

ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR THE FISCAL YEAR ENDED

SEPTEMBER 30, 2024





Annual Comprehensive Financial Report
List of Elected and Appointed Officials
For the Fiscal Year Ended September 30, 2024

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
Linda Cuellar, CPA	Director of Accounting
Cheryl Brock	Director, Financial Planning & Analysis
Brack Bullock, CPA	Accounting Manager
Veronica Valderaz	Accounting Manager
Amber Magar, CPA	Capital Program Finance Manager
Deborah Hansard	Senior Accountant
Amber Aguilar	Senior Accountant
Ollie Cortez	Senior Accountant
Esmeralda Albert	Senior Accountant
Harvey Hall	Chief Financial Officer, LP&L
Kacey Sylvia	Director of Finance, LP&L

City of Lubbock, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2024

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

February 25, 2025

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 ended September 30, 2024. 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.

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 2024 population is 269,814. The City covers approximately 144.45 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 blended 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), electric, 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 2024. The construction of the Police Headquarters facility has been completed, and it is now fully operational. Additionally, the construction of a Property and Evidence Warehouse began in 2023, and is expected to be completed in early 2025. 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 recruit classes in 2025. As of October 1, 2024, the Police Department has a budget for 454 sworn officers and 128 civilian personnel, with a total of 434 officer positions currently filled, including 20 police trainees in the training pipeline. In fiscal year 2024, the Police Department responded to a total of 238,599 dispatched calls for service, achieving an average response time of 6 minutes and 22 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, 2024, the Fire Department operated 19 fire stations, the Emergency Operations Center, and the Lubbock Fire Marshal Office. These facilities were staffed with 429 sworn firefighters and 34 civilians. 5 additional sworn positions are authorized for FY 2024-25, with a reduction of 6 civilian positions, bringing our total employee count to 462. Effective October 1, 2024 Emergency Management will become a separate department from Lubbock Fire Rescue, which accounts for 5 of the 6 civilian position reductions. Station 20 is currently under construction, with a completion date in FY 2024-25. In FY 2023-24, the Fire Department responded to 28,643 calls, an average of 78 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, 2024, LP&L owns and maintains 111,539 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 6,954 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,
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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. 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. A contract will be completed soon with the Veteran's Land Board on behalf of the West Texas State Veteran's Cemetery. As of September 30, 2024, the water system consisted of 102,086 meters and 2,197 miles of distribution lines.

The City's most current Strategic Water Supply Plan was adopted by City Council in February 2019. The Plan includes an emphasis on water conservation strategies and includes strategies for supplying Lubbock with water for the next 100-years. The City has nearly completed the strategic water supply plan for 2024. 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 12.73 billion gallons of water in FY 2023-24. The City's 5-year average per capita consumption for FYE 2024 was 129 gallons per capita per day (gpcd). The peak capacity of the City's water supply and treatment was 74 million gallons per day, with an average utilization of 35 million gallons per day. The City's aggressive water conservation initiatives are instrumental in helping push back the need for additional water supplies even with a growing population.

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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 8.21 billion gallons of its annual water supply from CRMWA in FY 2023-24. 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. Throughout the year to increase peak capacity up to 28 million gallons per day, CRMWA supplies additional water from Lake Meredith, which has recently risen to greater than 40 percent capacity.

The Bailey County Well Field contains 175 active water wells with 83,305 acres of water rights, providing 2.27 billion gallons of the City's annual water supply in FYE 2024. The City will add additional wells to the Bailey County Well Field as needed to restore some of the well 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 is capable of providing 11 million gallons of water per day to the City. Lake Alan Henry supplied 2.86 billion gallons of the City's annual water supply in FYE 2024. The lake is currently at full 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, 2024, the collection system consisted of approximately 1,328 miles of sanitary sewer lines and 37 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 19.9 million gallons per day. The peak utilization of the SEWRP is 27 million gallons per day. The treated wastewater is disposed of or reused in various ways. In FY 2023-2024, approximately 40 percent of the SEWRP wastewater was used to irrigate crops at the Lubbock Land Application Site and at the Hancock Land Application Site. In addition, Xcel Energy used approximately 17 percent of the treated wastewater and 42 percent was discharged into the North Fork of the Double Mountain Fork (North 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. Most recently, the NWWRP discharged on average 1.5 million gallons per day of high-quality stream effluent. The permitted capacity of the NWWRP is 3 million gallons per day. Stream quality effluent from this plant is discharged into the North Fork of the Brazos River. All solids generated at the NWWRP are sent to the SEWRP for processing.

As part of the City's strategic water supply planning, projects are underway to improve the quality of the treated wastewater so it can be reused in more beneficial ways. 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

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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 to 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. Preliminary design has begun in upgrading the aerobic basins for biological nutrient removal. These efforts will improve the quality of the City's effluent discharge and prepare it for future reuse opportunities.

The 2008 Wastewater Master Plan recommended several improvements to the collection system in order to meet population growth as well as aging infrastructure replacement needs. The South Lubbock Sanitary Sewer System Expansion Phase I, II, III, and IV are complete. A new Wastewater Master Plan was finalized in early 2020. This plan evaluates the existing collection system and provide a new master plan for meeting the City's expected development and growth. From the recommendation in the 2020 Wastewater Master Plan, the Northwest Interceptor was identified as being undersized for anticipated growth and wastewater flow. Preliminary engineering for increase pipe size and alignment has been added to an overall plan for sewer line interceptors and major collectors as part of the new 2024 Wastewater Master Plan, which began in late 2024. In addition, the Downtown Sanitary Improvements Phase I and II construction has been completed and is expected to bring new large-diameter collectors into service the first part of 2025. This will add capacity and improvement 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 1,319 miles of paved and unpaved streets, 675 linear miles of paved and unpaved alleys, 1,386 storm sewer inlets, 125 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 23-24, 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 on 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 garbage collection and disposal services to 84,417 residential customers and 2,546 commercial customers. One of the City's two landfill sites is designated as the Caliche Canyon Landfill and includes a citizen drop-off location consisting of transfer boxes hauled to the West Texas Regional Disposal Facility. The second site is the West Texas Regional Disposal Facility located in Abernathy, Texas, which opened in 1999, one of the largest permitted areas for a landfill in the State of Texas. With 1,260 acres, the expected useful life of this landfill exceeds 150 years.

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

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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 40 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: In FY 2024-25, 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 provides programs implemented and administered through funding provided from the U.S. Department of Housing and Urban Development (HUD). The City received the following HUD grants: Community Development Block Grant (CDBG); HOME Investment Partnership Program (HOME); and the Emergency Solutions Grant (ESG). The City also received funding from the Texas Department of Housing and Community Affairs (TDHCA) for the Comprehensive Energy Assistance Program (CEAP). These funds help the City address the housing and community development objectives outlined by HUD, which are primarily targeted towards low- to moderate-income (LMI) and special needs populations.

Program Accomplishments for PY2023-24 include:

- **Public Facilities and Infrastructure Improvements:** Public infrastructure improvements made in FY 24 include unpaved roadway improvements that benefitted 7,325 persons in low/mod areas. This was phase 2 of a multi-phase infrastructure project. Low/mod areas are neighborhoods where the population is at least 51% LMI.
- **Public Services:** The City assisted 3,780 LMI persons with vital public services to help improve their quality of life. Of this total assisted, 54 persons were assisted with employment training at Catholic Charities; 93 persons with child care services with the YWCA Childcare Scholarship Program; 3,203 persons with health services provided by the Community Health Center of Lubbock and Lubbock Children's Health Clinic; 386 abused children at CASA of the South Plains; and 44 persons with the City's Fire Department Smoke/Carbon Monoxide Detector Project to improve the health and safety of LMI residents.
- **Affordable Housing:** Through the HOME program, 11 LMI households were assisted with affordable rental housing activities. In the CDBG minor rehab program, there were 65 owner-occupied LMI households assisted with minor rehabs and emergency repairs. Rehab activities included lead-based paint assessment, minor structural repair, sewer system repairs, HVAC, and

other repairs related to urgent health and safety concerns.

- **Homeless Housing and Shelter Services:** In FY 24, 66 individuals were assisted with homeless services with ESG funds. Of this total, 55 persons were assisted with homeless prevention activities. There were also 4 households consisting of 11 individuals assisted with rapid rehousing services.
- **Utility Assistance and Household Crisis:** CEAP provided utility assistance to 6,732 households for and emergency heating/cooling repairs to 104 households, all of which are 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 56 playgrounds. Other recreational facilities include three splash pads, 49 tennis 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 to the financial statements.

Highways and Streets: The City is responsible for the construction and maintenance of 1,292.7 miles of paved streets, 56.6 miles of unpaved streets, and 692.3 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 Q3 of 2025.
- The design has been completed for Upland Ave, 82nd Street to 98th Street, (Segment 2) and construction is anticipated to begin in Q4 of 2025.
- 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.

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 2024, the adopted Operating Budget and Capital Program appropriates funding at the fund level for

Honorable Mayor, City Council,
And Citizens of the City of Lubbock, Texas
February 25, 2025

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

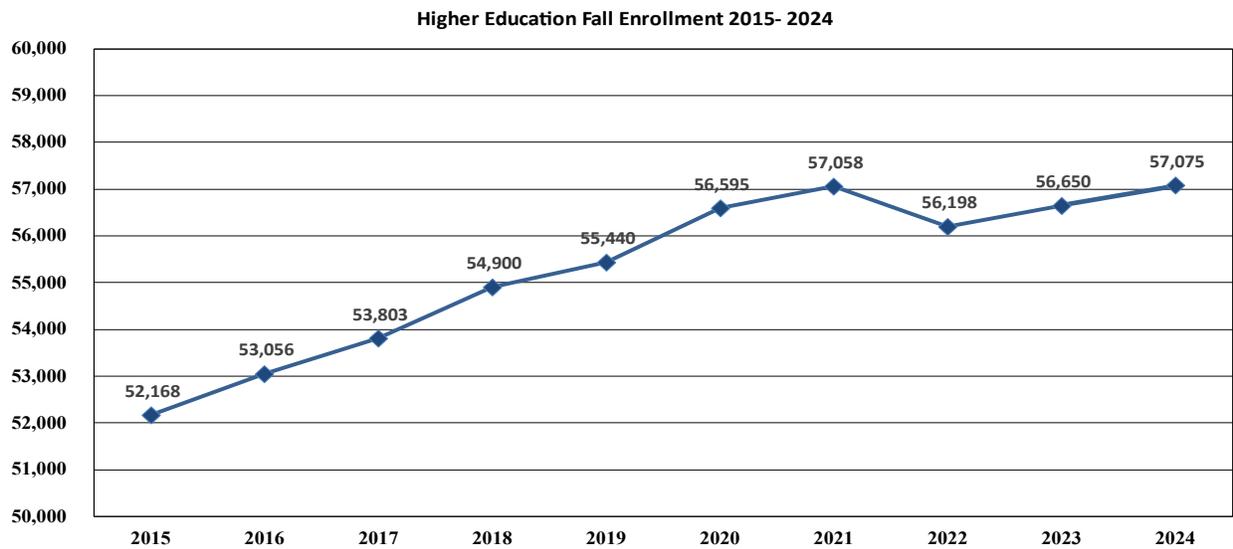
The City of Lubbock has a stable economy with historically consistent and steady growth. Over the past forty years, Lubbock's agriculturally based economy has diversified. This diversification minimizes the effects of business cycles experienced by individual sectors. The City has strong manufacturing, 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 4.80 percent year-to-date as of September 2024. New vehicle sales are up with an increase of 2.57 percent compared to September 2023, while used vehicle sales are down 14.37 percent. Tourism statistics indicate a slight increase compared to the prior year due to an increase in travel that caused a 1.05 percent increase in Hotel Occupancy tax compared to September 2023. The Lubbock Economic Pulse also indicates that residential and commercial housing have struggled to gain new building activity. Interest rates are still a factor for new development and rates will continue to trickle down through December.²

² Lubbock Economic Pulse, October 2024, Lubbock National Bank , Lubbock, Texas

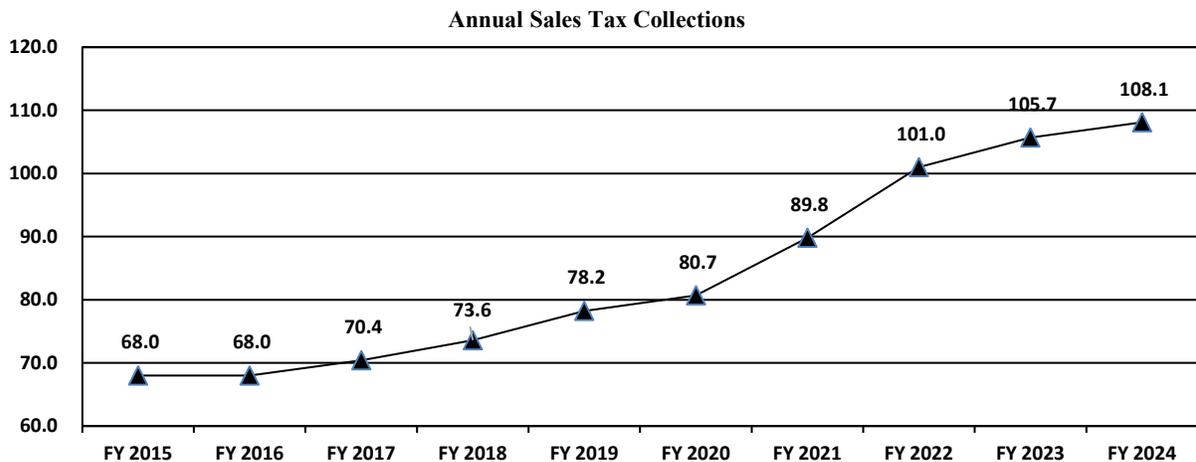
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 February 25, 2025

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 2024 enrollment for all higher education institutions in Lubbock was 57,075, an increase of 0.8 percent from fall 2023 enrollment of 56,650. 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.



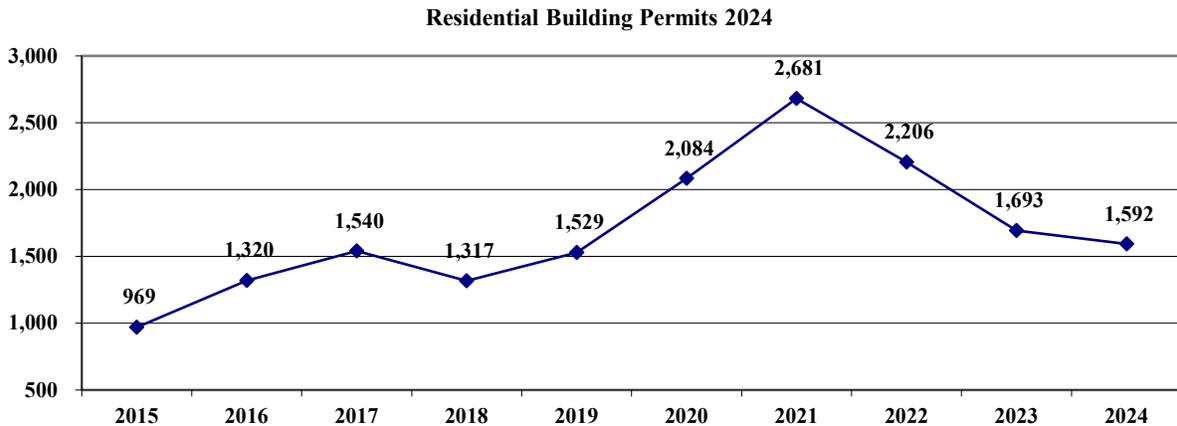
The health care and social assistance sector is also a vital component of the Lubbock economy, with an average of 28,202 employees and payroll exceeding \$1.76 billion.³ Lubbock is home to several medical facilities including University Medical Center, Covenant Medical Center, The Lubbock Heart Hospital, 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: Sales tax collections in FY 2024 totaled \$108.1, 2.3 percent higher than collections through the same period in FY 2023.

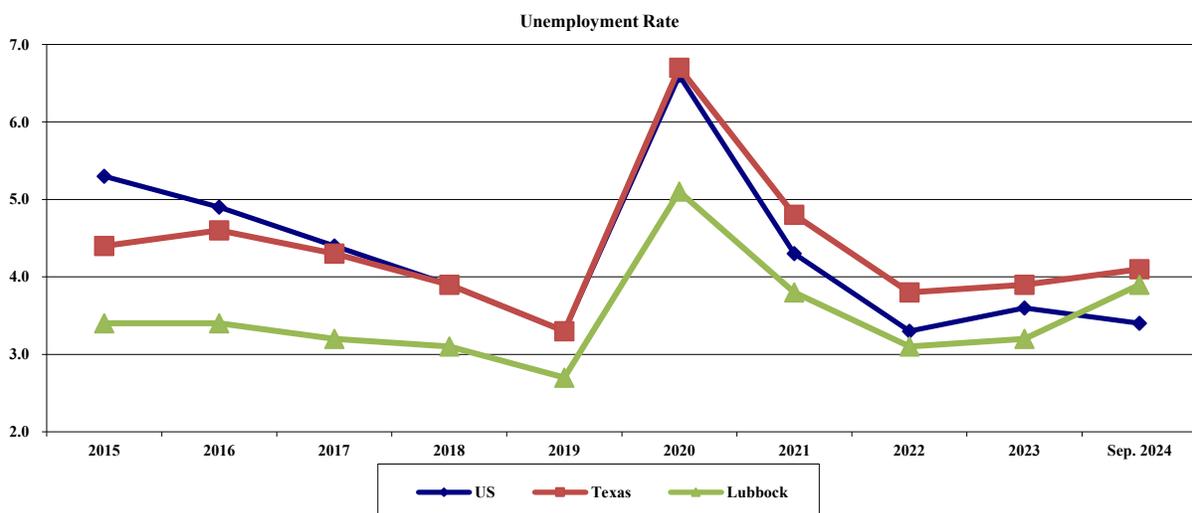


³ Texas Labor Market Information, *Quarterly Census of Employment and Wages (QCEW) Report*, retrieved from texaslmi.com/LMIbyCategory/QCEW.

