,058	2,773,740,197	2,954,381,530	1,004,223,963	26,292,725,625	27,296,949,588	96.3%	0.480164	
2025	25,283,559,833	26,165,689,273	3,097,478,335	3,334,126,525	1,118,777,630	28,381,038,168	29,499,815,798	96.2%	0.470120	

Source: Lubbock Central Appraisal District

Note: FY 2021 has been restated to correct an error.

CITY OF LUBBOCK, TEXAS
Table G - Principal Taxpayers
Current Year and Nine Years Ago

	Name of Taxpayer	Type of Business	FYE 2025			FYE 2016		
			Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
	Energas/Atmos Corp	Natural Gas Utility	\$ 141,824,540	1	0.50%	64,577,661	4	0.43%
	Macerich Lubbock LTD Ptrshp	Regional Shopping Mall	96,116,356	2	0.34%	\$ 130,228,592	1	0.88%
	Frontier Dodge	Auto Dealership	95,412,074	3	0.34%			
	X Fab Texas Inc	Manufacturing Facility	67,604,764	4	0.24%			
	ACC OP LLC	Student Housing	61,373,775	5	0.22%			
	CBC Centre Suites LLC	Student Housing	61,095,000	6	0.22%			
	United Supermarket LLC	Food Wholesale	60,407,366	7	0.21%	101,138,338	2	0.68%
	Westwind Realty LP	Student Housing	55,406,830	8	0.20%			
	Leprino Foods Company	Manufacturing Facility	51,991,771	9	0.18%			
	Southwestern Public Service	Electric Utility	46,666,730	10	0.16%			
	Wal Mart Stores Inc	Discount Retail Store				34,173,526	6	0.23%
	PycO Industries Inc	Cottonseed Oil Mill				82,145,742	3	0.55%
	1859 Management PTRS LP	Hotel				37,182,202	5	0.25%
	Lubbock Commercial Bldgs	Commercial				31,424,469	7	0.21%
	TTUC LLC	Student Housing				29,830,868	8	0.20%
	Southwestern Bell Telephone LP	Telephone Utility				29,600,000	9	0.20%
			<u>\$ 737,899,206</u>		<u>2.60%</u>	<u>29,500,721</u>	<u>10</u>	<u>0.20%</u>
						<u>\$ 569,802,119</u>		<u>3.83%</u>

Source: Lubbock Central Appraisal District

CITY OF LUBBOCK, TEXAS
Table H - Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ending	Taxes Levied for the Fiscal Year	Total Adjustments as of 9/30/25	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2016	78,237,757	(331,295)	77,906,462	77,183,471	98.7%	603,568	77,787,039	99.8%
2017	83,561,044	(1,092,696)	82,468,348	82,225,855	98.4%	20,042	82,245,897	99.7%
2018	88,363,187	(1,283,824)	87,079,363	86,398,109	97.8%	419,431	86,817,540	99.7%
2019	94,688,617	(370,450)	94,318,167	93,229,002	98.5%	370,088	93,599,090	99.2%
2020	100,736,320	(296,236)	100,440,084	99,230,875	98.5%	375,627	99,606,502	99.2%
2021	101,459,830	810,862	102,270,692	101,255,741	99.8%	157,059	101,412,800	99.2%
2022	104,625,208	608,665	105,233,873	104,079,511	99.5%	-	104,079,511	98.9%
2023	109,963,490	(122,433)	109,841,057	108,390,355	98.6%	-	108,390,355	98.7%
2024	123,109,846	(1,114,950)	121,994,896	120,182,548	97.6%	-	120,182,548	98.5%
2025	128,662,563	(1,043,181)	127,619,382	125,526,414	97.6%	-	125,526,414	98.4%

Source: Lubbock Central Appraisal District

CITY OF LUBBOCK, TEXAS
TABLE I - Property Tax Rates - Direct and Overlapping Governments
(per \$100 of Assessed Value)
Last Ten Fiscal Years

Fiscal Year Ending	City Direct Rates			Overlapping Rates				
	General Fund	Economic Development	Interest & Sinking Fund	Total Direct	Lubbock Independent School District (LISD)	Lubbock County (County)	High Plains Underground Water District (High Plains)	Lubbock County Hospital District (Hospital)
2016	0.39220	0.02315	0.12267	0.53802	1.23500	0.35816	0.00803	0.11501
2017	0.37825	0.02315	0.13662	0.53802	1.23500	0.35816	0.00750	0.11206
2018	0.38825	0.02315	0.12662	0.53802	1.23500	0.35816	0.00690	0.10978
2019	0.38825	0.02315	0.13662	0.54802	1.23500	0.34809	0.00670	0.10714
2020	0.40309	0.02315	0.13178	0.55802	1.16500	0.33998	0.00630	0.10519
2021	0.39867	0.02247	0.12043	0.54157	1.15140	0.33998	0.00550	0.10316
2022	0.38126	0.02171	0.12027	0.52323	1.13550	0.35999	0.00510	0.10316
2023	0.34882	0.01963	0.10832	0.47676	1.09200	0.34772	0.00469	0.10316
2024	0.35200	0.01838	0.10978	0.48016	0.92380	0.34751	0.00420	0.10316
2025	0.34413	0.01333	0.11266	0.47012	0.90830	0.33470	0.00310	0.09968

Source: Lubbock Central Appraisal District

CITY OF LUBBOCK, TEXAS
Table J - Ratio of Outstanding Debt By Type
Last Ten Fiscal Years