Building Permits: Construction activity has expanded significantly in recent years, setting records for new residential permits in 2020, 2021, and 2022. However, new construction permits issued decreased 4 percent through 2024. Similarly, new residential permits decreased 6 percent in 2024 compared to the prior year.⁴ The preliminary average home sales price in September 2024 was \$294,286, an increase of 2.74 percent over September 2023.⁵



Employment: The total non-agricultural employment estimate for September 2024 was 161,700, an increase of 0.9 percent over the September 2023 estimate. The unemployment rate for the Lubbock Metropolitan Statistical Area (MSA) in September 2024 was 3.4 percent, an increase of 0.6 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 2023 to December 2024 *Building Inspection Statistical Report*.

⁵ Texas A&M University Real Estate Center, *Lubbock MLS Housing Activity Report (September 2024)*, 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 2024. (Current year numbers are the average through October 2024 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 2024 were \$12.9 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 is 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 2024 appraised value of the LBP Zone is \$102.8 million with a net taxable value of \$98.7 million, which is a \$98.3 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 2024 appraised value of the Overton Zone is \$584.4 million which is a \$557.5 million increase over the 2002 base year value.

Honorable Mayor, City Council,
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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 have 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 2024 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 2024 appraised value of the CBD Zone is \$297.3 million, a \$191.4 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.

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And Citizens of the City of Lubbock, Texas
February 25, 2025

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, 2023. 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 thirty-nine total 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. Jarrett Atkinson
City Manager



Joe Jimenez
Chief Financial Officer



Linda Cuellar, CPA
Director of Accounting



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lubbock
Texas**

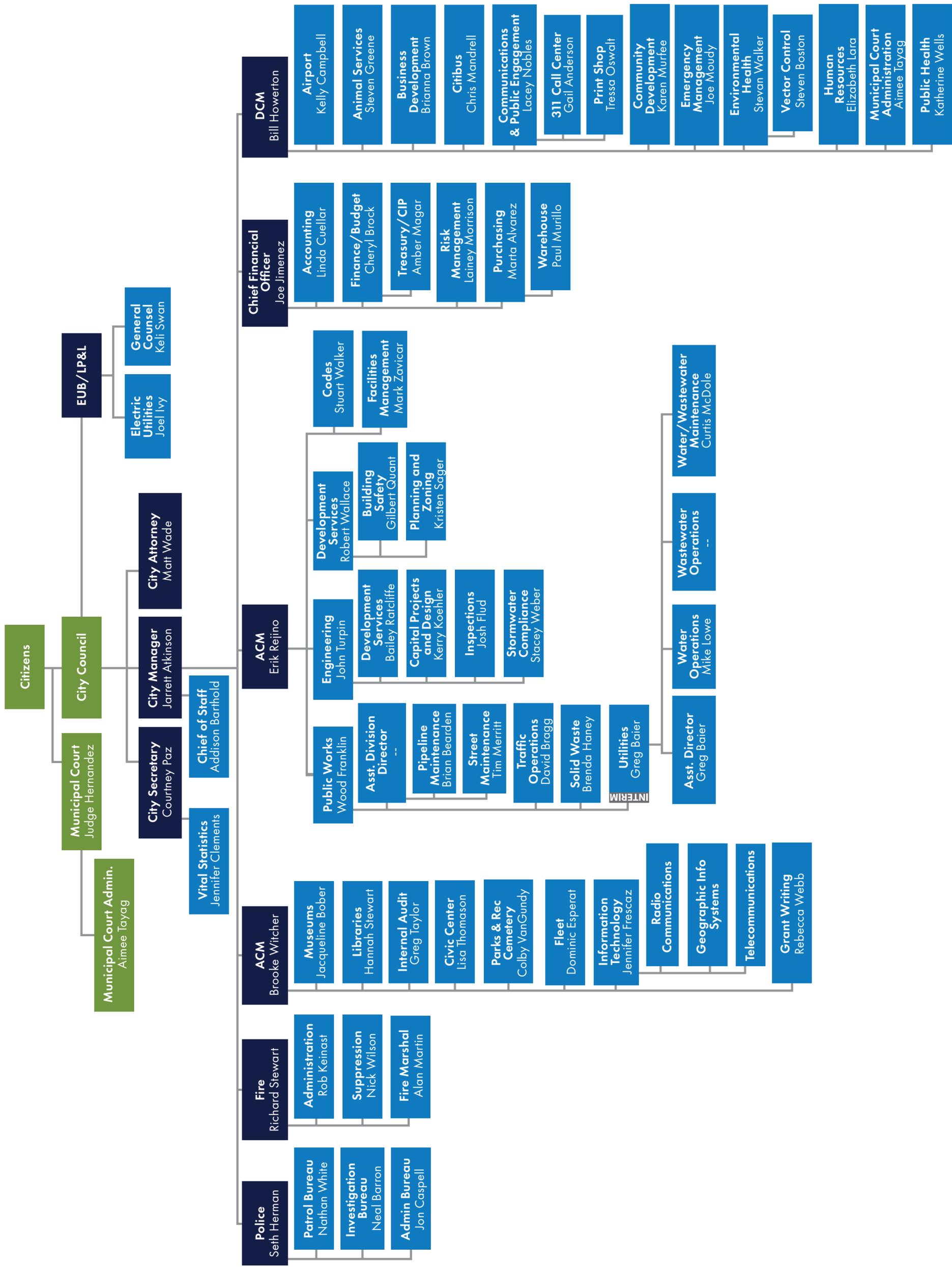
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morill

Executive Director/CEO

Organizational Chart



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, 2024, 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, 2024, 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, 105 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.

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.

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

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. 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.

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

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.

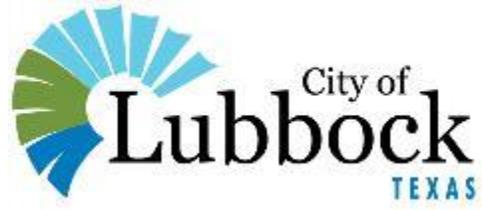
Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 17, 2025



City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2024

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, 2024.

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, 2024 by \$1.6 billion (net position).
- The City's total net position increased by \$154.8 million during the fiscal year.
- The ending unassigned fund balance for the General Fund was \$94.3 million, or 34.5 percent of total General Fund revenues, an increase of \$1.8 million from the prior year.
- The City's governmental funds reported combined ending fund balances of \$312.1 million, of which \$94.4 million is available for spending at the City's discretion.
- The City's enterprise funds reported combined ending net position of \$1.2 billion, of which \$121.6 million is available for spending at the City's discretion.
- During FY 2024, the City issued \$161.1 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 39-41 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, 2024

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, 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, 2024

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 36 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 42-45 of the ACFR. Data for the other 33 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, 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 46-57 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 58-59 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 60-114 of the ACFR.

City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2024

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 115-122 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 \$1.6 billion (*net position*) at the close of the fiscal year, compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$1.4 billion (*net position*) at the end of the prior fiscal year. As a result of operations, total net position increased by \$154.8 million during the period.

City of Lubbock Net Position
September 30
(in thousands)

	Governmental		Business-type		Total	
	Activities		Activities			
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 413,760	\$ 372,745	\$ 416,665	\$ 428,878	\$ 830,425	\$ 801,623
Capital assets	720,380	634,080	2,057,775	2,032,636	2,778,155	2,666,716
Total assets	1,134,140	1,006,825	2,474,440	2,461,514	3,608,580	3,468,339
Total deferred outflows of resources	86,714	105,641	28,468	35,425	115,182	141,066
Current liabilities	118,717	122,798	158,239	223,122	276,956	345,920
Noncurrent liabilities	711,587	672,423	1,058,481	1,077,277	1,770,068	1,749,700
Total liabilities	830,304	795,221	1,216,720	1,300,399	2,047,024	2,095,620
Total deferred inflows of resources	51,406	45,945	21,650	19,028	73,056	64,973
Net position:						
Net investment in capital assets	422,576	358,630	1,047,324	1,040,403	1,469,900	1,399,033
Restricted	50,852	36,509	89,834	80,625	140,686	117,134
Unrestricted	(134,285)	(123,838)	127,378	56,485	(6,907)	(67,353)
Total net position	\$ 339,142	\$ 271,301	\$ 1,264,536	\$ 1,177,513	\$ 1,603,679	\$ 1,448,814

City of Lubbock, Texas
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Approximately 91.7 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 increased by \$60.4 million from FY 2023.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2024

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

	Governmental Activities		Business- type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for services	\$ 46,083	\$ 47,078	\$ 461,716	\$ 518,114	\$ 507,799	\$ 565,192
Operating grants and contributions	22,118	21,661	29,450	18,442	51,568	40,103
Capital grants and contributions	26,143	19,069	16,963	25,639	43,106	44,708
General Revenues:						
Property taxes	125,732	113,376	-	-	125,732	113,376
Sales taxes	108,208	105,748	-	-	108,208	105,748
Other taxes	11,995	11,978	-	-	11,995	11,978
Franchise fees	28,846	32,022	-	-	28,846	32,022
Investment earnings	21,004	12,478	33,715	22,569	54,719	35,047
Other	20,338	19,074	10,301	4,345	30,639	23,419
Total revenues	<u>410,467</u>	<u>382,484</u>	<u>552,145</u>	<u>589,109</u>	<u>962,612</u>	<u>971,593</u>
Expenses:						
Administrative services/general govt.	24,948	22,865	-	-	24,948	22,865
Community services	6,581	5,964	-	-	6,581	5,964
Cultural and recreation	23,974	22,143	-	-	23,974	22,143
Economic and business development	24,818	26,104	-	-	24,818	26,104
Fire	72,549	69,839	-	-	72,549	69,839
Health	14,236	14,118	-	-	14,236	14,118
Police	95,429	90,456	-	-	95,429	90,456
Other public safety	10,249	10,556	-	-	10,249	10,556
Streets and traffic	38,055	35,637	-	-	38,055	35,637
Solid Waste	26,434	25,199	-	-	26,434	25,199
Interest on long-term debt	14,845	11,131	-	-	14,845	11,131
Electric	-	-	256,032	384,894	256,032	384,894
Water/Wastewater	-	-	137,259	125,709	137,259	125,709
Storm Water	-	-	15,425	13,859	15,425	13,859
Transit	-	-	18,311	16,680	18,311	16,680
Airport	-	-	23,127	27,260	23,127	27,260
Civic Centers	-	-	4,170	4,556	4,170	4,556
Cemetery	-	-	706	671	706	671
Lake Alan Henry	-	-	596	633	596	633
Total expenses	<u>352,119</u>	<u>334,012</u>	<u>455,626</u>	<u>574,262</u>	<u>807,745</u>	<u>908,274</u>
Change in net position before transfers	58,348	48,471	96,518	14,846	154,866	63,317
Transfers	9,494	6,706	(9,494)	(6,706)	-	-
Change in net position	<u>67,842</u>	<u>55,177</u>	<u>87,024</u>	<u>8,140</u>	<u>154,866</u>	<u>63,317</u>
Net position - beginning of year	271,300	216,123	1,177,512	1,169,372	1,448,812	1,385,495
Net position - end of year	<u>\$ 339,142</u>	<u>\$ 271,300</u>	<u>\$ 1,264,536</u>	<u>\$ 1,177,512</u>	<u>\$ 1,603,679</u>	<u>\$ 1,448,812</u>

City of Lubbock, Texas
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Changes in Net Position: Details of the above summarized information can be found on pages 40-41 of the ACFR.

Governmental activities: The City's governmental activities experienced an increase in net position of \$67.8 million, compared to an increase of \$55.1 million during the prior fiscal year. Key elements of the operational increase compared to prior year include:

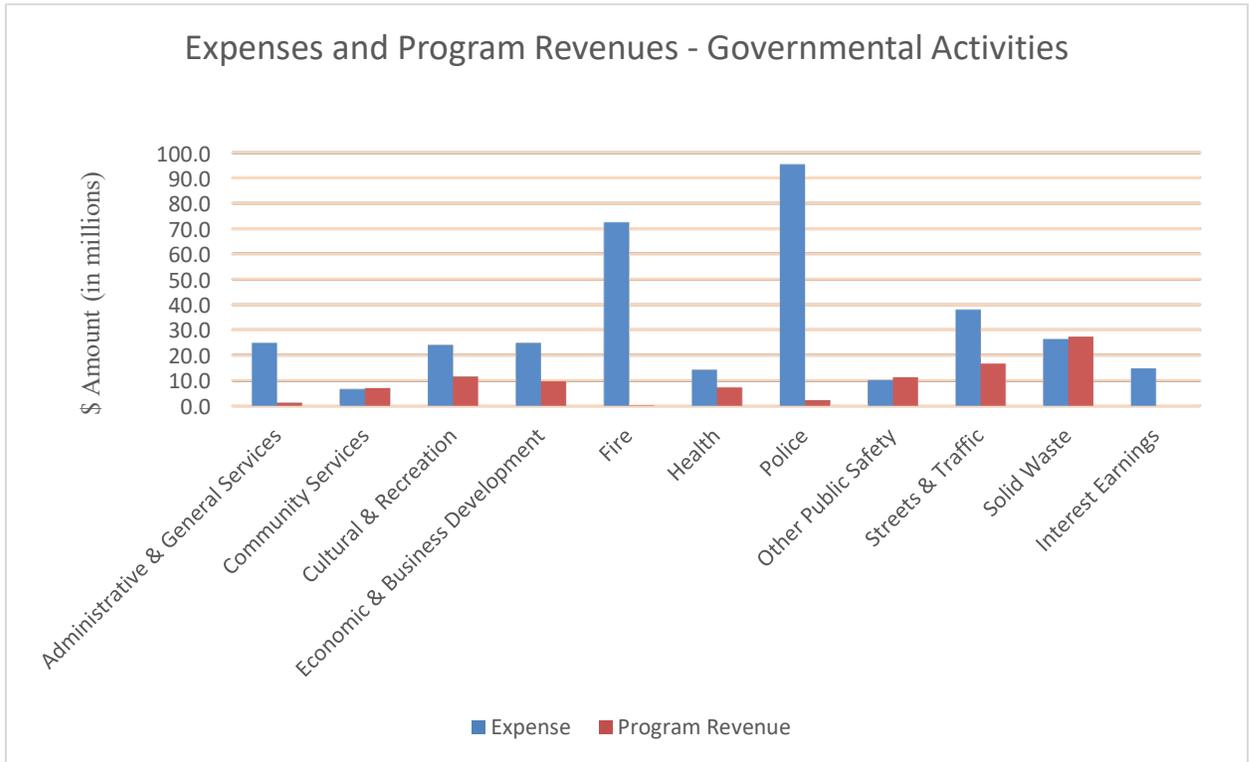
- Revenues increased \$28.0 million, from \$382.5 million in FY 2023 to \$410.5 million in FY 2024.
 - Property tax revenue increased from \$113.4 million in FY 2023 to \$125.7 million in FY 2024. The property tax rate increased slightly from \$0.46468 per \$100 of assessed value in 2023 to \$0.48016 per 100 of assessed value in 2024. Taxable assessed values increased from \$23.6 billion in 2023 to \$26.3 billion in 2024, as real property valuations continued to climb.
 - Investment earnings increased from \$12.5 million in FY 2023 to \$21.0 million in FY 2024. The increase is due to higher rate environments in FY 2024.
 - The City experienced a \$6.5 million increase in total program revenues from FY 2023 to FY 2024. Capital grants and contributions increased \$7.1 million from FY 2023 to FY 2024, while charges for services decreased \$1.0 million in FY 2024 and operating grants and contributions increased \$0.4 million. Cultural and Recreation capital grants and contributions increased by \$8.9 million to \$10.1 million in FY 2024, while Streets and Traffic capital grants and contributions decreased \$1.8 million due to a decrease in capital contributions. Streets and Traffic charges for services decreased by \$1.7 million due to a decrease in impact fees, and Solid Waste charges for services increased \$0.8 million to \$27.3 million in FY 2024 due to an increase in tipping fees and residential rates. Health charges for services increased slightly by \$0.1 million due to an increase in registration fees. Operating grants and contributions increased in FY 2024 by \$0.4 million to \$22.1 million. Community Services operating grants and contributions experienced an increase of \$2.8 million from \$4.1 million in FY 2023 to \$6.9 million in FY 2024. Economic and Business Development operating grants and contributions decreased by \$1.2 million, Health operating grants and contributions decreased by \$0.8 million in FY 2024, Cultural and Recreation operating grants and contributions and Other Public Safety operating grants and contributions decreased by \$0.2 million each respectively.
 - Sales tax revenue increased from \$105.7 million in FY 2023 to \$108.2 million in FY 2024. Since FY 2015, Lubbock had experienced a steady increase in sales tax revenue averaging an annual increase of 5.4 percent. In FY 2024, Lubbock experienced a 2.3 percent increase in sales tax.
 - In FY 2024, Other revenues increased by \$1.3 million from \$19.0 million in FY 2023 to \$20.3 million in FY 2024.
 - Franchise fees decreased from \$32.0 million in FY 2023 to \$28.9 million in FY 2024. The \$3.1 million decrease was due to a slowdown in homebuilding.
- Total expenses increased \$18.1 million, from \$334.0 million to \$352.1 million in FY 2024.
 - Police department expenses increased \$5.0 million from \$90.4 million in FY 2023 to \$95.4 million in FY 2024. Employee compensation and related benefit expenses increased by \$4.9 million due to a cost-of-living adjustment. In addition, Police maintenance and other charges expense increased slightly in FY 2024.
 - Interest on long-term debt expenses increased from \$11.1 million in FY 2023 to \$14.8 million in FY 2024 for an increase of \$3.7 million. Interest expenses were higher due to increased debt and higher interest payments.

City of Lubbock, Texas
Management's Discussion and Analysis
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- Fire department expenses increased from \$69.8 million in FY 2023 to \$72.5 million in FY 2024 for a total increase of \$2.7 million. Employee compensation and related benefit expenses increased by \$3.7 million due to a cost-of-living adjustment. Fire pension expense decreased by \$1.3 million while depreciation expense and supplies went up slightly.
- Streets and traffic department expenses were \$35.6 million in FY 2023 and \$38.0 million in FY 2024 for an increase of \$2.4 million. Employee compensation and related benefit expenses increased by \$0.4 million due to a cost-of-living adjustment. Streets and traffic department depreciation expense increased by \$1.4 million while maintenance and other charges increased by \$0.5 million and supplies increased slightly.
- Administrative services/general government department expenses increased from \$22.8 million in FY 2023 to \$24.9 million in FY 2024 for an increase of \$2.1 million. Employee compensation and related benefits increased by \$0.7 million in FY 2024 while pension expense and OPEB expenses had a \$0.6 million change. Maintenance and other charges and non-departmental expenses increased by \$0.3 million each while depreciation increased by \$0.2 million.
- Cultural and recreation department expenses increased \$1.8 million to \$23.9 million in FY 2024. Employee compensation and benefits expense increased by \$0.8 million while maintenance and other charges increased by \$0.2 million. Cultural and recreation department depreciation expense increased by \$0.3 million while compensated absences and OPEB expenses changed by \$0.5 million.
- Community services department expenses increased from \$5.9 million in FY 2023 to \$6.6 million in FY 2024 for an increase of \$0.7 million. Employee compensation and related benefit expenses increased by \$0.7 million due to a cost-of-living adjustment.
- Other public safety department expenses decreased \$0.3 million to \$10.2 million in FY 2024. Other public safety maintenance and other expenses decreased by \$0.2 million in FY 2024, while depreciation expense minimal decrease.
- Transfers from business-type activities during FY 2024 increased governmental activities' net position by \$9.5 million. During the prior fiscal year, the transfers increased governmental activities' net position by \$6.7 million. Transfers from Electric to the General Fund increased by \$0.5 million in FY 2024 and transfers from Water/Wastewater also increased by \$0.9 million. Transfers from Storm Water to the General Fund decreased slightly in FY 2024.
 - 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, 2024**

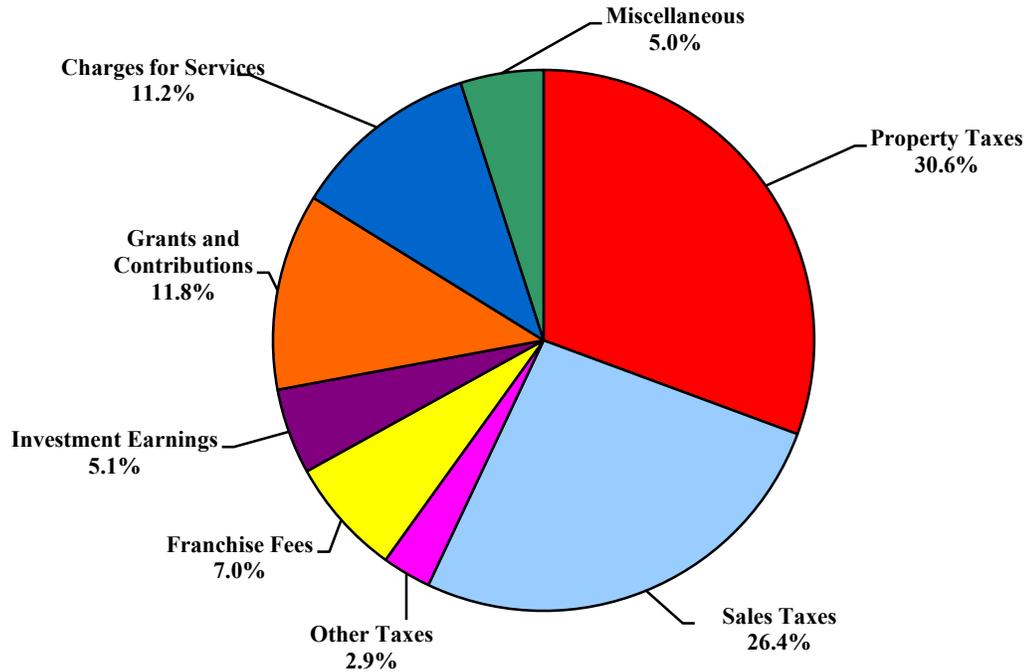
The following graph depicts the expenses and program revenues generated through the City's various governmental activities.



**City of Lubbock, Texas
Management’s Discussion and Analysis
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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 \$552.1 million, compared to \$589.1 million in FY 2023, a decrease of \$37.0 million. Key elements of the revenue increase from operations include:

- Charges for services for business-type activities totaled \$461.7 million in FY 2024, a decrease of \$56.4 million from the prior year.
 - Electric operations, which is Lubbock Power & Light (LP&L), totaled \$268.3 million in FY 2024, a decrease of \$63.9 million. The PCRFB revenues decreased \$99.2 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 \$41.0 million due accounting for only 6 months of revenue as these revenues were also eliminated due to the transition to retail. Offsetting this decrease was a new revenue line item for Distribution System Revenue, totaling \$77.0 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 \$148.3 million in FY 2024, an increase of \$6.6 million. The water charges for services increased from \$90.9 million in FY 2023 to \$96.5 million in FY 2024 due to a base and volume rate increase. Wastewater charges for services increased slightly from \$51.7 million in FY 2023 to \$52.9 million in FY 2024. Water/Wastewater uncollectible accounts increased by \$0.2 million.

City of Lubbock, Texas
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- Storm Water operations totaled \$22.3 million in FY 2024 which is a decrease of \$1.4 million from FY 2023. The decrease is due to an 8.3 percent rate decrease for residential and commercial customers.
- Operating grants, capital grants and contributions produced \$46.4 million in revenue for business-type activities during FY 2024, an increase of \$2.3 million from the prior year. The increase is related to Transit operating grants and contributions, which increased from \$7.6 million in FY 2023 to \$20.3 million in FY 2024. Airport operating grants and contributions decreased \$4.0 million in FY 2024 while capital grants and contributions decreased \$1.6 million to \$2.2 million in FY 2024. Water/Wastewater operating grants and contributions increased to \$2.2 million and capital grants and contributions decreased \$2.5 million and Storm Water capital grants and contributions also decreased by \$4.7 million.

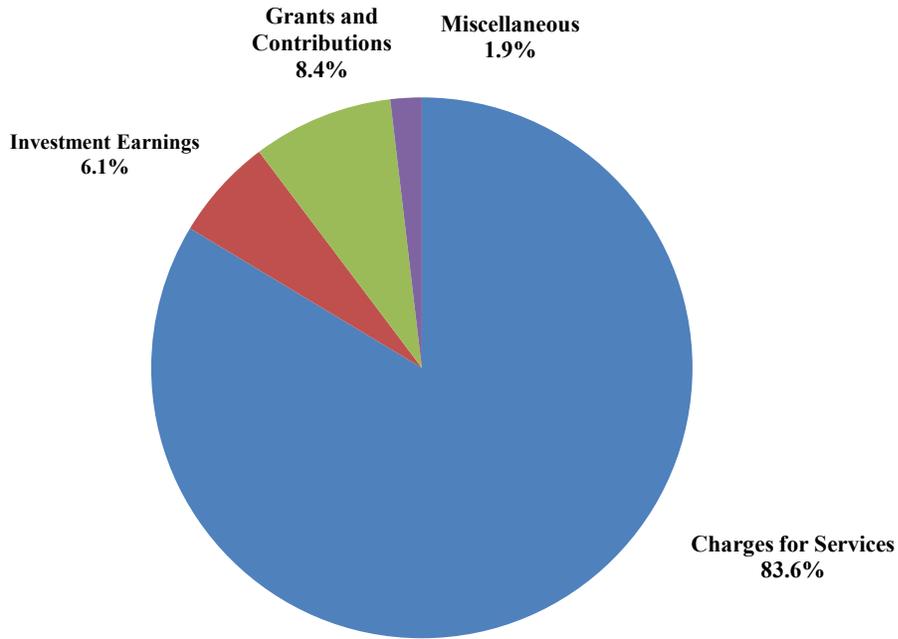
Expenses for business-type activities were \$455.6 million in FY 2024, a decrease of \$118.6 million.

- Electric expenses were \$256.0 million, a decrease of \$128.9 million from the prior year. The primary expenses contributing to the decrease is the energy and demand costs for 2024 totaling \$105.2 million. This is due largely to the transition to the retail market in April 2024. Additionally, miscellaneous expenses decreased \$29 million, which was mainly due to the \$65.6 million SPP Settlement, offset by a settlement payment of \$41.0 million that was accrued back from FY 2025.
- Expenses in the Water/Wastewater Fund were \$137.2 million in FY 2024, an increase of \$11.5 million from FY 2023. Water personnel services increased by \$3.1 million in FY 2024 while Water interest expense also increased \$2.4 million from the prior year. Water depreciation was \$22.5 million in FY 2023 and \$23.6 in FY 2024 for an increase of \$1.1 million. Wastewater personnel expense increased by \$1.5 million in FY 2024 while Wastewater interest expense increased by \$2.1 million to \$13.5 million in FY 2024. Wastewater depreciation and amortization increased from \$14.4 million in FY 2023 to \$14.9 million in FY 2024 while the Wastewater maintenance increased by \$0.4 million.
- Expenses in the Storm Water Fund were \$15.4 million in FY 2024, an increase of \$1.6 million from the prior year. Personnel expense increased by \$1.2 million in FY 2024 to \$2.2 million. Maintenance expense increased \$0.2 million in FY 2024 to \$0.6 million from FY 2024 while Storm Water interest expense also increased to \$2.2 million in FY 2024 from \$2.0 million in FY 2023.
- Expenses for Transit, Airport, Civic Centers, Cemetery, and Lake Alan Henry were \$46.9 million, a \$2.9 million decrease from FY 2023. Airport fund expenses decreased by \$4.3 million in FY 2024 to \$23.1 million. Airport other services and charges decreased by \$5.0 million while personnel services increased by \$0.5 million in FY 2024, depreciation increased by \$0.1 million, and supplies decreased by \$0.1 million. Transit fund expenses increased by \$1.6 million in FY 2024 to \$18.3 million. Transit depreciation and amortization increased by \$0.9 million, personnel services expense increased by \$0.5 million, and supplies and maintenance increased by \$0.1 million each in FY 2024. Civic Centers expenses decreased by \$0.4 million in FY 2024 while Cemetery expenses increased slightly to \$0.7 million and Lake Alan Henry expenses changed slightly in FY 2024. Civic Center personnel services decreased by \$0.5 million while other services and charges increased by \$0.1 million. Cemetery personnel services increased slightly while Lake Alan Henry other services and charges increased by \$0.1 million.

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.

**City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2024**

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 \$312.1 million, compared to \$259.9 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 2024, the General Fund had \$94.4 million unassigned fund balance compared to \$92.4 million unassigned fund balance in FY 2023. This is 30.2 percent of the ending governmental fund balance, compared to 35.6 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 34.5 percent of total General Fund revenues which is slightly lower than the amount of 30.2 percent of total General Fund revenue in the prior year. Total fund balance represented 34.6 percent of total General Fund revenues compared to 35.0 percent of total General Fund revenue in the prior year.

**City of Lubbock, Texas
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Tax revenues for the year increased primarily due to increased property tax revenues, which grew as a result of a .3402 cent increase and an 11.3% increase in taxable assessed values. Sales tax revenue also increased from \$105.7 million to \$108.2 million.

The Debt Service Fund had an increase in fund balance from \$6.5 million in FY 2023 to \$13.9 million in FY 2024. The \$7.4 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 \$39.6 million in FY 2024. The increase was caused by the issuance of \$78.2 million in bonds. Some of the increase was offset by capital outlay that increased by \$27.0 million from the previous fiscal year and transfers out that increased by \$6.3 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, 2024 and 2023 are as follows with amounts presented in thousands:

	<u>2024</u>	<u>2023</u>
LP&L	\$ 70,305	\$ (2,054)
Water/Wastewater	7,209	14,911
Storm Water	<u>15,150</u>	<u>13,740</u>
	<u>\$ 92,664</u>	<u>\$ 26,597</u>

The LP&L Fund unrestricted net position increased by \$72.3 million, compared to a decrease of \$43.6 million in the prior year. Unrestricted net position increased \$72.4 million mainly due to the payment of the \$65.6 million SPP Settlement, offset by a \$41.0 million settlement payment accrued back from FY 2025 as well as the removal of the \$41.4 million for the PCRf liability in FY 2024. Net investment in capital assets decreased \$54.2 million mainly due to the following: (a) a \$20.3 million decrease in restricted investment (b) a \$43.8 million increase in bonds payable; (c) offset by a \$12.4 million increase in net capital assets.

The Water/Wastewater Fund unrestricted net position decreased by \$7.7 million compared to a decrease of \$5.0 million in the prior year. Revenues increased by \$6.6 million in FY 2024 due to an increase in water base and volume rates and expenses increased \$137.2 million. A decrease in capital contributions of \$2.3 million from \$12.7 million in FY 2023 to \$10.4 million in FY 2024 was mainly due to completed capital projects in FY 2024. Water/Wastewater net transfers increased \$0.9 million from \$5.1 million in FY 2023 to \$6.0 million in FY 2024.

The Storm Water Fund unrestricted net position increased by \$1.4 million compared to a \$1.7 million increase in the prior fiscal year. Revenues increased by \$1.4 million in FY 2024 to \$22.3 million while expenses increased by \$1.6 million. Transfers out increased by \$1.6 million to \$3.3 million in FY 2024. Capital contributions decreased in FY 2024 to \$4.5 million in FY 2024 from \$9.2 million in FY 2023.

City of Lubbock, Texas
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General Fund Budgetary Highlights

The adopted operating revenue budget for the General Fund, including transfers, totaled \$280.9 million.

No revenue adjustments were needed, so the final adopted budget revenue for FY 2024, including transfers in, totaled \$280.9 million. Actual revenue was \$281.8 million. Revenue and transfers into the General Fund exceeded budget by \$0.9 million. The City's sales tax was \$1.1 million over budget and interest earnings were \$4.3 million over budget due to improved rate environments. Mixed Beverage Tax revenue was \$0.2 million over budget mainly due to increased sales, while licenses and permits revenue was \$0.3 million under due to a decline in building permits. Public Works revenue was \$2.7 million under budget due to Solid Waste consumer metered revenues decreasing, and revenue from Suddenlink and franchise fees were both down by \$1.2 million and \$0.5 million due to a slowdown in home building.

The original operating expenditure budget for the General Fund, including transfers out, totaled \$287.0 million. An amendment was passed to carry forward balances not used in FY 2023 in the amount of \$1.1 million for City elections under contract with Lubbock County, the purchase of fifteen police SUVs for the Police Department, and Weigh Station program software that could not be received before September 30, 2023. Two budget amendment were made to increase the transfer to CIP in the General Fund by \$215,000 and \$49,866 and another budget amendment for \$37,527 was made to increase the Public Health budget. The final General Fund expenditure budget totaled \$288.4 million.

The City ended the fiscal year with expenditures and transfers out totaling \$280.4 million, \$8.0 million less than budgeted. A transfer to the Gateway fund was \$2.7 million under budget as franchise fees came in lower than projected. Solid Waste was \$1.7 million below budget due to the estimated amount of dumpsters needed was lower than projected due to less development and less property damage. Police expenditures were under budget by \$1.2 million primarily because lower than expected expenses for Police vehicle maintenance, and vacant patrol positions which lowered compensation and related benefits. Parks and Recreation was \$0.6 million under budget due personnel vacancies in the year and the pools closing while City Secretary was under budget by \$0.4 million since they did not utilize all of the election budget but will carry over the budget to the next fiscal year. Municipal Court was \$0.4 million under budget due to personnel vacancies and an interlocal agreement that the City no longer participates in. Facilities Management and Streets were both under budget by \$0.3 million each due to personnel vacancies and having a mild winter. Finally, Library, Animal Services, and Internal Audit were all \$0.2 million below budget due to personnel vacancies.

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.

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, 2024 totaled \$2.78 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, Texas
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City of Lubbock Capital Assets
(Net of Accumulated Depreciation/Amortization)
September 30
(in thousands)

	Governmental Activities		Business- type Activities		Totals	
	2024	2023	2024	2023	2024	2023
Land	\$ 48,491	\$ 46,612	\$ 95,407	\$ 90,424	\$ 143,898	\$ 137,036
Electric non-depreciable	-	-	50,838	50,458	50,838	50,458
Buildings	129,946	107,157	129,645	131,040	259,591	238,197
Improvements other than buildings	375,763	344,432	1,045,093	1,020,550	1,420,856	1,364,982
Machinery and equipment	68,280	56,033	98,040	89,544	166,320	145,577
Electric depreciable	-	-	595,213	558,520	595,213	558,520
Lease	2,657	3,681	426	516	3,083	4,197
SBITA	5,095	1,030	203	623	5,298	1,653
Construction in progress	90,148	75,135	42,909	90,960	133,057	166,095
Total	\$ 720,380	\$ 634,080	\$ 2,057,774	\$ 2,032,635	\$ 2,778,154	\$ 2,666,715

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

- Playa Lake 054 connection to a trunk line installed with the Northwest Drainage Improvement projects totaling \$4.1 million
- LP&L replacement of switchgear and power transformers in the Northeast substation totaling \$7.6 million
- Construction of Fire Station #20 totaling \$6.9 million
- Splash Pads installed in various parks totaling \$6.6 million

At the end of the fiscal year, the City had construction commitments of \$305.3 million. The City has a remaining appropriation of \$11.3 million to provide water infrastructure upgrades to maintain an appropriate level of water service in West Lubbock. Parks has a \$8 million appropriation to make improvements to the Tom Martin Sports Complex. Included in this are new sports fields that will support an increased volume of events and participants.

Additional information about the City’s capital assets can be found on pages 78-82 of the ACFR.

City of Lubbock, Texas
Management’s Discussion and Analysis
For the Year Ended September 30, 2024

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

	Governmental Activities		Business-type Activities		Totals	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 388,689	\$ 336,316	\$ 282,591	\$ 309,909	\$ 671,280	\$ 646,225
Revenue and contract bonds	-	-	682,353	660,335	682,353	660,335
State infrastructure bank loan	5,047	5,536	-	-	5,047	5,536
Subscription Liability	5,123	886	214	672	5,337	1,558
Lease	2,744	3,804	440	528	3,184	4,332
Total	\$ 401,603	\$ 346,542	\$ 965,598	\$ 971,444	\$ 1,367,201	\$ 1,317,986

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 \$0.10978, which is significantly below the maximum allowable tax rate.

As of September 30, 2024, the City’s total outstanding debt has increased by \$49.2 million, or 3.7 percent from the prior fiscal year. General obligation bond and revenue and contract bond debt increased by \$47.1 million or 3.6 percent. Total bond additions were \$161.1 million, offset by the payment of scheduled principal payments totaling \$114.5 million.