Fiscal Year	Governmental					Business-type					Total Primary Government	Percentage of Personal Income (a)	Per Capita (a)	
	General Obligation Bonds	Tax Note	Leases	SIB Loan	SBITA	General Obligation Bonds	Tax Note	Revenue Bonds	Leases	Notes Payable				SBITA
2016	365,513,797	-	25,549,907	-	-	767,552,642	-	140,885,848	23,449,316	2,500,000	-	1,325,451,510	11.48%	5,438
2017	348,248,886	10,791,284	15,614,548	-	-	761,858,677	7,428,716	144,117,529	14,321,325	1,250,000	-	1,303,630,965	11.10%	5,163
2018	355,747,110	20,249,968	12,077,164	-	-	704,228,328	5,545,032	233,205,483	2,798,295	-	-	1,333,851,380	10.55%	5,256
2019	372,335,270	19,752,852	6,310,604	5,000,000	-	657,941,592	4,867,145	249,516,120	1,412,717	-	-	1,317,136,300	10.07%	5,164
2020	345,815,260	23,004,918	1,608,225	6,925,000	-	518,175,998	4,275,080	358,620,066	380,731	-	-	1,258,805,278	9.15%	4,886
2021	346,596,290	20,080,591	-	6,474,285	-	421,298,232	3,214,407	708,517,332	-	-	-	1,506,181,137	10.29%	5,756
2022	310,444,900	19,582,634	2,944,937	6,011,234	-	374,828,130	1,972,363	754,023,239	600,876	-	-	1,470,408,313	9.19%	5,548
2023	341,013,993	18,651,488	3,804,387	5,535,509	885,960	326,052,238	993,512	734,753,171	528,468	-	672,463	1,432,891,189	8.60%	5,350
2024	391,787,737	24,079,405	2,744,268	5,046,764	5,122,813	296,700,789	325,594	756,127,134	439,795	-	214,353	1,482,588,652	8.51%	5,495
2025	402,929,446	27,658,956	4,543,172	4,544,642	5,325,282	191,512,204	7,706,042	824,274,193	1,969,701	-	-	1,470,463,638	8.44%	5,391

(a) See Table P for personal income and population data.

CITY OF LUBBOCK, TEXAS
Table K - Ratio of Net General Bonded Debt to Assessed Value and
Net Bonded Debt per Capita
Last Ten Fiscal Years

Fiscal year	Population*	Assessed Value (in thousands)	Gross Bonded Debt ⁽¹⁾	Debt Service Monies Available ⁽²⁾	Debt Payable from Other Government Revenues ⁽³⁾	Debt Payable from Enterprise Revenues ⁽⁴⁾	Net Bonded Debt ⁽⁵⁾	Ratio of Net Bonded Debt to Assessed Value	
								Value	Net Debt Per Capita
2016	243,736	15,947,988	1,133,066,439	2,717,936	84,137,838	707,242,657	338,968,008	2.13%	1,391
2017	252,506 ⁽⁶⁾	16,841,610	1,128,327,563	3,384,958	74,179,187	713,533,693	337,229,725	2.00%	1,336
2018	253,783 ⁽⁶⁾	17,793,732	1,085,770,438	4,619,198	55,526,409	652,027,887	373,596,944	2.10%	1,472
2019	255,067 ⁽⁶⁾	18,655,937	1,054,896,859	7,962,644	56,061,646	609,753,272	381,119,297	2.04%	1,494
2020	257,615 ⁽⁶⁾	19,233,335	891,271,256	7,877,266	53,138,620	483,798,260	346,457,110	1.80%	1,345
2021	261,675 ⁽⁶⁾	20,656,948	791,189,520	6,296,056	44,707,903	384,037,965	356,147,596	1.72%	1,361
2022	265,050 ⁽⁶⁾	23,336,227	706,828,027	3,871,499	42,671,289	344,769,945	315,515,294	1.35%	1,190
2023	267,825 ⁽⁶⁾	25,823,948	686,711,231	6,402,650	27,850,036	307,079,208	345,379,337	1.34%	1,290
2024	269,814	27,783,309	712,893,525	13,919,324	59,314,156	280,146,140	359,513,905	1.29%	1,332
2025	272,782	28,478,887	629,806,648	14,771,365	40,278,678	188,444,496	386,312,109	1.36%	1,416

*Sources: City of Lubbock GIS estimates, 2010 Census, 2020 Census

Note: (1) Includes all long-term general obligation debt. (2) Includes restricted investments in the Debt Service Fund

(3) Includes debt paid for from HUD loans, franchise fees, and hotel taxes.(4) Excludes Civic Center debt which is paid from governmental funds (5) Includes TIF debt; prior years have been corrected. (6) Prior years restated.

CITY OF LUBBOCK, TEXAS
Table L - Computation of Legal Debt Margin
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Total Taxable Property Value	28,478,887,491	27,783,309,492	25,823,948,022	23,336,226,987	20,656,947,725
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	427,183,312	416,749,642	387,359,220	350,043,405	309,854,216
General Obligation & Certificate Obligation principal payments	(70,630,000)	(66,977,900)	(68,362,858)	(69,935,000)	(78,040,000)
Capital lease principal payments	-	-	-	-	(317,136)
Margin of Indebtedness Available	\$ 356,553,312	\$ 349,771,742	\$ 318,996,362	\$ 280,108,405	\$ 231,497,080

	2020	2019	2018	2017	2016
Total Taxable Property Value	19,233,335,385	18,655,937,242	17,793,732,000	16,841,610,145	15,947,987,520
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	288,500,031	279,839,059	266,905,980	252,624,152	239,219,813
General Obligation & Certificate Obligation principal payments	(77,765,000)	(78,165,000)	(78,365,000)	(72,370,000)	(66,210,000)
Capital lease principal payments	(1,378,148)	(2,458,087)	(6,550,200)	(12,374,232)	(10,341,126)
Margin of Indebtedness Available	\$ 209,356,883	\$ 199,215,972	\$ 181,990,780	\$ 167,879,920	\$ 162,668,687