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

- \$10.9 million Tax Note, Series 2023A (Note) with a 4.76 percent interest rate. The Tax Notes incurred issuance costs of \$80,000.00. The proceeds will be used to (a) finance the purchase of materials, supplies, equipment and machinery; and (b) pay for the costs of issuance related to the Note.
- \$58.9 million General Obligation Bonds, Series 2024 (Bonds), with a 4.02 percent interest rate. The Bonds were issued at a premium of \$5,766,527 and incurred issuance costs of \$571,527. The \$64,671,527 proceeds from the sale of the Bonds will be issued 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.
- \$28.4 million Combination Tax and Revenue Certificates of Obligation, Series 2024 (Certificates), with a 4.02 percent interest rate. The Certificates were issued at a premium of \$2,776,341 and incurred issuance costs of \$291,341. The \$31,141,341 proceeds from the sale of the Certificates will be used for (i) improvements to the City’s Solid Waste Disposal System, (ii) construction, improvements, renovations, relocations and extensions to the City’s storm water facilities and infrastructure (collectively, with item (i), the “Project”), and (iii) payment of professional services of attorneys, financial advisors, engineers and other professionals in connection with the Project and the issuance of the Certificates.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2024

- \$62.9 million Electric Light and Power System Revenue Refunding Bonds, Series 2023 (Bonds), with an interest rate of 3.81 percent. The Bonds were issued at a premium of \$6,637,706 and incurred issuance costs of \$863,824. The \$69,517,706 proceeds from the sale of the Bonds will be used for (i) refunding the Lump Sum Payment under the Settlement Agreement (as such terms are defined herein) (the "Refunded Obligation"), (ii) funding the reserve fund requirement for the Bonds, and (iii) paying the costs of issuing the Bonds and refunding the Refunded Obligation.

In November 2024, Standard and Poor's reaffirmed the City's bond rating of AA+ characterizing the City's rating outlook as stable. In November 2024, Fitch Ratings, Inc. reaffirmed the City's bond rating of AA+ characterizing the City's rating outlook as stable.

In November 2024, 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 November 2024, Fitch Ratings, Inc. upgraded the Water & Wastewater System's bond rating to AA+ and characterized the Water & Wastewater System's rating outlook as stable.

In November 2023, Standard and Poor's reaffirmed Lubbock Power & Light's (LP&L) bond rating of A characterizing LP&L's outlook as developing. In November 2023, Moody's Investor Service issued a bond rating of A1 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 97-104 of the ACFR.

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

- In September 2024, the average unemployment rate for the Lubbock area was 3.4 percent, up from 3.2 percent in September of the previous year. The State's unemployment rate of 3.9 percent for September 2024 is down from 4.1 percent and the national rate of 4.1 percent for September 2024 is up from 3.8 percent from the previous year.
- Taxable retail sales tax was \$99.1 million in FY 2024 compared to \$96.9 million in FY 2023.
- The total number of new residential permits through September 2024 decreased by 10.3 percent from 2023 levels, and total valuation amounts increasing by 6.8 percent from the same period in 2023.
- Hotel occupancy tax receipts stayed steady at \$9.8 million in FY 2024.

The following factors were considered in preparing the City's budget for FY 2025.

- The City adopted a decreased tax rate of \$0.470120 per \$100 valuation for FY 2025. This is a \$0.010044 decrease from FY 2024. The tax rate for debt service increased from \$0.109783 to \$0.112664 per \$100 valuation. The Maintenance and Operations rate decreased from \$0.370381 to \$0.357456 per \$100 valuation. Property tax revenues are expected to increase by \$5.9 million for FY 2025 of which \$3.3 million is new property on the roll.
- Sales tax revenues in FY 2025 are expected to increase 7.7 percent compared to the FY 2024 budget amount.

City of Lubbock, Texas
Management's Discussion and Analysis
For the Year Ended September 30, 2024

- Franchise fees and payments in lieu of franchise fees are expected to increase by \$3.7 million or 12.4 percent. The increase is due to the forecasted energy prices in FY 2025.
- Fees for services are expected to decrease by \$446.9 thousand in FY 2025. Decreases in Public Works, specifically Solid Waste and Cultural and Recreational fees associated with closing the pools are offset by the slight increases to fees under City Secretary, Public Health, Animal Shelter, and Public Safety.
- License and permit revenue are projected to increase \$677.2 thousand or 13.0 percent for FY 2025. These payments are for building permit related fees, food establishments, food truck permit, peddler permit, and mixed beverage permits, charitable solicitations, animal licensing, oil and gas permit and other licenses and permits required by the City. Construction related permits are projected to increase primarily due to increases in permit fees.
- Compensation costs are expected to increase to \$139.8 million in FY 2025 due to a four percent cost of living increase. In addition, sixteen new positions are approved in the General Fund and are offset by a decrease of nine positions for a net of seven positions.
- Water/Wastewater revenue increased \$3.4 million or by 2.1 percent. An increase to the Wastewater base rate along with rate changes for disposal permits, cleaning sewer lines, surcharge fees and the septic load fee contribute to the increase as well as a new fee for a backflow water program.
- Fleet, Airport, Civic Center, Water/Wastewater, and Storm Water are completely cash funding all vehicle and equipment purchases for FY 2025. Total vehicle purchases approved are \$22.0 million and 55.0 percent of the total cost of vehicle or equipment acquisitions is cash funded.
- Tax note funding for FY 2025 totals \$9.9 million which includes prior year tax notes of \$1.3 million. These tax notes will fund sixteen items that will be utilized by General Fund departments that include Traffic, Fire Rescue, and Solid Waste.
- A new fund has been established for the management of Meadowbrook Golf Course. Revenue will be received from golf memberships, green and cart fees, as well as pro shop and range sales.

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, 2024

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and cash equivalents	\$ 1,243,220	\$ 1,363,732	\$ 2,606,952	\$ 18,928,208
Investments	199,895,160	219,272,389	419,167,549	21,488,895
Receivables (net of allowance for uncollectibles)	27,304,763	58,919,071	86,223,834	6,398,574
Internal balances	14,443,503	(14,443,503)	-	-
Due from other governments	2,799,938	8,281,220	11,081,158	1,124,342
Due from others	3,110,946	629,970	3,740,916	-
Inventories	581,060	6,132,108	6,713,168	70,116
Prepaid expenses	9,134	852,451	861,585	60,527
Restricted assets:				
Cash and cash equivalents	-	-	-	1,195,045
Investments	164,027,851	133,179,974	297,207,825	-
Leases receivable	344,466	2,477,341	2,821,807	-
Investment in property	-	-	-	236,940
Mortgage receivables	-	-	-	1,162,995
Land Inventory	-	-	-	13,559,474
Capital assets (net of accumulated depreciation/amortization):				
Right of Use Asset-Leases	2,657,070	426,398	3,083,468	-
SBITA Assets	5,094,573	203,480	5,298,053	-
Non-depreciable	138,639,818	189,154,665	327,794,483	250,000
Depreciable	573,988,894	1,867,990,788	2,441,979,682	11,233,315
Total assets	<u>1,134,140,396</u>	<u>2,474,440,084</u>	<u>3,608,580,480</u>	<u>75,708,431</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	70,022,103	20,211,494	90,233,597	-
Deferred outflow from OPEB	14,283,011	5,386,958	19,669,969	-
Deferred charge on refunding	2,408,664	2,869,831	5,278,495	-
Total deferred outflows of resources	<u>86,713,778</u>	<u>28,468,283</u>	<u>115,182,061</u>	<u>-</u>
LIABILITIES				
Accounts payable	35,591,886	58,407,832	93,999,718	3,326,382
Due to other governments	23,283	-	23,283	-
Accrued liabilities	5,405,074	1,888,411	7,293,485	246,795
Accrued interest payable	2,647,398	11,798,548	14,445,946	68,145
Customer deposits	-	2,762,929	2,762,929	-
Unearned revenue	16,128,639	103,692	16,232,331	1,029,298
Noncurrent liabilities due within one year:				
Compensated absences	13,622,572	4,424,442	18,047,014	-
Post-employment benefits	2,499,645	861,443	3,361,088	-
Accrued insurance claims	2,087,419	1,541,023	3,628,442	-
Leases payable	853,724	35,896	889,620	9,943,024
Subscriptions payable	1,420,430	214,353	1,634,783	-
Bonds and notes payable	38,437,568	76,201,012	114,638,580	54,000
Noncurrent liabilities due in more than one year:				
Compensated absences	28,901,529	4,467,139	33,368,668	-
Post-employment benefits	99,402,669	34,256,764	133,659,433	-
Net pension liability	183,763,016	37,362,371	221,125,387	-
Accrued insurance claims	232,400	1,441,625	1,674,025	-
Landfill closure and postclosure care	7,962,352	-	7,962,352	-
Rebatable Arbitrage	3,256,529	3,597,637	6,854,166	-
Leases payable	1,890,544	403,899	2,294,443	49,039,000
Subscriptions payable	3,702,383	-	3,702,383	-
Bonds and notes payable	382,476,338	976,952,507	1,359,428,845	1,794,000
Total liabilities	<u>830,305,398</u>	<u>1,216,721,523</u>	<u>2,047,026,921</u>	<u>65,500,644</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows from pensions	11,186,403	4,727,098	15,913,501	-
Deferred inflows from OPEB	39,874,398	14,445,949	54,320,347	-
Deferred inflows from refunding	1,027	-	1,027	-
Deferred inflows from Leases	344,466	2,477,341	2,821,807	-
Total deferred inflows of resources	<u>51,406,294</u>	<u>21,650,388</u>	<u>73,056,682</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	422,575,598	1,047,325,065	1,469,900,663	11,414,143
Restricted for:				
Passenger facility charges	-	7,613,223	7,613,223	-
Debt service	19,053,826	82,220,012	101,273,838	-
Grants	5,572,347	-	5,572,347	-
Tax Incremental Funds/Public Improvement Dist.	16,175,291	-	16,175,291	-
Hotel/Motel	714,399	-	714,399	-
Cable Services	3,654,817	-	3,654,817	-
Other	5,680,865	-	5,680,865	-
Component Units	-	-	-	2,538,612
Primary government agreement	-	-	-	100,000
Unrestricted	<u>(134,284,661)</u>	<u>127,378,156</u>	<u>(6,906,505)</u>	<u>(3,844,968)</u>
Total net position (deficit)	<u>\$ 339,142,482</u>	<u>\$ 1,264,536,456</u>	<u>\$ 1,603,678,938</u>	<u>\$ 10,207,787</u>

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Statement of Activities
For the Year Ended September 30, 2024

		<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	\$ 24,948,194	\$ 20,391	\$ -
Community services	6,580,794	-	6,958,278
Cultural and recreation	23,974,155	1,019,980	422,880
Economic and business development	24,818,360	2,725,665	6,972,056
Fire	72,549,132	156,680	-
Health	14,235,860	972,336	6,320,128
Police	95,429,075	203,031	66,283
Other public safety	10,249,310	9,922,002	1,378,785
Streets and traffic	38,054,474	3,804,960	-
Solid Waste	26,434,407	27,257,745	-
Interest on long-term debt	14,845,260	-	-
Total governmental activities	<u>352,119,021</u>	<u>46,082,790</u>	<u>22,118,410</u>
Business-type activities:			
Electric	256,031,710	268,257,463	-
Water/Wastewater	137,259,135	148,349,861	2,242,581
Storm Water	15,424,786	22,298,818	-
Transit	18,311,185	5,805,865	20,345,243
Airport	23,126,767	15,152,248	6,861,688
Civic Centers	4,169,602	572,698	-
Cemetery	706,140	455,850	-
Lake Alan Henry	596,449	823,217	-
Total business-type activities	<u>455,625,774</u>	<u>461,716,020</u>	<u>29,449,512</u>
Total primary government	<u>\$ 807,744,795</u>	<u>\$ 507,798,810</u>	<u>\$ 51,567,922</u>
Component units:			
Urban Renewal Agency (URA)	\$ 293,942	\$ 14,473	\$ -
Civic Lubbock, Inc.	2,815,122	2,720,521	332,128
Market Lubbock, Inc.	9,318,262	39,453	152,089
Lubbock Economic Development Alliance	12,700,825	-	1,000,000
Vintage Township Public Facilities Corporation	136,290	-	-
Total component units	<u>\$ 25,264,441</u>	<u>\$ 2,774,447</u>	<u>\$ 1,484,217</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			
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	
\$ 1,161,436	\$ (23,766,367)	\$ -	\$ (23,766,367)	\$ -
-	377,484	-	377,484	-
10,102,105	(12,429,190)	-	(12,429,190)	-
-	(15,120,639)	-	(15,120,639)	-
-	(72,392,452)	-	(72,392,452)	-
-	(6,943,396)	-	(6,943,396)	-
1,944,064	(93,215,697)	-	(93,215,697)	-
-	1,051,477	-	1,051,477	-
12,935,125	(21,314,389)	-	(21,314,389)	-
-	823,338	-	823,338	-
-	(14,845,260)	-	(14,845,260)	-
<u>26,142,730</u>	<u>(257,775,091)</u>	<u>-</u>	<u>(257,775,091)</u>	<u>-</u>
193,949	-	12,419,702	12,419,702	-
9,961,126	-	23,294,433	23,294,433	-
4,571,999	-	11,446,031	11,446,031	-
-	-	7,839,923	7,839,923	-
2,235,991	-	1,123,160	1,123,160	-
-	-	(3,596,904)	(3,596,904)	-
-	-	(250,290)	(250,290)	-
-	-	226,768	226,768	-
<u>16,963,065</u>	<u>-</u>	<u>52,502,823</u>	<u>52,502,823</u>	<u>-</u>
<u>\$ 43,105,795</u>	<u>(257,775,091)</u>	<u>52,502,823</u>	<u>(205,272,268)</u>	<u>-</u>
\$ -	-	-	-	(279,469)
-	-	-	-	237,527
-	-	-	-	(9,126,720)
4,937,553	-	-	-	(6,763,272)
186,060	-	-	-	49,770
<u>\$ 5,123,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(15,882,164)</u>
	125,731,679	-	125,731,679	3,886,754
	108,208,214	-	108,208,214	9,017,351
	9,842,670	-	9,842,670	4,902,779
	2,152,460	-	2,152,460	-
	28,845,822	-	28,845,822	-
	21,004,511	33,714,534	54,719,045	2,016,276
	20,337,601	10,300,688	30,638,289	1,014,483
	9,494,277	(9,494,277)	-	-
	<u>325,617,234</u>	<u>34,520,945</u>	<u>360,138,179</u>	<u>20,837,643</u>
	67,842,143	87,023,768	154,865,911	4,955,479
	271,300,339	1,177,512,688	1,448,813,027	5,252,308
	<u>\$ 339,142,482</u>	<u>\$ 1,264,536,456</u>	<u>\$ 1,603,678,938</u>	<u>\$ 10,207,787</u>

City of Lubbock, Texas
Balance Sheet
Governmental Funds
September 30, 2024

	<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	\$ 466,453	\$ -	\$ 228,976	\$ 391,582	\$ 1,087,011
Investments	75,000,240	-	36,816,676	62,961,664	174,778,580
Taxes receivable (net)	19,192,092	601,154	-	1,634,273	21,427,519
Accounts receivable (net)	5,289,270	-	17,927	-	5,307,197
Interest receivable	281,866	30,343	-	88,378	400,587
Due from other funds	6,710,331	-	-	-	6,710,331
Due from other governments	-	-	-	2,799,938	2,799,938
Due from others	1,225,622	-	-	1,885,324	3,110,946
Prepaid expense	9,134	-	-	-	9,134
Inventory	150,529	-	-	-	150,529
Restricted investments	270,799	13,919,324	124,005,586	15,376,686	153,572,395
Leases receivable	-	-	-	306,642	306,642
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$108,596,336</u>	<u>\$ 14,550,821</u>	<u>\$ 161,069,165</u>	<u>\$ 85,444,487</u>	<u>\$ 369,660,809</u>
LIABILITIES					
Accounts payable	\$ 5,479,294	\$ -	\$ 10,881,761	\$ 15,146,848	\$ 31,507,903
Accrued liabilities	5,104,751	-	4,662	110,756	5,220,169
Due to other funds	-	-	-	500,948	500,948
Due to other governments	-	-	-	22,527	22,527
Due to others	-	-	-	756	756
Unearned revenue	84,150	-	645,111	15,399,378	16,128,639
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>10,668,195</u>	<u>-</u>	<u>11,531,534</u>	<u>31,181,213</u>	<u>53,380,942</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows from leases	-	-	-	306,642	306,642
Unavailable revenue	3,128,560	566,711	-	94,890	3,790,161
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>3,128,560</u>	<u>566,711</u>	<u>-</u>	<u>401,532</u>	<u>4,096,803</u>
FUND BALANCES					
Nonspendable	150,529	-	-	-	150,529
Restricted	270,799	13,984,110	116,036,532	40,631,205	170,922,646
Committed	-	-	33,501,099	13,245,453	46,746,552
Unassigned	94,378,253	-	-	(14,916)	94,363,337
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<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>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$108,596,336</u>	<u>\$ 14,550,821</u>	<u>\$ 161,069,165</u>	<u>\$ 85,444,487</u>	<u>\$ 369,660,809</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, 2024

Total fund balance - governmental funds \$ 312,183,064

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. 720,380,355

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	45,550,181
General obligation bonds	18,670,577
Net book value of capital assets	(50,568,537)
Compensated absences	1,038,034
Post employment benefits	4,761,791
Net pension Liability	4,395,717
Lease	1,272,437
Subscription Liability	4,756,170
Arbitrage Liability	239,645
Deferred Inflows of Pensions	551,167
Deferred Outflows of Pensions	(2,123,599)
Deferred Inflows of OPEB	1,635,014
Deferred Outflows from OPEB	(627,606)
Deferred Inflow on Refunding	1,027
Amounts due from business-type ISF's for amounts undercharged	8,234,120

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	(388,689,405)
SIB Loan	(5,046,764)
Leases	(2,744,268)
Subscription Liabilities	(5,122,813)
Arbitrage Liability	(3,256,529)
Closure/Post Closure	(7,962,352)
Compensated absences	(42,524,101)
Post employment benefits	(101,902,314)
Net pension liability	(183,763,016)
Accrued interest on general obligation bonds	(2,459,887)

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 \$27,177,737 and deferred charges on refunding \$2,407,637. (24,770,100)

Deferred Inflows of Pensions	(11,186,403)
Deferred Outflows of Pensions	70,022,103
Deferred Inflows from OPEB	(39,874,398)
Deferred Outflow from OPEB	14,283,011

Revenue earned but unavailable in the funds is deferred. 3,790,161

Net Position of governmental activities \$ 339,142,482

See accompanying Notes to Basic Financial Statements.

City of Lubbock, Texas
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2024

	<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	\$187,018,979	\$ 26,721,111	\$ -	\$ 31,745,488	\$ 245,485,578
Franchise taxes	28,578,904	-	-	266,918	28,845,822
Special assessments	-	-	-	2,578,630	2,578,630
Fees and fines	3,227,547	-	3,711,969	558,888	7,498,404
Licenses and permits	4,893,385	-	-	-	4,893,385
Intergovernmental	773,379	-	17,074,160	14,862,295	32,709,834
Charges for services	30,432,697	-	-	402,071	30,834,768
Interest	6,730,194	466,757	6,899,228	4,716,894	18,813,073
Miscellaneous	12,164,174	-	4,431,331	2,276,681	18,872,186
Total revenues	<u>273,819,259</u>	<u>27,187,868</u>	<u>32,116,688</u>	<u>57,407,865</u>	<u>390,531,680</u>
EXPENDITURES					
Current:					
Administrative services and general government	20,285,758	-	1,621,975	244,125	22,151,858
Community services	-	-	-	6,227,410	6,227,410
Cultural and recreation	17,603,578	-	1,474,695	331,155	19,409,428
Economic and business development	1,121,713	-	-	21,610,748	22,732,461
Health	6,986,063	-	-	6,600,548	13,586,611
Fire	68,672,044	-	-	183	68,672,227
Police	89,414,369	-	-	2,053,859	91,468,228
Other public safety	8,815,535	-	-	834,970	9,650,505
Streets and traffic	8,342,139	-	182,980	77,977	8,603,096
Solid waste	21,543,471	-	70,617	-	21,614,088
Intergovernmental	-	-	-	114,355	114,355
Debt service:					
Principal	3,848,088	30,133,745	-	9,925	33,991,758
Interest and other charges	114,144	13,561,787	1,028,240	42,186	14,746,357
Capital outlay	968,503	-	82,375,788	15,914,363	99,258,654
Total expenditures	<u>247,715,405</u>	<u>43,695,532</u>	<u>86,754,295</u>	<u>54,061,804</u>	<u>432,227,036</u>
Revenues under expenditures	<u>26,103,854</u>	<u>(16,507,664)</u>	<u>(54,637,607)</u>	<u>3,346,061</u>	<u>(41,695,356)</u>
OTHER FINANCING SOURCES (USES)					
Issuance of debt - bonds	-	-	78,215,000	6,045,000	84,260,000
Bond premium	-	-	7,656,572	-	7,656,572
Issuance of debt - leases	-	-	-	34,482	34,482
Issuance of debt - SBITA	498,887	-	-	-	498,887
Transfers in	8,003,154	24,477,332	18,219,041	14,136,103	64,835,630
Transfers out	(32,657,074)	(448,056)	(9,769,265)	(20,438,017)	(63,312,412)
Net other financing sources	<u>(24,155,033)</u>	<u>24,029,276</u>	<u>94,321,348</u>	<u>(222,432)</u>	<u>93,973,159</u>
Net change in fund balances	1,948,821	7,521,612	39,683,741	3,123,629	52,277,803
Fund balances - beginning of year	92,850,760	6,462,498	109,853,890	50,738,113	259,905,261
Fund balances - end 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>

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, 2024

Net change in fund balances - total governmental funds	\$ 52,277,803
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 \$99,258,654 exceeded depreciation of \$43,258,766 and Right to Use Assets amortization \$405,641 and Subscription Asset amortization of \$229,430 in the current period.	55,364,817
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 \$84,260,000 was more than debt repayments of \$33,610,889 and debt defeasance of \$0.	(50,649,111)
Lease transactions provide current financial resources to governmental funds and repayment of principal is an expenditure. The proceed amount of \$34,482 was less than the amount of repayment \$380,869 and a gain on a lease modification \$76,811.	423,198
Subscription Based IT transactions provide current financial resources to governmental funds and repayment of principal is an expenditure. The proceed amount of \$498,887 was greater than the amount of repayment \$260,249.	(238,638)
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 \$7,656,572 was more than deferred refunding charges of \$0 and amortization of \$2,929,208.	(4,727,364)
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	(4,910,880)
Post retirement benefits	(1,524,675)
Net pension liability	(3,811)
Arbitrage Liability	(1,870,089)
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.	727,050
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.	7,364,265
Current Amount undercharged by Internal Service Fund Business Type Activities-Lookback	1,450,938
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.	(95,148)
Capital assets transactions include \$12,691,339 donated assets plus \$1,961,476 capital asset transfers in from business-type activities and less \$12,633 disposition of assets and use of property.	14,640,186
Landfill closure and postclosure adjustment in FY 24	<u>(386,398)</u>
Change in net position of governmental activities	<u>\$ 67,842,143</u>

City of Lubbock, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 816,433	119,883	\$ 98,844
Investments	131,273,071	19,275,752	15,892,907
Accounts receivable, net	34,457,443	18,332,545	2,522,932
Interest receivable	755,632	756,724	75,698
Due from others	-	-	-
Due from other funds	-	-	-
Due from other governments	-	174,869	-
Prepaid expenses	25,000	-	-
Inventories	3,623,766	613,830	-
Total current assets	<u>170,951,345</u>	<u>39,273,603</u>	<u>18,590,381</u>
Noncurrent assets:			
Restricted investments	47,831,702	64,030,506	11,543,120
Prepaid expenses	677,775	-	-
Lease Receivable	-	-	-
	<u>48,509,477</u>	<u>64,030,506</u>	<u>11,543,120</u>
Capital assets:			
Land	-	44,206,417	46,385,654
Electric non-depreciable	50,837,989	-	-
Construction in progress	5,927,793	23,788,397	5,971,761
Buildings	-	168,218,777	-
Improvements other than buildings	-	1,237,238,733	205,080,957
Machinery and equipment	-	147,437,145	4,710,310
Lease right-of-use assets, net	426,398	-	-
Subscription assets, net	81,420	122,060	-
Electric depreciable	927,640,329	-	-
Less accumulated depreciation	(332,427,465)	(574,211,240)	(63,084,076)
Total capital assets	<u>652,486,464</u>	<u>1,046,800,289</u>	<u>199,064,606</u>
Total noncurrent assets	<u>700,995,941</u>	<u>1,110,830,795</u>	<u>210,607,726</u>
Total assets	<u>\$ 871,947,286</u>	<u>\$ 1,150,104,398</u>	<u>\$ 229,198,107</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	90,803	1,644,724	1,050,251
Deferred outflows from pensions	12,019,482	5,379,888	506,872
Deferred outflows from OPEB	2,510,639	1,846,649	266,956
Total deferred outflows of resources	<u>14,620,924</u>	<u>8,871,261</u>	<u>1,824,079</u>

See accompanying Notes to Basic Financial Statements

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 218,255	\$ 1,253,415	\$ 266,526
35,092,949	201,534,679	42,854,289
1,824,512	57,137,432	78,800
122,318	1,710,372	161,926
617,002	617,002	12,968
128,527	128,527	-
8,106,351	8,281,220	-
149,676	174,676	-
982,217	5,219,813	1,342,826
<u>47,241,807</u>	<u>276,057,136</u>	<u>44,717,335</u>
9,774,646	133,179,974	10,455,456
-	677,775	-
<u>2,477,341</u>	<u>2,477,341</u>	<u>-</u>
<u>12,251,987</u>	<u>136,335,090</u>	<u>10,455,456</u>
4,815,267	95,407,338	-
-	50,837,989	-
7,221,387	42,909,338	2,492,737
65,251,851	233,470,628	1,691,882
242,444,332	1,684,764,022	10,607,845
75,758,782	227,906,237	72,994,154
-	426,398	1,234,318
-	203,480	4,698,847
-	927,640,329	-
<u>(236,144,171)</u>	<u>(1,205,866,952)</u>	<u>(43,074,722)</u>
<u>159,347,448</u>	<u>2,057,698,807</u>	<u>50,645,061</u>
<u>171,599,435</u>	<u>2,194,033,897</u>	<u>61,100,517</u>
<u>\$ 218,841,242</u>	<u>\$ 2,470,091,033</u>	<u>\$105,817,852</u>
84,053	2,869,831	-
1,901,118	19,807,360	2,527,733
<u>647,076</u>	<u>5,271,320</u>	<u>743,244</u>
<u>2,632,247</u>	<u>27,948,511</u>	<u>3,270,977</u>

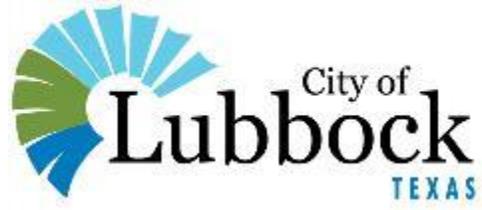
City of Lubbock, Texas
Statement of Net Position
Proprietary Funds
September 30, 2024

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 48,699,705	5,892,777	\$ 808,153
Accrued liabilities	1,037,482	426,971	43,445
Accrued interest payable	9,592,917	1,706,237	314,589
Due to other funds	-	-	-
Customer deposits	1,381,636	1,247,887	-
Unearned revenue - other	-	-	-
Compensated absences	2,377,444	1,113,592	38,550
Post employment benefits	385,459	300,775	40,882
Accrued insurance claims	-	-	-
Subscriptions payable	88,144	126,209	-
Leases payable	35,896	-	-
Bonds payable	20,130,000	44,656,511	8,950,000
Total current liabilities	<u>83,728,683</u>	<u>55,470,959</u>	<u>10,195,619</u>
Noncurrent liabilities:			
Accrued insurance claims	-	-	-
Compensated absences	2,717,987	1,273,103	44,072
Post employment benefits	15,328,450	11,960,836	1,625,745
Net pension liability	21,556,571	10,520,102	1,109,422
Rebatable arbitrage	2,480,344	856,767	239,385
Leases payable	403,899	-	-
Subscriptions payable	-	-	-
Bonds payable	514,908,141	345,381,972	80,106,439
Total noncurrent liabilities	<u>557,395,392</u>	<u>369,992,780</u>	<u>83,125,063</u>
Total liabilities	<u>641,124,075</u>	<u>425,463,739</u>	<u>93,320,682</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred charge on refunding	-	-	-
Deferred inflows from pensions	2,702,025	1,363,022	140,843
Deferred inflows from OPEB	7,149,136	4,609,908	589,011
Deferred inflows from leases	-	-	-
Total deferred inflows of resources	<u>9,851,161</u>	<u>5,972,930</u>	<u>729,854</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	136,221,832	672,586,221	117,379,542
Restricted for:			
Passenger facility charges	-	-	-
Debt service	28,579,425	47,743,300	4,441,863
Unrestricted	70,791,717	7,209,469	15,150,245
Total net position (deficit)	<u>\$ 235,592,974</u>	<u>\$ 727,538,990</u>	<u>\$ 136,971,650</u>

See accompanying Notes to Basic Financial Statements

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 2,874,660	\$ 58,275,295	\$ 4,216,520
353,513	1,861,411	211,905
184,799	11,798,542	187,515
6,337,910	6,337,910	-
133,406	2,762,929	-
103,692	103,692	-
820,535	4,350,121	406,855
115,346	842,462	135,787
-	-	3,628,442
-	214,353	1,207,747
-	35,896	426,938
<u>2,461,513</u>	<u>76,198,024</u>	<u>3,862,988</u>
<u>13,385,374</u>	<u>162,780,635</u>	<u>14,284,697</u>
-	-	1,674,025
347,009	4,382,171	790,468
4,586,922	33,501,953	5,535,583
3,451,552	36,637,647	4,984,654
21,141	3,597,637	239,645
-	403,899	845,499
-	-	3,548,423
<u>36,552,967</u>	<u>976,949,519</u>	<u>14,813,565</u>
<u>44,959,591</u>	<u>1,055,472,826</u>	<u>32,431,862</u>
<u>58,344,965</u>	<u>1,218,253,461</u>	<u>46,716,559</u>
-	-	1,027
425,574	4,631,464	646,801
1,813,362	14,161,417	1,919,546
<u>2,477,341</u>	<u>2,477,341</u>	<u>-</u>
<u>4,716,277</u>	<u>21,270,222</u>	<u>2,567,374</u>
121,066,922	1,047,254,517	38,858,886
7,590,991	7,590,991	-
1,251,887	82,016,475	790,094
<u>28,502,447</u>	<u>121,653,878</u>	<u>20,155,916</u>
<u>\$ 158,412,247</u>	<u>\$ 1,258,515,861</u>	<u>\$ 59,804,896</u>



City of Lubbock, Texas
Reconciliation of the Statement of Net Position - Proprietary Funds
To the Statement of Net Position
September 30, 2024

Total net position - proprietary funds	\$ 1,258,515,861
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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	14,254,715
Amounts due to governmental ISF's for amounts overcharged	<u>(8,234,120)</u>
Net position of business-type activities	<u><u>\$ 1,264,536,456</u></u>

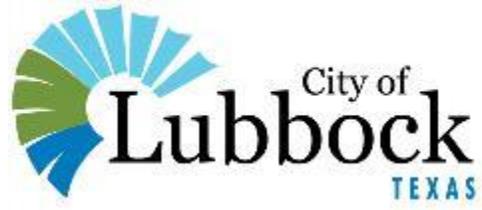
City of Lubbock, Texas
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For The Year Ended September 30, 2024

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
OPERATING REVENUES			
Charges for services (net)	\$ 268,257,463	\$ 148,349,861	\$ 22,298,818
Total operating revenues	<u>268,257,463</u>	<u>148,349,861</u>	<u>22,298,818</u>
OPERATING EXPENSES			
Personnel services	26,463,363	18,588,652	2,285,015
Insurance and claims	-	-	-
Supplies	1,587,542	5,989,331	157,763
Materials	-	-	-
Maintenance	3,915,391	6,363,628	661,033
Purchase of fuel and power	107,426,312	-	-
Billing office expense	-	2,783,862	1,391,931
Other services and charges	16,455,669	40,080,982	3,963,419
Depreciation and amortization	24,898,143	38,531,637	4,615,312
Total operating expenses	<u>180,746,420</u>	<u>112,338,092</u>	<u>13,074,473</u>
Operating income (loss)	<u>87,511,043</u>	<u>36,011,769</u>	<u>9,224,345</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	11,074,853	17,528,843	1,328,779
Passenger facility charges/Federal grants	-	2,242,581	-
Disposition of assets	127,400	(137,382)	-
Miscellaneous	(56,738,222)	7,269,773	27,780
Interest expense	(18,479,715)	(24,320,552)	(2,208,035)
Net nonoperating revenues (expenses)	<u>(64,015,684)</u>	<u>2,583,263</u>	<u>(851,476)</u>
Income (loss) before contributions and transfers	23,495,359	38,595,032	8,372,869
Capital contributions/grants	193,949	10,443,756	4,571,999
Transfers in	1,079,680	107,912	-
Transfers out	(3,046,049)	(6,039,409)	(3,383,140)
Change in net position (deficit)	21,722,939	43,107,291	9,561,728
Total net position - beginning of year	<u>213,870,035</u>	<u>684,431,699</u>	<u>127,409,922</u>
Total net position (deficit) - end of year	<u>\$ 235,592,974</u>	<u>\$ 727,538,990</u>	<u>\$ 136,971,650</u>

See accompanying Notes to Basic Financial Statements.

Enterprise Funds

Nonmajor Enterprise Funds	Total Enterprise Funds	Internal Service Funds
\$ 22,809,878	\$ 461,716,020	\$ 97,870,148
<u>22,809,878</u>	<u>461,716,020</u>	<u>97,870,148</u>
16,690,304	64,027,334	10,244,714
-	-	50,861,354
1,844,694	9,579,330	328,424
-	-	11,700,455
2,874,827	13,814,879	15,438,673
-	107,426,312	-
-	4,175,793	-
9,406,609	69,906,679	4,346,052
14,449,674	82,494,766	8,387,518
<u>45,266,108</u>	<u>351,425,093</u>	<u>101,307,190</u>
<u>(22,456,230)</u>	<u>110,290,927</u>	<u>(3,437,042)</u>
2,779,716	32,712,191	3,192,391
27,206,931	29,449,512	2,859,965
22,483	12,501	403,219
263,803	(49,176,866)	1,259,829
<u>(1,577,729)</u>	<u>(46,586,031)</u>	<u>(1,064,103)</u>
<u>28,695,204</u>	<u>(33,588,693)</u>	<u>6,651,301</u>
6,238,974	76,702,234	3,214,259
2,235,991	17,445,695	-
7,507,765	8,695,357	6,280,628
<u>(3,579,560)</u>	<u>(16,048,158)</u>	<u>(451,045)</u>
12,403,170	86,795,128	9,043,842
<u>146,009,077</u>	<u>1,171,720,733</u>	<u>50,761,054</u>
<u>\$ 158,412,247</u>	<u>\$ 1,258,515,861</u>	<u>\$ 59,804,896</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, 2024

Net change in fund net position - total enterprise funds \$ 86,795,128

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.