*There is no statutory debt limitation in the City Charter or under State Law. The City operates under a Home Rule Charter that limits the maximum tax rate, for all City Purposes, to \$2.50 per \$100 assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

CITY OF LUBBOCK, TEXAS
Table M - Revenue Bond Coverage - LP&L and Water Bonds
Last Ten Fiscal Years

		Net Revenue Available for Debt Service			Debt Service Requirements		
		Net Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Principal	Interest	Total
ELECTRIC BONDS:							
Fiscal Year	Net Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2016	222,951,614	176,380,524	46,571,090	10,060,000	3,476,834	13,536,834	3.44
2017	243,928,151	195,200,312	48,727,839	10,780,000	3,363,294	14,143,294	3.45
2018	239,178,553	188,265,586	50,912,967	11,515,000	2,999,119	14,514,119	3.51
2019	211,188,949	163,927,596	47,261,353	15,540,000	6,244,851	21,784,851	2.17
2020	213,061,262	162,559,076	50,502,186	15,425,000	7,152,944	22,577,944	2.24
2021	273,843,064	221,991,649	51,851,415	7,045,000	6,422,644	13,467,644	3.85
2022	339,021,968	254,653,642	84,368,326	17,165,000	12,864,064	30,029,064	2.81
2023	332,150,988	260,859,382	71,291,606	16,220,000	18,243,043	34,463,043	2.07
2024	268,257,463	155,848,277	112,409,186	18,375,000	19,481,427	37,856,427	2.97
2025	168,119,458	94,205,519	73,913,939	17,520,000	20,785,881	38,305,881	1.93
WATER BONDS:							
Fiscal Year ⁽¹⁾	Net Revenue ⁽²⁾	Direct Operating Expenses ⁽³⁾	Net Revenue Available for Debt Service	Principal ⁽⁴⁾	Interest ⁽⁴⁾	Total	Coverage
2016	80,239,689	32,755,854	47,483,835	3,236,807	2,558,769	5,795,576	8.19
2017	80,819,568	30,840,543	49,979,025	3,346,948	2,433,670	5,780,618	8.65
2018	134,393,703	44,079,446	90,314,257	3,555,180	2,185,941	5,741,121	15.73
2019	124,756,503	46,671,712	78,084,791	3,651,991	2,065,642	5,717,633	13.66
2020	136,392,723	57,815,047	78,577,676	8,197,002	4,609,613	12,806,615	6.14
2021	134,824,670	63,146,278	71,678,392	9,903,727	7,608,575	17,512,302	4.09
2022	143,881,122	61,142,240	82,738,882	16,274,233	7,942,432	24,216,665	3.42
2023	141,694,678	69,210,825	72,483,853	19,185,250	7,628,849	26,814,099	2.70
2024	148,349,861	73,806,455	74,543,406	22,486,849	7,661,173	30,148,022	2.47
2025	151,288,057	81,233,202	70,054,855	21,865,209	8,808,011	30,673,220	2.28

(1) The Water and Wastewater Systems are reported as a combined system beginning in 2018.

(2) Net Revenue is gross revenue less refunds and allowances.

(3) Direct Operating expenses exclude depreciation.

(4) Water Debt Service Requirements were corrected for 2021 and 2022.

CITY OF LUBBOCK, TEXAS
Table N - Ratio of Annual Debt Service Expenditures for
General Obligation Bonded Debt to Total General
Governmental Expenditures

Fiscal Year	Last Ten Fiscal Years					Percentage of Debt Service to Total General Expenditures
	Principal ⁽³⁾	Interest ⁽³⁾	Total Debt Service ⁽¹⁾	Total General Expenditures ⁽²⁾		
2016	14,912,306	7,118,493	22,030,799	219,106,422		10.1%
2017	15,941,391	9,327,776	25,269,167	229,677,979		11.0%
2018	19,594,185	8,909,017	28,503,202	258,698,453		11.0%
2019	19,755,000	8,706,626	28,461,626	264,483,190		10.8%
2020	20,249,132	9,921,988	30,171,120	273,258,641		11.0%
2021	20,219,341	8,040,218	28,259,559	280,176,897		10.1%
2022	20,314,283	8,600,981	28,915,264	317,474,766		9.1%
2023	19,600,000	7,540,751	27,140,751	318,075,305		8.5%
2024	19,480,000	10,749,947	30,229,947	335,054,515		9.0%
2025	21,310,000	12,983,876	34,293,876	352,490,132		9.7%

⁽¹⁾ Includes debt service requirements on General Obligation and Certificate of Obligation bonds. Excludes bonds issued in TIF, Gateway, Hotel Tax Supported, and HUD funds.

⁽²⁾ Includes General, Special Revenue, and Debt Service Funds.

⁽³⁾ Fiscal years 2018-2022 were corrected to include Solid Waste bonds.

CITY OF LUBBOCK, TEXAS
Table O - Computation of Direct and Overlapping Bonded Debt
General Obligation Bonds in Governmental Activities

	Funded Debt Outstanding at 09/30/2025	Percentage Applicable to City of Lubbock	Amount Applicable to City of Lubbock
City of Lubbock	(1) \$ 445,001,499	100.00%	\$ 445,001,499
Subtotal Directs	445,001,499		445,001,499
Lubbock County	(2) 114,745,000	80.44%	92,300,878
Lubbock Independent School District	(2) 490,150,000	98.28%	481,719,420
Lubbock-Cooper Independent School District	(2) 605,323,044	74.14%	448,786,505
Frenship Independent School District	(2) 619,945,000	76.35%	473,328,008
Idalou Independent School District	(2) 8,775,000	6.78%	594,945
New Deal Independent School District	(2) 42,385,000	42.77%	18,128,065
Roosevelt Independent School District	(2) 61,800,000	14.16%	8,750,880
Subtotal Overlapping	1,943,123,044		1,523,608,701
Total	\$ 2,388,124,543		\$ 1,968,610,200

(1) General purpose funded debt payable from ad valorem taxes in governmental activities. Also, includes all self-supporting debt and lease balances - governmental activities.