228,640

Change in net position of business-type activities

\$ 87,023,768

City Of Lubbock, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2024

	Enterprise Funds		
	LP&L	Water/ Wastewater	Storm Water
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 282,165,876	\$ 148,021,971	\$ 22,402,826
Receipts from interfund services	-	-	-
Payments to suppliers	(202,381,130)	(53,351,573)	(5,177,121)
Payments to employees	(26,463,363)	(19,015,623)	(2,328,461)
Other receipts (payments)	(56,738,222)	9,512,354	27,780
Net cash provided (used) by operating activities	<u>(3,416,839)</u>	<u>85,167,129</u>	<u>14,925,024</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	1,079,680	107,912	-
Transfers out to other funds	(3,046,049)	(6,039,409)	(3,383,140)
Short-term interfund borrowings	-	-	-
Federal grants	-	-	-
Operating grants	-	-	-
Net cash provided (used) by noncapital and related financing activities	<u>(1,966,369)</u>	<u>(5,931,497)</u>	<u>(3,383,140)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(37,252,856)	(31,792,558)	(5,693,058)
Sale of capital assets	127,400	7,231	-
Principal paid on leases	(34,437)	-	-
Principal paid on bonds	(20,860,000)	(44,257,056)	(8,550,612)
Issuance of bonds	69,517,706	-	9,941,295
Interest paid on bonds and leases	(22,199,444)	(29,208,597)	(2,245,425)
Payment of rebatable arbitrage	1,413,545	552,168	18,166
Capital grants and contributions	193,949	161,627	-
Net cash provided (used) by capital and related financing activities	<u>(9,094,137)</u>	<u>(104,537,185)</u>	<u>(6,529,634)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	33,433,338	21,767,297	-
Purchase of investments	(29,783,474)	(13,853,063)	(6,317,377)
Interest earnings (expenses) on cash and investments	10,890,977	17,344,528	1,311,210
Net cash provided (used) by investing activities	<u>14,540,841</u>	<u>25,258,762</u>	<u>(5,006,167)</u>
Net increase (decrease) in cash and cash equivalents	63,496	(42,791)	6,083
Cash and cash equivalents - beginning of year	752,937	162,674	92,761
Cash and cash equivalents - end of year	<u>\$ 816,433</u>	<u>\$ 119,883</u>	<u>\$ 98,844</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 87,511,043	\$ 36,011,769	\$ 9,224,345
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	24,898,143	38,531,637	4,615,312
Other income (expense)	(56,738,222)	9,512,354	27,780
Change in current assets and liabilities:			
Accounts receivable	13,740,642	(327,891)	104,008
Inventory	(284,305)	399,034	-
Prepaid expenses	-	-	-
Due from other governments	-	-	-
Accounts payable	(67,180,898)	(118,234)	656,157
Due to/from other funds	-	(71,637)	-
Other accrued expenses	(812,504)	88,067	7,333
Customer deposits	(3,196,922)	173,494	-
Subscription liability	(339,015)	(119,095)	-
Change in compensated absences and retirement benefits	(1,014,801)	1,087,631	290,089
Net cash provided (used) by operating activities	<u>\$ (3,416,839)</u>	<u>\$ 85,167,129</u>	<u>\$ 14,925,024</u>
Supplemental cash flow information:			
Noncash capital contributions and other charges	\$ -	\$ 10,600,792	\$ 4,571,999
Noncash subscription-based arrangements	112,134	-	-
Net noncash supplemental cash flow	<u>\$ 112,134</u>	<u>\$ 10,600,792</u>	<u>\$ 4,571,999</u>

See accompanying Notes to Basic Financial Statements.

Enterprise Funds		
Nonmajor Enterprise Funds	Totals	Internal Service Funds
\$ 23,051,977	\$ 475,642,650	\$ 95,268,747
-	-	2,639,057
(12,310,747)	(273,220,571)	(78,407,385)
(16,837,901)	(64,645,348)	(9,225,496)
376,643	(46,821,445)	1,259,829
<u>(5,720,028)</u>	<u>90,955,286</u>	<u>11,534,752</u>
7,507,765	8,695,357	6,280,628
(3,579,560)	(16,048,158)	(451,045)
(530,946)	(530,946)	-
-	-	2,859,965
<u>27,206,931</u>	<u>27,206,931</u>	<u>-</u>
30,604,190	19,323,184	8,689,548
(18,212,241)	(92,950,713)	(19,421,142)
22,483	157,114	403,219
-	(34,437)	(1,928,150)
(3,564,154)	(77,231,822)	(3,652,883)
-	79,459,001	4,885,000
(1,897,058)	(55,550,524)	(1,084,899)
5,033	1,988,912	214,588
<u>2,235,991</u>	<u>2,591,567</u>	<u>-</u>
<u>(21,409,946)</u>	<u>(141,570,902)</u>	<u>(20,584,267)</u>
1,270,225	56,470,860	11,659,113
(7,461,068)	(57,414,982)	(14,455,850)
2,743,074	32,289,789	3,131,278
<u>(3,447,769)</u>	<u>31,345,667</u>	<u>334,541</u>
26,447	53,235	(25,426)
191,808	1,200,180	291,952
<u>\$ 218,255</u>	<u>\$ 1,253,415</u>	<u>\$ 266,526</u>
\$ (22,456,230)	\$ 110,290,927	\$ (3,437,042)
14,449,674	82,494,766	8,387,518
263,803	(46,934,285)	1,259,829
242,101	13,758,860	37,657
14,321	129,050	(140,282)
10,477	10,477	1,404,844
314,374	314,374	-
1,305,161	(65,337,814)	1,713,314
536,401	464,764	(19,002)
(212,823)	(929,927)	707,880
10,858	(3,012,570)	-
-	(458,110)	-
(198,145)	164,774	1,620,036
<u>\$ (5,720,028)</u>	<u>\$ 90,955,286</u>	<u>\$ 11,534,752</u>
\$ -	15,172,791	\$ -
-	112,134	5,459,302
<u>\$ -</u>	<u>\$ 15,284,925</u>	<u>\$ 5,459,302</u>

City of Lubbock, Texas
Statement of Fiduciary Net Position
Fiduciary Funds
September 30, 2024

	<u>Police Custodial Fund</u>
ASSETS	
Cash and cash equivalents	\$ 398,214
Receivables:	
Contribution	<u>-</u>
Total assets	<u>\$ 398,214</u>
LIABILITIES	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
NET POSITION (DEFICIT)	
Restricted for Police Evidence and Found Property	<u>398,214</u>
Total Net Position	<u>\$ 398,214</u>

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, 2024

	<u>Police Custodial Fund</u>
ADDITIONS	
Police funds received into custody	\$ 59,245
Total additions	<u>59,245</u>
DEDUCTIONS	
Police funds released from custody	<u>160,658</u>
Total deductions	<u>160,658</u>
Change in net position	(101,413)
Total net position - beginning of year	<u>499,627</u>
Total net position (deficit) - end of year	<u><u>\$ 398,214</u></u>

See accompanying Notes to Basic Financial Statements

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

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 269,814. 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, 2024

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, 2024

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, 2024

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, 2024

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:

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, 2024

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), 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 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, 2024

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 2024, management approved re-appropriation of \$611,784 in funds as follows: General Fund - \$389,664, Water/Wastewater Fund - \$158,300, and North Overton PID - \$63,820. 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 based upon historical collection experience. To write off property taxes receivable, the City eliminates the receivable and reduces the allowance for uncollectible accounts.

City of Lubbock, Texas
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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 \$2,821,807 remaining in lease receivables and \$2,821,807 remaining in deferred inflows as of September 30, 2024. The City recorded lease revenue including interest of \$302,706 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.

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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 \$12,542 related to LP&L, a regulated operation in FY 2024.

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 it’s 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.
- The subscription term includes the noncancelable period of the subscription.

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-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 Equity - 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 fluctuations in revenue. Enterprise funds also have appropriate net position reserve policies, ranging from 10

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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 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.

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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 June of 2022, GASB issued GASB Statement No. 101, Compensated Absences. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement is effective for fiscal years beginning after December 15, 2023. The City is currently evaluating the effect of this statement on their financial statements.

In December of 2023, GASB issued GASB Statement No. 102, Certain Risk Disclosures. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This Statement defines a *concentration* as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This statement is effective for fiscal years beginning after June 15, 2024. The City is currently evaluating this statement.

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 2024 amended budgeted expenditures and transfers out were \$288,395,229, while actual budgetary basis expenditures and transfers out were \$280,372,480; a difference of \$8,022,749.

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NOTE III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS

A. DEPOSITS AND INVESTMENTS

On September 30, 2024, the bank balance of the City’s deposits was \$1,932,325. 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, 2024 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	1,432,325
	\$ 1,932,325

On September 30, 2024, the City had the following investments and maturities:

<u>Type</u>	September 30, 2024		
	Fair Value	Maturities in Years	
		Less Than 1	1-5
Federal Farm Credit Bank (FFCB)	\$ 22,111,688	\$ 8,427,300	\$13,684,388
Farmer Mac (FAMCA)	-	-	-
Federal Home Loan Bank (FHLB)	83,399,511	41,539,117	41,860,394
Federal Home Loan Mortgage Corporation (FHLMC)	17,043,673	11,039,665	6,004,008
Federal National Mortgage Association (FNMA)	-	-	-
Municipal Bonds	160,053,462	33,093,913	126,959,549
Commercial Paper	53,663,566	53,663,566	-
Treasury Bills	11,945,640	11,945,640	-
Money Market	27,554,291	27,554,291	-
State Investment Pools *	340,603,543	340,603,543	-
	\$716,375,374	\$527,867,035	\$188,508,339

*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 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

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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.

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

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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, 2024, 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, 2024, 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	46.3%	1	AAAm	S&P
Municipal Bonds	23.4%	761	AA/Aa2	S&P/Moody's
Money Market	3.2%	1	AAAm/Aaa-mf	S&P/Moody's
FFCB	3.1%	407	AA+/Aaa	S&P/Moody's
FHLB	12.1%	501	AA+/Aaa	S&P/Moody's
FNMA	0.0%	0	AA+/Aaa	S&P/Moody's
FHLMC	2.4%	477	AA+/Aaa	S&P/Moody's
Commercial Paper	7.8%	122	A-1+/P-1	S&P/Moody's
Treasury Bills	1.7%	270	AA+/Aaa	S&P/Moody's
FAMCA	0.0%	0	AA+/Aaa	S&P/Moody's

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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	10%
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, 2024:

September 30, 2024	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)	\$ 22,111,688	\$ -	\$ 22,111,688	\$ -
Farmer Mac (FAMCA)	-	-	-	-
Federal Home Loan Bank (FHLB)	83,399,511	-	83,399,511	-
Federal Home Loan Mortgage Corporation (FHLMC)	17,043,673	-	17,043,673	-
Federal National Mortgage Association (FNMA)	-	-	-	-
Municipal Bonds	160,053,462	-	160,053,462	-
Commercial Paper	53,663,566	-	53,663,566	-
Treasury Bills	11,945,640	-	11,945,640	-
Total investments by fair value level	\$348,217,540	\$ -	\$348,217,540	\$ -

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Investments measured at the net asset value	
TexStar	\$ 39,386,235
LOGIC	23,744,154
Texas Class	<u>277,232,811</u>
Total investments measured at the NAV	<u>\$340,363,200</u>

Investments measured at amortized cost	
TexPool	\$ 240,343
Money Markets	<u>27,554,291</u>
Investments measured at amortized cost	<u>27,794,634</u>
 Total Investments	 <u>\$716,375,374</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 \$6,838,859 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):

<u>Interfund Payables:</u> <u>(in Thousands)</u>	<u>Interfund Receivables: (in Thousands)</u>			
	<u>Governmental Funds</u>		<u>Proprietary Funds</u>	
	<u>General</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Enterprise</u>	<u>Totals</u>
Governmental Funds:				
Nonmajor Governmental	\$ 372	\$ -	\$ 129	\$ 501
 Proprietary Funds:				
Nonmajor Enterprise	<u>6,338</u>	<u>-</u>	<u>-</u>	<u>6,338</u>
Totals	<u>\$ 6,710</u>	<u>\$ -</u>	<u>\$ 129</u>	<u>\$ 6,839</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
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The following interfund transfers are reflected in the fund financial statements (all amounts in thousands):

Interfund Transfers Out: (in Thousands)	Interfund Transfers In: (in Thousands)								Totals
	Governmental Funds				Proprietary Funds				
	General	Debt Service	Govt. Capital	Nonmajor Govt.	Electric	Water/Waste-water	Nonmajor Enterprise	Internal Service	
Governmental Funds:									
General Fund	\$ -	\$ 3,363	\$17,401	\$ 5,960	\$ 225	\$ -	\$ 2,793	\$ 2,915	\$ 32,657
Debt Service	-	-	-	-	-	-	448	-	448
Govt. Capital Projects	-	6,899	-	2,870	-	-	-	-	9,769
Nonmajor Govt.	11	12,826	630	3,545	-	-	3,426	-	20,438
Proprietary Funds:									
LP&L	1,906	1,140	-	-	-	-	-	-	3,046
Water/Wastewater	2,937	147	-	-	629	-	-	2,326	6,039
Stormwater	604	102	-	1,761	225	-	-	691	3,383
Nonmajor Enterprise	2,365	-	188	-	-	108	841	77	3,579
Internal Service	180	-	-	-	-	-	-	271	451
Totals	<u>\$ 8,003</u>	<u>\$24,477</u>	<u>\$18,219</u>	<u>\$ 14,136</u>	<u>\$1,079</u>	<u>\$ 108</u>	<u>\$ 7,508</u>	<u>\$ 6,280</u>	<u>\$ 79,810</u>

Net transfers on the GWFS amounted to \$9,494,277 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.

C. PREPAID EXPENSES

The total prepaid expenses (noncurrent assets) of \$677,775 in the LP&L Enterprise Fund represents an advertising contract with the United Supermarket Arena. The advertising (and amortization) began with the opening of the sports arena in FY 2000 and will continue for 30 years.

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D. CAPITAL ASSETS

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

Primary Government:

Governmental Activities

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Depreciated:				
Land	\$ 46,612,083	\$ 1,879,320	\$ -	\$ 48,491,403
Construction in Progress	75,135,241	114,252,519	99,239,345	90,148,415
Total Capital Assets Not Depreciated	<u>121,747,324</u>	<u>116,131,839</u>	<u>99,239,345</u>	<u>138,639,818</u>
Capital Assets Depreciated:				
Buildings	147,514,109	26,574,321	-	174,088,430
Improvements Other than Buildings	825,397,953	67,066,759	1,001,485	891,463,227
Machinery and Equipment	187,027,619	23,997,998	4,517,718	206,507,899
Total Capital Assets Depreciated	<u>1,159,939,681</u>	<u>117,639,078</u>	<u>5,519,203</u>	<u>1,272,059,556</u>
Less Accumulated Depreciation:				
Buildings	40,356,521	3,785,936	-	44,142,457
Improvements Other than Buildings	480,966,079	35,212,345	478,679	515,699,745
Machinery and Equipment	130,994,636	11,713,984	4,480,160	138,228,460
Total Accumulated Depreciation	<u>652,317,236</u>	<u>50,712,265</u>	<u>4,958,839</u>	<u>698,070,662</u>
Total Capital Assets Depreciated, Net	<u>507,622,445</u>	<u>66,926,813</u>	<u>560,364</u>	<u>573,988,894</u>
Capital Assets Amortized:				
Lease Buildings	3,270,691	34,482	224,097	3,081,076
Lease Equipment	1,857,287	-	-	1,857,287
Subscription Based Information Technology Arrangements	1,452,868	5,958,190	-	7,411,058
Total Capital Assets Amortized	<u>6,580,846</u>	<u>5,992,672</u>	<u>224,097</u>	<u>12,349,421</u>
Less Accumulated Amortization:				
Lease Buildings	899,759	459,937	-	1,359,696
Lease Equipment	547,321	374,276	-	921,597
Subscription Based Information Technology Arrangements	423,183	1,893,302	-	2,316,485
Total Accumulated Amortization	<u>1,870,263</u>	<u>2,727,515</u>	<u>-</u>	<u>4,597,778</u>
Total Capital Assets Amortized, Net	<u>4,710,583</u>	<u>3,265,157</u>	<u>224,097</u>	<u>7,751,643</u>
Governmental Activities Capital Assets, Net	<u>\$ 634,080,352</u>	<u>\$ 186,323,809</u>	<u>\$ 100,023,806</u>	<u>\$ 720,380,355</u>

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

Governmental activities:	
Administrative Services and General Government	\$ 2,132,036
Community Services	223,597
Cultural and Recreation Services	3,865,560
Economic and Business Development	1,615,195
Fire	2,193,665
Health	370,570
Other Public Safety	388,895
Police	1,423,962
Streets and Traffic	29,074,758
Solid Waste	1,970,529
Internal Service Funds	<u>6,228,450</u>
Total Depreciation Expense - Governmental Activities	49,487,217
Transfer in of Accumulated Depreciation - Business-Type Activities	<u>1,225,048</u>
Increase in Accumulated Depreciation - Governmental Activities	<u><u>\$ 50,712,265</u></u>

City of Lubbock, Texas
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Business Type Activities

	Beginning Balances	Increases	Decreases	Ending Balances
Capital Assets Not Depreciated:				
Land	\$ 90,424,453	\$ 4,982,885	\$ -	\$ 95,407,338
Construction in Progress	90,960,177	80,087,779	128,138,618	42,909,338
Electric Production Plant	75,410	-	-	75,410
Electric Transmission Plant	31,916,759	-	-	31,916,759
Electric Distribution Plant	18,148,160	379,707	-	18,527,867
Electric General Plant	317,953	-	-	317,953
Total Capital Assets Not Depreciated	<u>231,842,912</u>	<u>85,450,371</u>	<u>128,138,618</u>	<u>189,154,665</u>
Capital Assets Depreciated:				
Buildings	230,062,385	3,570,360	-	233,632,745
Improvements Other than Buildings	1,619,494,154	65,547,863	277,995	1,684,764,022
Machinery and Equipment	210,963,863	20,270,994	3,075,619	228,159,238
Electric Production Plant	89,132,114	-	-	89,132,114
Electric Transmission Plant	308,938,835	2,332,051	-	311,270,886
Electric Distribution Plant	412,942,262	31,136,100	472,955	443,605,407
Electric Regional Trans Mkt Oper Plant	2,767,781	-	-	2,767,781
Electric General Plant	56,152,973	30,240,033	5,528,865	80,864,141
Total Capital Assets Depreciated	<u>2,930,454,367</u>	<u>153,097,401</u>	<u>9,355,434</u>	<u>3,074,196,334</u>
Less Accumulated Depreciation:				
Buildings	99,022,387	4,965,382	-	103,987,769
Improvements Other than Buildings	598,943,875	41,005,596	277,995	639,671,476
Machinery and Equipment	121,420,303	11,623,851	2,925,314	130,118,840
Electric Production Plant	63,749,610	3,377,741	-	67,127,351
Electric Transmission Plant	24,925,991	6,499,507	-	31,425,498
Electric Distribution Plant	190,441,996	9,589,942	472,955	199,558,983
Electric Regional Trans Mkt Oper Plant	2,558,401	184,625	-	2,743,026
Electric General Plant	29,738,026	4,727,667	2,893,090	31,572,603
Total Accumulated Depreciation	<u>1,130,800,589</u>	<u>81,974,311</u>	<u>6,569,354</u>	<u>1,206,205,546</u>
Total Capital Assets Depreciated, Net	<u>1,799,653,778</u>	<u>71,123,090</u>	<u>2,786,080</u>	<u>1,867,990,788</u>
Capital Assets Amortized:				
Lease Buildings	393,213	-	-	393,213
Lease Equipment	305,268	-	-	305,268
Subscription Based Information Technology Arrangements	2,339,184	112,134	-	2,451,318
Total Capital Assets Amortized	<u>3,037,665</u>	<u>112,134</u>	<u>-</u>	<u>3,149,799</u>
Less Accumulated Amortization:				
Lease Buildings	17,430	7,669	-	25,099
Lease Equipment	164,655	82,329	-	246,984
Subscription Based Information Technology Arrangements	1,716,229	531,609	-	2,247,838
Total Accumulated Amortization	<u>1,898,314</u>	<u>621,607</u>	<u>-</u>	<u>2,519,921</u>
Total Capital Assets Amortized, Net	<u>1,139,351</u>	<u>(509,473)</u>	<u>-</u>	<u>629,878</u>
Business Type Activities Capital Assets, Net	<u>\$ 2,032,636,041</u>	<u>\$ 156,063,988</u>	<u>\$ 130,924,698</u>	<u>\$ 2,057,775,331</u>

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

Business-Type Activities:	
LP&L	\$ 24,379,481
Water/Wastewater	38,348,546
Storm Water	4,615,312
Airport	10,718,640
Transit	2,811,078
Civic Centers	877,699
Cemetery	36,885
Lake Alan Henry	5,371
Internal Service	13,441
Total Depreciation Expense - Business-Type Activities	<u>81,806,453</u>
Transfer in of Accumulated Depreciation - Governmental Activities	167,858
Increase in Accumulated Depreciation - Business-Type Activities	<u><u>\$ 81,974,311</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	\$ 331,381,978	\$ 180,512,936	\$ 150,869,042
TIF Capital Projects	17,982,486	11,900,593	6,081,893
Gateway Street Projects	19,450,311	7,246,153	12,204,158
LP&L	145,074,237	114,915,589	30,158,648
Water/Wastewater	160,432,774	106,153,896	54,278,878
Storm Water	22,283,451	7,995,527	14,287,924
Airport	69,625,689	47,033,396	22,592,293
Civic Center	3,429,568	914,952	2,514,616
Cemetery	403,491	118,923	284,568
Internal Service Fund	38,906,484	26,861,403	12,045,081
Total	<u>\$ 808,970,469</u>	<u>\$ 503,653,368</u>	<u>\$ 305,317,101</u>

Water has an \$11.3 million appropriation to provide major infrastructure upgrades to maintain an appropriate level of water service to West Lubbock.

Airport has an \$8.0 million appropriation for the upgrade of various electrical system components that are past their serviceable life and inefficient. Work includes switchgear, power distribution, and emergency power system replacement.

Stormwater has an \$8.2 million appropriation for Playa Lake and drainage structure improvements around the intersection of 66th and Upland.

One of the many ongoing Governmental Capital Projects is a \$8 million appropriation to make multiple improvements to the Tom Martin Sports Complex. Included in the improvements are the additions of new

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sports fields, upgrading existing facilities, and improving overall amenities to support an increased volume of events and participants.

E. 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 \$2,821,807 remaining in lease receivables and \$2,821,807 remaining in deferred inflows as of September 30, 2024.

Fiscal Year	Leases			
	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 63,620	\$ 7,530	\$ 191,144	\$ 46,443
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
2030-2034	10,434	351	937,568	101,737
2035-2039	-	-	581,668	23,206
Totals	\$ 344,466	\$ 23,969	\$ 2,477,341	\$ 321,909

F. 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, 2024 and the pension expense for the year ended is as follows:

	TMRS	LFPF	Total
Net pension liability	\$118,633,698	\$102,491,689	\$ 221,125,387
Deferred outflows of resources	63,005,918	27,227,679	90,233,597
Deferred inflows of resources	14,751,447	1,162,054	15,913,501
Pension expense (income)	22,770,451	9,966,982	32,737,433

Summary of significant data for each retirement plan follows:

TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)

Plan Description

The City participates as one of 936 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 participating cities. The TMRS Act places the general administration and management of TMRS with a six-

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

Inactive employees or beneficiaries currently receiving benefits	1,596
Inactive employees entitled to but not yet receiving benefits	1,172
Active employees	1,860
Total	4,628

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 17.01% and 17.91% in calendar years 2023 and 2024, respectively. The City’s contributions to TMRS for the year ended September 30, 2024, were \$23,827,846, and were equal to the required contributions.

City of Lubbock, Texas
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Net Pension Liability

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

Actuarial assumptions

The total pension liability in the December 31, 2023 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% 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, 2012. 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 2024 are summarized in the following table:

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Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.0%	6.7%
Core Fixed Income	6.0%	4.7%
Non-Core Fixed Income	20.0%	8.0%
Other Public and Private Markets	12.0%	8.0%
Real Estate	12.0%	7.6%
Hedge Funds	5.0%	6.4%
Private Equity	10.0%	11.6%
Total	100.0%	

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

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balance at September 30, 2023	\$ 864,094,715	\$ 712,470,636	\$ 151,624,079
Changes for the year			
Service Cost	22,018,861	-	22,018,861
Interest	57,555,986	-	57,555,986
Difference between expected and actual experience	7,425,516	-	7,425,516
Contributions - employer	-	22,135,983	(22,135,983)
Contributions - employee	-	9,109,458	(9,109,458)
Changes in assumptions	(6,959,672)	-	(6,959,672)
Net investment income	-	82,313,890	(82,313,890)
Benefit payments, including refunds of employee contributions	(44,845,733)	(44,845,733)	-
Administrative expenses	-	(524,594)	524,594
Other Charges	-	(3,665)	3,665
Net changes	\$ 35,194,958	\$ 68,185,339	\$ (32,990,381)
Balance at September 30, 2024	\$ 899,289,673	\$ 780,655,975	\$ 118,633,698

City of Lubbock, Texas
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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	\$236,055,550	\$118,633,698	\$21,570,558

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, 2024 the City recognized pension expense of \$22,770,451.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ 24,727,086	\$ 9,657,639
Changes in actuarial assumptions	-	5,093,808
Difference between projected and actual investment earnings	19,807,929	-
Contributions subsequent to the measurement date	18,470,903	-
Total	\$ 63,005,918	\$ 14,751,447

\$18,470,903 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:	
2025	\$ 11,800,158
2026	9,561,230
2027	15,266,602
2028	(6,844,422)
Total	\$ 29,783,568

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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, 2022 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	326	
Inactive employees entitled to but not yet receiving benefits	3	
Active employees	431	
Total	<table style="margin-left: auto; margin-right: 0; border-collapse: collapse;"> <tr> <td style="border-top: 1px solid black; border-bottom: 3px double black; padding: 0 10px;">760</td> </tr> </table>	760
760		

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

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 21.78% in plan year 2022 and 21.50% in plan year 2023. Since the firefighter contribution rate is currently 14.98% with no plan to reduce it, the December 31, 2022 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, 2023, the money-weighted rate of return on pension plan investments was 10.47%. 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.

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, 2023, the money-weighted rate of return on pension plan investments was 10.47%. 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, 2024 were \$9,592,201 and were equal to the statutorily required contributions.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Net Pension Liability

The City of Lubbock’s net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2022 and rolled forward to December 31, 2023.

Total pension liability	\$ 361,453,536
Plan fiduciary net position	<u>258,961,847</u>
City’s net pension liability	\$ 102,491,689

Plan fiduciary net position as a percentage of the total pension liability	71.6%
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Actuarial assumptions

The total pension liability in the December 31, 2022 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-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.

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:

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Equities		
Domestic total market	10.00%	6.49%
World large cap	40.00%	6.13%
Alternatives		
Real estate	15.00%	4.39%
Private equity	10.00%	6.75%
Fixed income		
Domestic core plus	15.00%	2.04%
Floating rate	5.00%	2.40%
Private credit	5.00%	3.76%
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, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 25 years. Because of the 25-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, 2024

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, 2023	\$347,747,936	\$239,588,162	\$ 108,159,774
Changes for the year:			
Service cost	8,475,565	-	8,475,565
Interest	25,940,134	-	25,940,134
Changes of benefit provisions	-	-	-
Difference between expected and actual experience	-	-	-
Contributions – employer	-	9,130,120	(9,130,120)
Contributions – employee	-	6,361,358	(6,361,358)
Net investment income	-	24,807,547	(24,807,547)
Benefit payments, including refunds of employee contributions	(20,710,099)	(20,710,099)	-
Administrative expense	-	(215,310)	215,310
Assumption changes	-	-	-
Other changes	-	69	(69)
Net changes	<u>\$ 13,705,600</u>	<u>\$ 19,373,685</u>	<u>\$ (5,668,085)</u>
Balance at September 30, 2024	<u>\$361,453,536</u>	<u>\$258,961,847</u>	<u>\$102,491,689</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	\$147,923,901	\$102,491,689	\$64,631,857

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, 2024, the City recognized pension expense of \$9,966,982. 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, 2024

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between projected and actual economic experience	\$ 10,876,813	\$ 196,220
Changes in actuarial assumptions	5,804,007	965,834
Difference between projected and actual investment earnings	3,123,234	-
Contributions subsequent to the measurement date	7,423,625	-
Total	\$ 27,227,679	\$ 1,162,054

\$7,423,625 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:	
2025	\$2,500,424
2026	2,771,713
2027	6,960,536
2028	940,422
2029	2,456,019
Thereafter	3,012,886
Total	\$18,642,000

G. 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, 2024

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	<u>2,207</u>
Total	<u><u>3,205</u></u>

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 \$462/\$25 (medical/dental) for single coverage and \$1,055/\$54 (medical/dental) for family coverage, pre-65.

Total OPEB Liability

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

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

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	3.77% as of December 31, 2023
Salary increases	<u>TMRS</u> : 3.6% to 11.85%, including inflation
	<u>LFPE</u> : 2.75% to 7.89%

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 LFPE: 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 3.77% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”). The discount rate was 4.05% as of the prior measurement date.

Changes in the Total OPEB Liability	Total OPEB Liability
Balance at September 30, 2023	\$129,527,740
Changes for the year:	
Service cost	6,844,157
Interest	5,299,115
Difference between expected and actual experience	(11,385,117)
Changes of assumptions	10,949,561
Benefit Payments	(4,214,935)
Net Changes	<u>\$7,492,781</u>
Balance at September 30, 2024	<u><u>\$137,020,521</u></u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

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 3.77%, 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 (2.77%)	Discount Rate (3.77%)	1% Increase in Discount Rate (4.77%)
City's Total OPEB Liability	\$151,714,883	\$137,020,521	\$124,177,788

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	\$125,637,210	\$137,020,521	\$150,597,108

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

For the year ended September 30, 2024, the City recognized total OPEB expense of \$5,232,593.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference in expected and actual experience	\$ -	\$ 24,181,157
Changes in assumptions	17,342,535	30,139,190
Contributions subsequent to the measurement date	2,327,434	-
Total	\$ 19,669,969	\$ 54,320,347

\$2,327,434 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:

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Year ending September 30:	
2025	(\$7,441,951)
2026	(7,322,331)
2027	(7,096,009)
2028	(8,530,674)
2029	(4,586,958)
Thereafter	<u>(1,999,889)</u>
Total	<u><u>\$(36,977,812)</u></u>

H. 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.

I. 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, 2024, 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, 2024

J. 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 09/30/24</u>
2.64	05/01/14	02/15/26	\$ 44,920,000	\$ 15,005,000
3.25	05/01/14	02/15/34	62,900,000	2,005,000
3.11	04/15/15	02/15/35	102,490,000	63,345,000
2.42	04/15/15	02/15/28	129,665,000	44,725,000
3.21	05/01/15	02/15/31	28,305,000	16,380,000
2.41	04/15/16	02/15/34	26,660,000	16,600,000
2.72	04/15/16	02/15/36	101,305,000	63,230,000
2.47	11/01/16	02/15/34	36,780,000	14,535,000
0.00	02/16/17	02/15/37	35,000,000	22,750,000
3.20	04/15/17	02/15/37	23,290,000	14,605,000
2.92	04/04/18	02/15/38	18,535,000	10,050,000
3.86	04/04/18	02/15/38	14,675,000	11,375,000
2.76	04/04/18	02/15/30	96,160,000	54,275,000
3.07	04/04/19	02/15/39	64,550,000	54,315,000
2.13	04/04/19	02/15/30	12,270,000	6,500,000
2.31	10/08/19	02/15/32	44,875,000	32,475,000
2.51	05/13/20	02/15/40	7,045,000	6,150,000
1.57	12/17/20	02/15/34	32,690,000	24,245,000
0.83	02/18/21	02/15/31	6,010,000	4,620,000
1.97	07/28/21	02/15/41	24,420,000	21,895,000
3.61	03/23/23	02/15/38	15,470,000	15,045,000
3.92	03/23/23	02/15/43	46,085,000	45,480,000
4.02	06/27/24	02/15/44	28,365,000	28,365,000
4.02	06/27/24	02/15/44	58,905,000	58,905,000
			<u>\$ 1,061,370,000</u>	<u>\$ 646,875,000</u>

(A) Excludes net bond premiums and discounts – (\$17,025,625) business-type and (\$27,177,737) governmental. Additionally, this amount includes \$282,265,000 of bonds used to finance enterprise fund activities.

At September 30, 2024, 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, 2024

LP&L REVENUE BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding * 09/30/2024
3.09	05/01/2014	04/15/2034	16,245,000	5,995,000
3.41	04/15/2015	04/15/2035	11,865,000	7,660,000
3.04	04/15/2016	04/15/2046	7,535,000	4,690,000
3.60	08/15/2017	02/15/2047	17,760,000	14,755,000
3.64	07/12/2018	04/15/2048	93,925,000	70,990,000
2.73	09/09/2021	04/15/2051	266,870,000	247,740,000
3.61	09/07/2022	04/15/2042	56,480,000	51,980,000
3.81	12/28/2023	09/30/2043	62,880,000	59,740,000
Total			533,560,000	463,550,000

* Balance outstanding excludes (\$61,111,080) 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 \$266.7 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 3.0 times the debt service requirements in FY24.

WATER/WASTEWATER REVENUE BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding* 09/30/2024
0.92	04/04/2019	02/15/2039	19,635,000	14,710,000
2.47	04/04/2109	02/15/2039	16,725,000	10,530,000
2.45	10/08/2019	02/15/2034	88,405,000	67,895,000
2.51	05/14/2020	02/15/2040	42,085,000	36,720,000
0.74	12/17/2020	02/15/2030	27,220,000	18,965,000
1.71	12/17/2020	02/15/2033	22,135,000	16,840,000
0.86	02/18/2021	02/15/2031	9,630,000	7,220,000
1.00	10/14/2021	02/15/2041	10,445,000	8,870,000
2.64	05/12/2022	02/15/2032	7,435,000	6,285,000
3.69	03/23/2023	02/15/2038	14,485,000	14,085,000
Total			258,200,000	202,120,000

* Balance outstanding excludes (\$8,338,290) 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 2.5 times the debt service requirements in FY24.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

CONTRACT BONDS

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding* 09/30/2024
2.44	10/01/2017	02/15/2029	4,723,042	1,928,870
1.31	11/19/2020	02/15/2031	16,526,365	11,366,131
0.97	11/18/2021	02/15/2025	3,660,000	529,167
3.42	06/01/2023	02/15/2027	4,569,251	2,858,716
Total			29,478,658	16,682,884

*Balance outstanding excludes (\$1,735,048) of bond premiums.

TAX NOTE

Interest Rate (%)	Issue Date	Final Maturity Date	Amount Issued	Balance Outstanding 09/30/2024
2.50	08/01/2018	02/15/2025	13,290,000	590,000
1.99	08/01/2019	02/15/2026	7,130,000	990,000
1.11	07/27/2020	02/15/2027	8,705,000	2,420,000
1.11	08/24/2021	02/15/2028	3,000,000	1,450,000
2.80	06/14/2022	02/15/2029	5,150,000	3,795,000
4.17	06/21/2023	02/15/2030	4,815,000	4,230,000
4.76	12/05/2023	11/15/2030	10,930,000	10,930,000
Total			53,020,000	24,405,000

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, 2024

LEASES

Interest Rate (%)	Final Maturity Date	Initial Liability	Balance Outstanding 09/30/2024
1.97	03/01/2030	572,038	396,520
4.17	08/01/2027	522,407	509,488
1.97	03/01/2030	740,795	513,408
1.97	12/01/2026	768,750	344,913
1.97	09/01/2026	143,182	62,296
1.97	09/01/2068	382,483	377,499
2.80	03/01/2026	1,497,104	955,219
4.17	03/01/2026	34,482	24,720
Total		<u>\$ 4,661,241</u>	<u>\$ 3,184,063</u>

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

Interest Rate (%)	Final Maturity Date	Initial Liability	Balance Outstanding 09/30/2024
2.80	09/01/2025	1,181,229	407,126
2.80	09/01/2025	189,405	64,886
4.17	09/01/2033	3,636,123	3,345,293
2.80	04/01/2025	857,099	263,451
4.17	09/01/2026	498,887	301,757
4.17	10/01/2024	293,814	194,243
4.02	10/01/2026	760,411	760,410
Total		<u>\$ 7,416,968</u>	<u>\$ 5,337,166</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
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The annual requirements to amortize all outstanding debt of the City as of September 30, 2024 are as follows:

Fiscal Year	Governmental Activities					
	General Obligation Bonds		Tax Notes		SIB Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 32,915,000	\$ 15,573,247	\$ 5,020,446	\$ 995,161	\$ 502,122	\$ 129,484
2026	30,995,000	13,626,783	4,448,959	637,639	515,964	115,742
2027	28,185,000	12,303,270	3,800,000	506,989	529,983	101,623
2028	27,125,000	11,082,435	3,275,000	381,604	544,489	87,117
2029	24,600,000	9,983,214	3,205,000	256,003	559,391	72,214
2030-2034	98,760,000	36,714,575	4,330,000	179,402	2,394,815	131,507
2035-2039	77,595,000	17,849,225	-	-	-	-
2040-2044	44,435,000	4,763,350	-	-	-	-
Totals	\$ 364,610,000	\$ 121,896,099	\$ 24,079,405	\$ 2,956,798	\$ 5,046,764	\$ 637,687

Fiscal Year	Business-Type Activities					
	General Obligation Bonds		Tax Notes		Revenue/Contract Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 37,175,000	\$ 10,331,634	\$ 259,554	\$ 3,121	\$ 38,766,457	\$ 27,671,492
2026	35,460,000	8,694,563	66,040	366	41,692,415	26,089,386
2027	32,760,000	7,252,262	-	-	42,267,094	24,391,062
2028	30,860,000	5,918,264	-	-	42,763,226	22,644,292
2029	25,775,000	4,738,736	-	-	38,705,815	20,903,864
2030-2034	86,495,000	12,287,159	-	-	161,092,875	83,129,145
2035-2039	30,550,000	2,552,465	-	-	125,750,000	55,126,884
2040-2044	3,190,000	415,000	-	-	94,970,000	30,941,293
2045-2049	-	-	-	-	70,700,000	13,769,800
2050-2054	-	-	-	-	25,645,000	1,548,800
Totals	\$ 282,265,000	\$ 52,190,083	\$ 325,594	\$ 3,487	\$ 682,352,882	\$ 306,216,018

Fiscal Year	Leases			
	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 853,724	\$ 62,943	\$ 35,896	\$ 7,944
2026	884,446	38,629	37,403	7,217
2027	576,530	15,645	5,666	7,054
2028	169,295	6,939	5,779	6,941
2029	172,661	3,574	5,894	6,826
2030-2034	87,612	504	31,273	32,327
2035-2039	-	-	34,507	29,558
2040-2044	-	-	38,076	25,524
2045-2049	-	-	42,014	21,586
2050-2054	-	-	46,359	17,241
2055-2059	-	-	51,154	12,446
2060-2064	-	-	56,444	7,156
2065-2069	-	-	49,330	1,549
Totals	\$ 2,744,268	\$ 128,234	\$ 439,795	\$ 183,369

The value of right-to-use assets at the end of the current fiscal year was \$5,636,844 and had accumulated amortization of \$2,553,376.