(2) "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.

CITY OF LUBBOCK, TEXAS
Table P - Demographic Statistics
Last Ten Years

Year	Population* (1)	Personal Income (in thousands) (2)	Per Capita Income* (3)	Median Age (1)	Education Level in Years of Formal Schooling			Unemployment Rate (1)
					Completed (1)	Enrollment (6)	Rate (1)	
2016	243,736	11,546,015	39,404	31.0	14.7	28,921	3.50%	(3)
2017	252,506	11,748,703	39,579	30.6	14.9	28,519	3.40%	(3)
2018	253,783 (3)	12,646,303	40,813	30.9	14.7	28,026	3.10%	(3)
2019	255,067 (3)	13,086,192	42,854 (5)	31.3	14.4	27,759 (5)	2.70%	(3)
2020	257,615 (3)	13,761,558	44,169 (5)	31.4	14.5	27,348 (5)	6.00%	(7)
2021	261,675 (3)	14,637,393	46,502 (5)	31.7	14.4	26,454 (5)	3.90%	(7)
2022	265,050 (3)	15,999,431	50,881 (5)	32.1	14.7	25,263 (5)	3.10%	(7)
2023	267,825 (3)	16,652,095	52,437 (5)	32.3	14.8	25,546 (1)	3.30%	(7)
2024	269,814 (3)	17,431,206	54,313 (5)	32.5	14.8	25,247 (1)	3.60%	(7)
2025	272,782 (3)	17,431,206	54,313 (2)	32.9	15.2	24,133 (8)	3.50%	(7)

Sources:

- (1) City of Lubbock GIS & Data Services Department
- (2) www.bea.gov
- (3) City of Lubbock Finance Department (Based on Calendar Year Average)
- (4) Texas Workforce Commission Labor Market Information
- (5) Census Bureau
- (6) Lubbock Independent School District
- (7) U.S. Bureau of Labor Statistics
- (8) National Center for Education Statistics

*Prior year data has been updated

CITY OF LUBBOCK, TEXAS
Table Q - Principal Employers
Current Year and Nine Years Ago

Employer	2025			2016		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Texas Tech University	6,418	1	3.66%	5,495	1	3.53%
Covenant Health	6,041	2	3.45%	4,823	2	3.10%
University Medical Center	5,593	3	3.19%	3,349	6	2.15%
United Supermarkets	4,291	4	2.45%	3,682	3	2.37%
TTU Health Sciences Center	3,835	5	2.19%	4,228	4	2.72%
Lubbock ISD	3,652	6	2.09%	3,511	5	2.26%
City of Lubbock	2,487	7	1.42%	2,314	7	1.49%
Frenship ISD	1,537	8	0.88%	1,083	9	0.70%
Lubbock County	1,334	9	0.76%	1,249	8	0.80%
Lubbock State Supported Living Center	833	10	0.48%	859	10	0.55%
Total	36,021		20.57%	30,593		19.67%

Source: Survey performed by City of Lubbock economic analyst based on Lubbock MSA.

CITY OF LUBBOCK, TEXAS
Table R - Full-time Equivalents City Government Employees by Function
Last Ten Fiscal Years

Function	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities:										
Administrative services and general government	108	110	110	110	109	108	103	102	99	97
Community development	14	14	14	14	12	12	12	13	13	14
Cultural and recreation	116	116	123	127	127	126	124	124	125	125
Economic and business development	11	11	11	11	11	10	8	7	7	7
Fire	461	458	446	441	439	438	435	434	429	429
Health	84	85	80	77	67	65	49	48	47	47
Police	587	579	573	573	578	577	565	555	544	545
Other public safety	109	111	105	99	91	91	90	87	83	80
Streets and traffic	121	122	122	126	131	131	131	101	89	90
Solid Waste*	100	99	99	99	96	96	96	94	-	-
Internal service	93	85	84	87	86	85	83	72	52	48
Total governmental activities	1,804	1,790	1,767	1,764	1,747	1,739	1,696	1,637	1,488	1,482
Business-type activities:										
Electric	311	328	347	346	336	335	329	324	303	303
Water/Wastewater**	235	235	228	228	224	224	219	249	171	170
Sewer**	-	-	-	-	-	-	-	-	79	76
Solid waste	-	-	-	-	-	-	-	-	113	113
Storm water	32	32	32	31	33	33	33	38	38	38
Transit	184	182	182	176	169	178	177	171	170	169
Airport	52	52	50	50	50	50	50	49	48	48
Cemetery	6	6	6	6	6	6	6	6	7	7
Civic Centers	18	18	18	18	16	16	16	21	27	27
Lake Alan Henry	2	2	2	2	2	2	2	1	1	1
Internal service	6	13	12	6	6	6	6	15	31	29
Total business-type activities	846	868	877	863	842	850	838	874	988	981
Total	2,650	2,658	2,644	2,627	2,589	2,589	2,534	2,511	2,476	2,463

Source: City of Lubbock Budget Department

*Solid Waste was incorporated into the General Fund in FY 2017-18

**Water/Wastewater were combined for FY 2017-18

CITY OF LUBBOCK, TEXAS
Table S - Operating Indicators by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Cultural and Recreation Services										
Civic Center number of events with greater than 500 attendees	107	121	101	98	44	67	149	220	226	195
Library Visits	374,604	345,337	296,947	279,194	223,473	278,057	466,094	453,736	466,606	467,939
Softball Team Registrations	142	202	237	192	132	114	155	254	254	314
Community Center Attendance	30,130	45,276	46,469	45,261	47,749	79,510	157,018	180,490	166,153	169,401
Senior Center Attendance	35,824	34,869	56,591	56,074	46,432	82,272	132,805	133,527	138,245	142,061
Garden and Arts Attendance	17,178	21,864	16,832	13,250	11,820	7,713	21,334	27,008	37,726	28,916
Other Public Safety										
Construction Permits	9,098	5,570	5,706	5,427	6,399	8,719	8,273	7,784	3,714	3,522
Building Department Inspections	50,127	56,559	58,464	73,540	65,548	59,822	46,724	49,050	65,056	60,334
Police										
Police Reports Processed	84,571	84,156	97,657	89,042	92,545	89,390	90,007	85,139	91,524	82,472
Police Crime/Incident Reports	35,721	37,217	40,883	41,852	44,457	44,381	47,223	44,930	36,479	49,693
Police Calls	485,034	412,906	515,128	729,523	704,151	696,728	586,776	565,324	563,881	382,746
Fire										
Public Fire Safety Education Presentations	889	723	600	1,546	415	0	950	923	940	1,042
Fire/Arson Investigations Conducted	218	200	219	259	234	246	220	179	173	156
Inspection Activities Performed	3,541	3,353	3,295	3,561	4,129	6,733	2,640	1,749	2,464	2,145
LP&L										
Average daily consumption (kwh)	6,937,376	6,953,592	7,050,299	7,111,600	7,049,552	7,095,924	7,105,898	7,175,924	7,309,335	7,331,135
Water										
Average daily consumption (gal)	41,465,000	41,712,000	43,408,000	37,110,000	34,457,140	35,264,249	31,621,312	34,559,677	32,353,126	33,178,203
Airport										
Number of airline passengers explained (annual projection)	585,587	574,021	541,474	491,092	366,837	333,981*	537,394*	493,997*	471,565	463,621
Daily average of airplane departures and landings	218	223	237	256	230*	226*	251*	234*	208	199
Number of major airlines	3	3	3	3	3	3	3	3	3	3
Number of scheduled daily flights	21	20	21	20	19	14	21	20	18	18

Source: City of Lubbock Departments *Note: FY 2018-21 updated to reflect actuals.

CITY OF LUBBOCK, TEXAS
Table T - Capital Assets Statistics by Function/Program
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Streets and Traffic Engineering										
Miles of Streets Paved	1,344	1,293	1,260	1,254	1,219	1,208	1,195	1,192	1,178	1,127
Miles of Streets Unpaved	51	57	57	57	58	59	61	63	57	62
Fire										
Number of stations	20	19	19	19	19	19	19	19	19	19
Number of fire fighters and officers (civil service)	434	429	410	410	406	406	404	404	404	404
Police										
Number of stations	4	4	4	4	4	1	1	1	1	1
Number of authorized police officers	454	451	445	445	440	465	465	443	433	433
Culture and Recreation Services										
Number of parks and playgrounds	141	141	138	138	138	138	137	137	141	141
Number of dog parks	4	4	3	3	2	2	2	2	-	-
Number of recreation centers	8	4	9	9	9	9	9	9	9	9
Number of golf courses	1	1	1	1	1	1	2	2	2	2
Number of swimming pools	0	0	1	4	4	4	4	4	4	4
Number of auditoriums/coliseums	0	0	0	0	0	0	1	2	2	2
Number of amphitheaters	1	1	1	1	1	1	1	1	1	1
Number of civic centers	1	1	1	1	1	1	1	1	1	1
Number of libraries (excl. education)	4	4	4	4	4	4	4	4	4	4
LP&L										
Number of meters	112,213	111,539	111,230	110,208	108,557	107,899	107,240	106,555	105,788	104,103
Number of sub-stations	41	41	41	41	41	38	38	37	37	37
Number of steam turbines	6	6	6	6	6	6	6	6	6	6
Number of diesel engines	-	-	-	-	-	-	-	-	-	-
Number of gas turbine engines	4	4	4	4	4	4	4	4	4	4
Miles of distribution lines	4,481	4,469	4,475	4,485	4,526	4,393	4,324	4,312	4,322	4,831
Miles of transmission lines	195	195	174	174	174	89	112	105	105	105
Water										
Number of meters	103,659	101,854	100,014	97,709	95,701	92,291	90,046	88,834	87,370	85,761
Miles of distribution lines	2,231	2,223	2,183	2,128	2,011	1,901	1,859	1,780	1,747	1,727
Number of fire hydrants	7,972	7,871	7,723	7,590	7,403	7,133	6,874	6,670	6,491	6,359
Number of water wells (active)	175	175	175	175	175	175	175	175	175	175
Acres of water rights	246,547	246,547	246,547	246,547	246,547	246,547	246,547	246,547	246,547	246,547
Number of gallons allocated annually by Canadian River Municipal Water Authority (in millions of gallons)	10,747	10,747	10,747	10,747	10,747	10,747	10,747	10,747	10,747*	9,057
Sewer										
Miles of sanitary sewer lines	1,345	1,328	1,315	1,301	1,275	1,242	1,212	1,203	1,181	1,152

Source: City of Lubbock Departments
 *Note: FY 2017 Canadian River Municipal Water Authority made a mid-year adjustment to the number of gallons allocated annually.
 **Note: FY 2013-2015 corrections were made for the number of gallons allocated annually by Canadian River Municipal Water Authority.

City of Lubbock, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
<u>U. S. DEPARTMENT OF HOUSING & URBAN DEVELOPMENT</u>				
Direct Programs:				
Community Development Block Grant 24-25	14.218	B-24-MC-48-0022	\$ 541,486	\$ 1,235,231
Community Development Block Grant 23-24	14.218	B-23-MC-48-0022	342,361	911,625
Community Development Block Grant 22-23	14.218	B-22-MC-48-0022	13,138	477,732
Total CDBG Entitlement Grants Cluster			<u>896,985</u>	<u>2,624,588</u>
Emergency Solutions Grant 24-25	14.231	E-24-MC-48-0022	192,730	197,378
Emergency Solutions Grant 23-24	14.231	E-23-MC-48-0022	184,000	198,147
Emergency Solutions Grant 22-23	14.231	E-22-MC-48-0022	123,437	131,710
Total Assistance Listing Number 14.231			<u>500,167</u>	<u>527,235</u>
HOME Program 24-25	14.239	M-24-MC-48-0205	-	95,291
HOME Program 23-24	14.239	M-23-MC-48-0205	-	79,866
COVID-19 ARPA HOME Program 21-22	14.239	M-21-MP-48-0205	672,000	729,476
HOME Program 22-23	14.239	M-22-MC-48-0205	-	176,456
HOME Program 20-21	14.239	M-20-MC-48-0205	-	631,130
Total Assistance Listing Number 14.239			<u>672,000</u>	<u>1,712,219</u>
Total U. S. Department of Housing & Urban Development			<u>2,069,152</u>	<u>4,864,042</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>				
Passed through Texas Office of Justice Programs:				
Byrne Memorial (JAG 24)	16.738	15PBJA-24-GG-05291-JAGX	97,608	193,775
Byrne Memorial (JAG 23)	16.738	15PBJA-23-GG-03842-JAGX	-	114,355
Byrne Memorial (JAG 22)	16.738	15PBJA-22-GG-02184-JAGX	-	57,507
Total Assistance Listing Number 16.738			<u>97,608</u>	<u>365,637</u>
Internet Crimes Against Children Task Force 24-25	16.800	15PJDP-22-GK-04883-MECP	-	16,990
Total Assistance Listing Number 16.800			<u>-</u>	<u>16,990</u>
Passed through The Institute for Intergovernmental Research:				
Reaching Rural Implementation 2024	16.838	15PBJA-21-GK-01074-MUMU	-	73,392
Total Assistance Listing Number 16.838			<u>-</u>	<u>73,392</u>
Total U. S. Department of Justice			<u>97,608</u>	<u>456,019</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Programs:				
Federal Aviation Administration:				
Reconstruct Runway Lighting	20.106	3-48-0138-060-2025	-	166,397
Terminal Building Mechanical Upgrades	20.106	3-48-0138-058-2024	-	3,809,424
Extend Twy L Design & Bidding Services	20.106	3-48-0138-061-2025	-	6,008
Extend Twy L Preliminary Engineering	20.106	3-48-0138-059-2024	-	1,874,059
Terminal Building Electrical Upgrades	20.106	3-48-0138-057-2023	-	3,767,265
COVID-19 ARPA - Airport Rescue Grant 2021	20.106	3-48-0138-052-2021	-	177,655
Total Assistance Listing Number 20.106			<u>-</u>	<u>9,800,808</u>
Federal Transit Administration:				
5339 Funds Buses & Bus Facilities 23-24	20.526	TX-2025-153	-	133,970
5339(c) Low-No Bus Purchase 21-22	20.526	TX-2023-120	-	12,647,412
5339 Funds Buses & Bus Facilities 22-23	20.526	TX-2024-008	-	453,187
5339(c) Low-No Bus Purchase FY 18-19	20.526	TX-2019-020-00	-	30,000
COVID-19 5307 Funds - CARES Act Operating and Equipment 2020	20.507	TX-2020-165-00	-	23,313
5307 Funds - Capital, Operating and Planning 24-25	20.507	N/A	-	3,322,898
5307 Funds - Capital, Operating and Planning 23-24	20.507	TX-2025-152	-	1,220,452
COVID-19 5307 Funds - ARPA Act Operating and Planning 2021	20.507	TX-2023-034	-	286,385
5307 Funds - Capital, Operating and Planning 20-21	20.507	TX-2021-113	-	139,083
5307 Funds - Capital, Operating and Planning 19-20	20.507	TX-2020-168-00	-	25,417
Total Federal Transit Cluster			<u>-</u>	<u>18,282,117</u>
5310 Funds - FED CAP & NF 24-25	20.513	N/A	-	143,636
5310 Funds - FED CAP & NF 23-24	20.513	TX-2024-118	-	178,384
Total Transit Services Programs Cluster			<u>-</u>	<u>322,020</u>
Federal Highway Administration:				
Passed through Texas Department of Transportation:				
Under the Unified Planning Work Program:				
Lubbock Metropolitan Planning Organization 24-25	20.205	50-20XF0005	-	722,520
Total Highway Planning and Construction Cluster			<u>-</u>	<u>722,520</u>
Passed through Texas Department of Transportation:				
COVID-19 ARPA 5304 Federal Planning 21-22	20.505	TX-2023-030	-	40,846
5304 Federal Planning 21-22	20.505	PLN-2022-LUBBOCK-00025	-	476,780
Total Assistance Listing Number 20.505			<u>-</u>	<u>517,626</u>
Passed through Texas Department of Transportation:				
Safety City Providing Education Today for a Safer Tomorrow 24-25	20.600	2025-LubbockP-G-1YG-0172	-	20,972
Total Highway Safety Cluster			<u>-</u>	<u>20,972</u>
Passed through Texas Department of Transportation:				
Safe Streets and Roads for All FY24-25	20.939	693JJ32340211	-	141,829
Total Assistance Listing Number 20.939			<u>-</u>	<u>141,829</u>
Total U. S. Department of Transportation			<u>\$ -</u>	<u>\$ 29,807,892</u>

City of Lubbock, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
U.S. Department of the Treasury				
Direct Programs:				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027	SLFRP2653	\$ 405,368	\$ 14,891,972
Total Assistance Listing Number 21.027			<u>405,368</u>	<u>14,891,972</u>
Total U.S. Department of the Treasury			405,368	14,891,972
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through South Plains Association of Governments:				
Special Program for the Aging Title III B 24-25	93.044	83124-17-A100	-	34,302
Special Program for the Aging Title III C 24-25	93.045	83124-17-A100	-	143,692
Total Aging Cluster			<u>-</u>	<u>177,994</u>
Passed through Texas Department of State Health Services:				
Public Health Emergency Preparedness 25-26	93.069	HHS001439500038	-	61,479
Public Health Emergency Preparedness 24-25	93.069	HHS001439500038	-	200,596
Total Assistance Listing Number 93.069			<u>-</u>	<u>262,075</u>
Immunization / Locals 25-26	93.268	HHS001331300015	-	19,198
Immunization / Locals 24-25	93.268	HHS001331300015	-	83,854
COVID-19 Immunizations Vaccine Capacity	93.268	HHS001019500024	-	102,329
Total Assistance Listing Number 93.268			<u>-</u>	<u>205,381</u>
COVID-19 IDCU - COVID Cares/Expansion Grant	93.323	HHS000812700012	-	73,253
Total Assistance Listing Number 93.323			<u>-</u>	<u>73,253</u>
COVID-19 Health Disparities Grant	93.391	HHS001057600030	-	58,892
Total Assistance Listing Number 93.391			<u>-</u>	<u>58,892</u>
Public Health Infrastructure, Workforce, and Data Systems 24-25	93.967	HHS001310400001	-	579,197
Total Assistance Listing Number 93.967			<u>-</u>	<u>579,197</u>
STD/HIV Disease Intervention Specialists 2026	93.977	HHS001120300005	-	57,832
STD/HIV Disease Intervention Specialists 2025	93.977	HHS001120300005	-	212,364
STD/HIV Disease Intervention Specialists 2024	93.977	HHS001120300005	-	102,061
Total Assistance Listing Number 93.977			<u>-</u>	<u>372,257</u>
Preventive Health & Health Services Block Grant (RLSS/LPHS) 25-27	93.991	HHS001324900033	-	15,549
Preventive Health & Health Services Block Grant (RLSS/LPHS) 23-25	93.991	HHS001324900033	-	44,325
Total Assistance Listing Number 93.991			<u>-</u>	<u>59,874</u>
Passed through Texas Health and Human Services Commission:				
Medicaid Administrative Claiming Program (MAC) 24-25	93.778	HHS000537900338	-	32,491
Total Medicaid Cluster			<u>-</u>	<u>32,491</u>
Community Coalition Partnership 25-26	93.959	HHS001081400002	-	12,756
Prevention Resource Centers Program 25-26	93.959	HHS001081400002	-	9,459
Community Health Workers Grant Program 25-26	93.959	HHS001606300006	-	25,583
Community Coalition Partnership 24-25	93.959	HHS001081400002	-	129,383
Prevention Resource Centers Program 24-25	93.959	HHS001081400002	-	243,415
Administration Substance Use Disorder Services 24-25	93.959	HHS000779500001	-	197,441
Community Health Workers Grant Program 24-25	93.959	HHS000780500002	-	308,205
Substance Use Disorder Treatment - Co-Occurring Psychiatric & Substance Use Disorder	93.959	HHS000779500006	-	4,859
Substance Use Disorder Treatment - Treatment Adult - Specialize Female 21-23	93.959	HHS000779500004	-	360,592
Substance Use Disorder Treatment - Youth Treatment Services 21-23	93.959	HHS000779500003	-	24,938
Substance Use Disorder Treatment - Treatment Adult Services 21-23	93.959	HHS000779500002	-	1,791,680
UTAUS - IHCP Grant Program FY 24-25	93.959	HHS001190300001	-	237,493
Total Assistance Listing Number 93.959			<u>-</u>	<u>3,345,804</u>
Passed through Texas Department of Housing & Comm. Affairs:				
Comprehensive Energy Assistance Program (CEAP) 2025	93.568	58250004375	126,477	1,494,733
Comprehensive Energy Assistance Program (CEAP) 2024	93.568	58240004013	59,045	442,903
Total Assistance Listing Number 93.568			<u>185,522</u>	<u>1,937,636</u>
Total U. S. Department of Health & Human Services			185,522	7,104,854
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 2,757,650	\$ 57,124,779

CITY OF LUBBOCK, TEXAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2025

(1) General

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal award activity of the City under programs of the federal government for the year ended September 30, 2025. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

(2) Basis of Accounting

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized, as applicable, either under the cost principles in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The City has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

(3) Outstanding Loans

The federal loan programs listed subsequently are administered directly by the City, and balances and transactions relating to these programs are included in the City’s basic financial statements. Loans outstanding at the beginning of the year and loans made during the year are included in the federal expenditures presented in the Schedule. There are no continuing compliance requirements at September 30, 2025. The balance of loans outstanding at September 30, 2025 consist of:

Federal Assistance Listing		Outstanding Balance at
Number	Program Name	September 30, 2025
14.218	Community Development Block Grant	\$ 29,887
14.239	HOME Program	1,308,677
14.240	HOPE 3 Program	449,279
66.458	Texas Water Development Board	<u>43,070,000</u>
	Total	<u>\$ 44,857,843</u>

City of Lubbock, Texas
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2025

STATE GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	State Awards Expended
Texas Department of State Health Services				
Epidemiology Capacity Expansion Grant (IDPS/SUR) 25-27	N/A	HHS001315700012	\$ -	\$ 9,120
Preventive Health & Health Services Block Grant (RLSS/LPHS) 25-27	N/A	HHS001324900033	-	3,607
HIV Prevention Services Grant 2024	N/A	HHS000077800035	-	47,713
HIV Clinical HIV/STI Prevention in Community Health Centers	N/A	HHS001348300008	-	171,527
HIV Prevention Services Grant 2025	N/A	HHS001326300014	-	98,158
Immunization / Locals 24-25	N/A	HHS001331300015	-	123,921
Epidemiology Capacity Expansion Grant (IDPS/SUR) 23-25	N/A	HHS001315700012	-	54,332
Preventive Health & Health Services Block Grant (RLSS/LPHS) 23-25	N/A	HHS001324900033	-	34,539
Total Texas Department of State Health Services			-	542,917
Texas State Library and Archives Commission				
Interlibrary Loan Lending Reimbursement Program 24-25	N/A	904146	-	6,024
Total Texas State Library and Archives Commission			-	6,024
Texas Division of Emergency Management				
Texas Summer Weather Deployment 2025	N/A	SPA-25-0026	-	145,168
Texas Crabapple FMAG Deployment 2025	N/A	SPA-25-0015	-	6,243
Texas Severe Weather Deployment 2025	N/A	SPA-24-0023	-	166,749
Texas Winter Weather Deployment 2025	N/A	SPA-25-0003	-	5,095
California Wildfire Deployment FY 2025	N/A	SPA-CA-3264	-	107,722
TIFMAS - Wildfire Season FY 2025	N/A	SPA-25-0001	-	356,906
Total Texas Division of Emergency Management			-	787,883
Texas Department of Transportation				
5307 Funds - FY 24 State Operation	N/A	STATE-U-2025-LUBBOCK-00102	-	682,788
Total Texas Department of Transportation			-	682,788
TOTAL STATE FINANCIAL ASSISTANCE			\$ -	\$ 2,019,612

CITY OF LUBBOCK, TEXAS
Notes to Schedule of Expenditures of State Awards
For the Year Ended September 30, 2025

(1) *General*

The accompanying schedule of expenditures of state awards presents the activity of all applicable state awards of the City. The City's reporting entity is defined in Note 1 to the City's basic financial statements. State awards received directly from the state agencies, not passed through the State by the Federal Government, as well as state awards passed through other government agencies are included on the schedule.

(2) *Basis of Accounting*

The accompanying schedule of state awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's basic financial statements.

(3) *Relationship to State Financial Reports*

Grant expenditure reports as of September 30, 2025, which have been submitted to grantor agencies will, in some cases, differ slightly from amounts disclosed herein. The reports prepared for grantor agencies are typically prepared at a later date and often reflect refined estimates of the year-end accruals. The reports will agree at termination of the grant as the discrepancies noted are timing differences.

**Independent Auditor's Report on Internal Control over
Financial Reporting and on Compliance and Other Matters
Based on an Audit of the Financial Statements Performed
in Accordance with *Government Auditing Standards***

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

We have audited, 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Lubbock, Texas (the City) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated February 16, 2026.

Our report includes a reference to other auditors who audited the financial statements of Civic Lubbock, Inc., Market Lubbock Economic Development Corporation d/b/a Market Lubbock, Inc. and Lubbock Economic Development Alliance, as described in our report on the City's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors.

Report on Internal Control over Financial Reporting

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

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

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

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

Report on Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City'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 City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 16, 2026

**Independent Auditor's Report on Compliance for Each
Major Program and on Internal Control over Compliance
Required By the Uniform Guidance and the
Texas Grant Management Standards**

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

Report on Compliance for Each Major Federal and State Program

Opinion on Each Major Federal and State Program

We have audited the City of Lubbock, Texas' (the City) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* and *Texas Grant Management Standards* (TxGMS) issued by the Texas Comptroller of Public Accounts Statewide Procurement Division that could have a direct and material effect on each of the City's major federal and state programs for the year ended September 30, 2025. The City's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended September 30, 2025.

Basis for Opinion on Each Major Federal and State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and *Texas Grant Management Standards* (TxGMS) issued by the Texas Comptroller of Public Accounts Statewide Procurement Division. Our responsibilities under those standards and the Uniform Guidance and TxGMS are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal and state programs.

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and TxGMS we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Honorable Mayor and
Members of the City Council
of the City of Lubbock, Texas

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance and TxGMS. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 16, 2026

City of Lubbock, Texas
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended September 30, 2025

Section 1. Summary of Auditor’s Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes X None reported

Noncompliance material to the financial statements noted? _____ Yes X No

Federal and State Awards

An unmodified opinion was issued on compliance for each major program.

Internal control over major program:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes X None reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) or the Texas Grant Management Standards? _____ Yes X No

Identification of major programs:

<u>Identification Number(s)</u>	<u>Name of Program or Cluster</u>
14.239	HOME Investment Program
20.106	Airport Improvement Program
20.507, 20.526	Federal Transit Cluster
93.959	Block Grants for Prevention and Treatment of Substance Abuse
STATE	5307 Funds – FY24 State Operation

Dollar threshold used to distinguish between Type A and Type B federal programs: \$ 1,713,473

Dollar threshold used to distinguish between Type A and Type B state programs: \$ 1,000,000

Auditee qualified as low-risk auditee for federal single audit? X Yes _____ No

City of Lubbock, Texas
Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2025

Section 2. Financial Statement Findings

None

Section 3. Federal and State Award Findings and Questioned Costs

None

Section 4. Schedule of Prior Year Findings and Questioned Costs

None