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Fiscal Year	Subscription Based Information Technology Arrangements			
	Governmental Activities		Business- Type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 1,420,430	\$ 185,923	\$ 214,353	\$ 3,736
2026	734,296	144,086	-	-
2027	604,346	113,656	-	-
2028	354,842	98,568	-	-
2029	369,639	83,771	-	-
2030-2033	1,639,260	174,382	-	-
Totals	\$ 5,122,813	\$ 800,386	\$ 214,353	\$ 3,736

The value of Gross Subscription Assets at the end of the current fiscal year was \$9,862,375 and had accumulated amortization of \$4,564,322.

Long-term obligations for governmental and business-type activities for the year ended September 30, 2024 are as follows:

	Debt Payable			Debt Payable		Due in
	09/30/23	Additions	Deletions	09/30/24		one year
Governmental activities:						
Tax-Supported -						
Obligation Bonds	\$ 336,316,488	\$ 89,145,000	\$ 36,772,083	\$ 388,689,405		\$ 37,935,446
Bond Premiums	23,348,993	7,656,572	3,827,828	27,177,737		-
SIB Loan	5,535,509	-	488,745	5,046,764		502,122
Leases	3,804,387	543,970	1,604,089	2,744,268		853,724
Subscription Liability	885,960	5,958,189	1,721,336	5,122,813		1,420,430
Closure/Post Closure	7,575,954	386,398	-	7,962,352		-
Compensated Absences	37,280,871	19,479,648	14,236,418	42,524,101		13,622,572
Total OPEB Liability	95,450,644	18,053,446	11,601,776	101,902,314		2,499,645
Net Pension Liability	211,215,630	94,594,423	122,047,037	183,763,016		-
Insurance Claims Payable	2,002,759	39,083,231	38,766,171	2,319,819		2,087,419
Total Governmental activities	\$ 723,417,195	\$ 274,900,877	\$ 231,065,483	\$ 767,252,589		\$ 58,921,358
Business-type activities:						
Self-Supported -						
Obligation Bonds	\$ 309,908,512	\$ 9,055,000	\$ 36,372,918	\$ 282,590,594		\$ 37,434,554
Revenue and Contract Bon	660,334,731	62,880,000	40,861,849	682,352,882		38,766,458
Bond Premiums	91,555,678	7,524,003	10,869,638	88,210,043		-
Leases	528,468	-	88,673	439,795		35,896
Subscription Liability	672,463	112,134	570,244	214,353		214,353
Compensated Absences	6,786,625	6,321,690	4,216,734	8,891,581		4,424,442
Total OPEB Liability	34,077,096	5,039,387	3,998,276	35,118,207		861,443
Net Pension Liability	48,568,224	27,565,207	38,771,060	37,362,371		-
Insurance Claims Payable	2,655,524	11,778,123	11,450,999	2,982,648		1,541,023
Total Business-type activities	\$ 1,155,087,321	\$ 130,275,544	\$ 147,200,391	\$ 1,138,162,474		\$ 83,278,169

City of Lubbock, Texas
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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 2024, the City had \$6,854,165 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	\$	767,252,589	
Long-Term Debt - Business-Type Activities		1,138,162,474	
Interest		485,015,897	
Total Amount of Debt	\$		2,390,430,960
Less: Bond Discounts/Premiums		(115,387,780)	
Less: Closure/Post Closure		(7,962,352)	
Less: Compensated Absences		(51,415,682)	
Less: Post Employment Benefits		(137,020,521)	
Less: Net Pension Liability		(221,125,387)	
Less: Insurance Claims Payable		(5,302,467)	
Total Other Debt			(538,214,189)
Total Future Bonded Debt Requirements	\$		1,852,216,771

New Bond Issuance

In December 2023, the City issued \$10,930,000 Tax Note, Series 2023A, with a 4.76 percent interest rate. The Tax Notes incurred issuance costs of \$80,000. The \$10,850,000 proceeds from the sale of Tax Notes will be used to (a) finance the purchase of materials, supplies, equipment and machinery; and (b) pay for the costs of issuance related to the Note.

In June 2024, the City issued \$58,905,000 General Obligation Bonds, Series 2024 (Bonds), with a 4.02 percent interest rate. The Bonds were issued at a premium of \$5,766,527 and incurred issuance costs of \$571,527. The \$64,671,527 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 2024, the City issued \$28,365,000 Combination Tax and Revenue Certificates of Obligation, Series 2024 (Certificates), with a 4.02 percent interest rate. The Certificates were issued at a premium of \$2,776,341 and incurred issuance costs of \$291,341. The \$31,141,341 proceeds from the sale of the Certificates will be used for (i) improvements to the City's Solid Waste Disposal System, (ii) construction, improvements, renovations, relocations and extensions to the City's storm water facilities and infrastructure (collectively, with item (i), the "Project"), and (iii) payment of professional services of attorneys, financial advisors, engineers and other professionals in connection with the Project and the issuance of the Certificates.

City of Lubbock, Texas
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Refunding

In December 2023, the City issued \$62,880,000 Electric Light and Power System Revenue Refunding Bonds, Series 2023 (Bonds), with an interest rate of 3.81 percent. The Bonds were issued at a premium of \$6,637,706 and incurred issuance cost of \$863,824. The \$69,517,706 proceeds from the sale of the Bonds will be used for (i) refunding the Lump Sum Payment under the Settlement Agreement (as such terms are defined herein) (the “Refunded Obligation”), (ii) funding the reserve fund requirement for the Bonds, and (iii) paying the costs of issuing the Bonds and refunding the Refunded Obligation.

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, 2024, the City had no outstanding defeased debt.

K. 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, 2024, there was one series of Lubbock Education Facilities Authority Inc. Bonds outstanding with an aggregate principal amount payable of \$15,430,000. The bonds were issued in 2007 and refunded in FY 2016.

L. 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 \$1,848,000 outstanding special assessment debt as of September 30, 2024. 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 completes construction of certain public facilities, the assets are donated to the City. As of September 30, 2024, \$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.

M. 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
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September 30, 2024

N. 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	\$ 150,529	\$ -	\$ -	\$ -	\$ 150,529
Restricted:					
Debt service	-	13,984,110	-	6,306,030	20,290,140
Tax note purchases	270,799	-	-	-	270,799
Economic and business development	-	-	-	745,790	745,790
Tourism, convention centers, arts	-	-	-	714,399	714,399
Animal assistance	-	-	-	513,242	513,242
Tax improvement financing areas	-	-	-	10,764,300	10,764,300
Public improvement districts	-	-	-	5,410,991	5,410,991
Cable services to community public buildings	-	-	-	3,654,817	3,654,817
Community services grants	-	-	-	4,549,677	4,549,677
Heath grants	-	-	-	85,362	85,362
Police grants	-	-	-	22,154	22,154
Law enforcement purposes	-	-	-	2,689,958	2,689,958
Court technology	-	-	-	1,900,966	1,900,966
Donations for community services	-	-	-	61,953	61,953
Donations for animal services	-	-	-	180,501	180,501
Donations for museums	-	-	-	260,139	260,139
Donations for parks and recreational	-	-	-	159,027	159,027
Donations for fire services	-	-	-	15,713	15,713
Donations for police services	-	-	-	8,570	8,570
Donations for cultural	-	-	-	5,608	5,608
Donations for other programs	-	-	-	54,552	54,552
Street capital projects	-	-	84,076,511	47,752	84,124,263
General facility capital projects	-	-	31,401,243	-	31,401,243
Public safety capital projects	-	-	558,778	-	558,778
Parks capital projects	-	-	-	-	-
TIF capital projects	-	-	-	2,479,704	2,479,704
Committed:					
Gateway street capital projects	-	-	-	6,030,644	6,030,644
TIF capital projects	-	-	-	6,416,593	6,416,593
Infrastructure and neighborhood dev	-	-	-	798,216	798,216
Street capital projects	-	-	17,690,209	-	17,690,209
General facility capital projects	-	-	7,510,975	-	7,510,975
Public safety capital projects	-	-	-	-	-
Parks capital projects	-	-	8,192,052	-	8,192,052
Tourism, convention centers, arts	-	-	107,863	-	107,863
Unassigned	94,378,253	-	-	(14,916)	94,363,337
Total Fund Balances	\$ 94,799,581	\$ 13,984,110	\$ 149,537,631	\$ 53,861,742	\$ 312,183,064

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

City of Lubbock, Texas
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O. 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.

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 \$500,000 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
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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.

P. 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 \$2.32 million at September 30, 2024 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 2024</u>	<u>FY 2023</u>
Workers' Compensation and Liability Reserves at Beginning of Fiscal Year	\$ 2,655,524	\$ 3,543,357
Claims Expenses	11,778,123	12,850,516
Claims Payments	<u>(11,450,999)</u>	<u>(13,738,349)</u>
Workers' Compensation and Liability Reserves at End of Fiscal Year	<u>2,982,648</u>	<u>2,655,524</u>
Medical and Dental Claims Liability at Beginning of Fiscal Year	2,002,759	2,083,214
Claims Expenses	39,083,231	34,956,982
Claims Payments	<u>(38,766,171)</u>	<u>(35,037,437)</u>
Medical and Dental Claims Liability at End of Fiscal Year	<u>2,319,819</u>	<u>2,002,759</u>
Total Self-Insurance Liability at End of Fiscal Year	<u>\$ 5,302,467</u>	<u>\$ 4,658,283</u>
Total Assets to Pay Claims at End of Fiscal Year	<u>\$ 29,238,150</u>	<u>\$ 24,610,596</u>
Accrued Insurance Claims Payable - Current	\$ 3,628,442	\$ 3,563,132
Accrued Insurance Claims Payable - Noncurrent	<u>1,674,025</u>	<u>1,095,151</u>
Total Accrued Insurance Claims	<u>\$ 5,302,467</u>	<u>\$ 4,658,283</u>

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Q. 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 \$7,962,352 included in landfill closure and post closure care liability at September 30, 2024, 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 percent of the estimated capacity of Landfill 69 has been used, with \$595,473 remaining to be recognized over the remaining closure period. Approximately 10 percent of the estimated capacity of Landfill 2252 has been used to date, with \$23,048,482 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.

R. DISAGGREGATION OF ACCOUNTS – FUND FINANCIAL STATEMENTS

	Accounts Receivable Summary					Balance at 09/30/24
	Court Fines	Consumer Metered	Property Damage	Paving	Misc.	
Governmental Funds:						
General Fund	\$ 11,640,116	\$ 4,735,248	\$ 482,667	\$ 221,417	\$ 89,888	\$ 17,169,336
Capital Projects	-	-	-	-	17,927	17,927
Total	\$ 11,640,116	\$ 4,735,248	\$ 482,667	\$ 221,417	\$ 107,815	\$ 17,187,263

	Accounts Receivable Summary		Balance at 09/30/24
	General Consumer	Misc.	
Proprietary Funds:			
LP&L	\$ 39,471,141	\$ 1,594,855	\$ 41,065,996
Water/Wastewater	22,192,542	254,781	22,447,323
Storm Water	3,400,434	-	3,400,434
Nonmajor	1,656,246	190,566	1,846,812
Total	\$ 66,720,363	\$ 2,040,202	\$ 68,760,565

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

Allowance for Doubtful Accounts Summary

	Balance at 09/30/24
Governmental Funds:	
General Fund	\$ 11,880,066
Proprietary Funds:	
LP&L	6,608,553
Water/Wastewater	4,114,778
Storm Water	877,502
Nonmajor	22,300
Total	\$ 23,503,199

Accounts Payable Summary

	Vouchers	Accounts	Miscellaneous	Balance at 09/30/24
Governmental Funds:				
General Fund	\$ 1,389,819	\$ 488,267	\$ 3,601,208	\$ 5,479,294
Govt. Capital Projects	5,915,381	1,987,486	2,978,894	10,881,761
Nonmajor	559,096	13,042,214	1,545,538	15,146,848
Proprietary Funds:				
LP&L	42,511,090	415,772	5,772,843	48,699,705
Water/Wastewater	2,588,165	1,834,594	1,470,018	5,892,777
Storm Water	598,671	7,249	202,233	808,153
Nonmajor	1,486,240	1,278,227	110,193	2,874,660
Internal Service	2,613,913	318,793	1,283,814	4,216,520
Total	\$ 57,662,375	\$ 19,372,602	\$ 16,964,741	\$ 93,999,718

S. DISAGGREGATION OF ACCOUNTS - GOVERNMENT-WIDE

	Net Receivables				Balance at 09/30/24
	Accounts Receivable	Interest Receivable	Taxes Receivable	Internal Service Receivables	
Governmental Activities	\$ 5,307,197	\$ 400,588	\$ 21,427,519	\$ 169,459	\$ 27,304,763
Business-Type Activities	57,137,432	1,710,372	-	71,267	58,919,071
Total	\$ 62,444,629	\$ 2,110,960	\$ 21,427,519	\$ 240,726	\$ 86,223,834

City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

	Accounts Payable		
	Accounts Payable	Internal Service Payables	Balance at 09/30/24
Governmental Activities	\$ 31,507,903	\$ 4,083,983	\$ 35,591,886
Business-Type Activities	58,275,295	132,537	58,407,832
Total	\$ 89,783,198	\$ 4,216,520	\$ 93,999,718

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 \$500,000 self-insured retention. As of September 30, 2024, the City has \$693,288 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, 2024, approximately \$41 million has been accrued by LP&L as a liability for pending material claims and lawsuits considered to be probable. In the opinion of LP&L, this is the total amount of all such pending claims and lawsuits which represent probable loss to the City.

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, 2024

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, 2024

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.

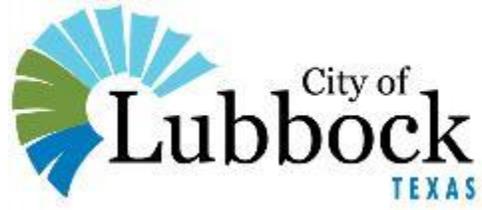
City of Lubbock, Texas
Notes to Basic Financial Statements
September 30, 2024

No other commitments are included in tax abatement agreements. The gross dollar amount by which the City's tax revenues were reduced, was \$583,607.

Industrial Tax Abatement Program	Amount of Taxes Abated During the Fiscal Year
Monsanto	\$ 582,892
United/Safeway	715
	\$ 583,607

NOTE VI. SUBSEQUENT EVENTS

On November 12, 2024, the City of Lubbock priced General Obligation Refunding Bonds in the amount of \$45,610,000 and Water and Wastewater System Revenue Refunding Bonds in the amount of \$57,560,000. Both bonds closed on December 10, 2024.



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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	\$ 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	13,880,535
Interest (on the total pension liability)	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	41,941,717
Difference between expected and actual experience	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)	(5,561,662)
Change of assumptions	(6,959,672)	-	-	-	1,696,165	-	-	-	1,083,512	-
Benefit payments, including refunds of employee contributions	(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)	(28,915,142)
Net Change in Total Pension Liability	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	21,345,448
Total Pension Liability - Beginning	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	606,684,688
Total Pension Liability - Ending (a)	<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>	<u>628,030,136</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 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	16,809,722
Contributions - Employee	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	6,187,966
Net Investment Income	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	29,351,843
Benefit payments, including refunds of employee contributions	(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)	(28,915,142)
Administrative Expense	(524,594)	(495,317)	(426,591)	(328,945)	(515,289)	(358,970)	(398,475)	(403,223)	(481,936)	(306,464)
Other	(3,665)	591,061	2,922	(12,833)	(15,479)	(18,755)	(20,194)	(21,725)	(23,803)	(25,196)
Net Change in Plan Fiduciary Net Position	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)	23,102,729
Plan Fiduciary Net Position - Beginning	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	513,118,011
Plan Fiduciary Net Position - Ending (b)	<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>	<u>536,220,740</u>
City's Net Pension Liability - Ending (a) - (b)	\$ 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	91,809,396
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	86.81%	82.45%	95.89%	90.93%	88.60%	81.03%	87.76%	81.49%	80.83%	85.38%
Covered Payroll	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	88,287,852
City's Net Pension Liability as a Percentage of Covered Payroll	91.16%	124.10%	30.45%	64.68%	82.16%	138.67%	89.29%	135.34%	133.41%	103.99%

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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 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	\$ 16,822,154
Contributions in relation to the actuarially determined contribution	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	16,822,154
Covered payroll	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	90,076,485
Contributions as a percentage of covered payroll	17.70%	16.93%	16.87%	17.50%	17.61%	17.80%	18.02%	17.95%	18.12%	18.68%

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**

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service Cost	\$ 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	5,670,689
Interest (on the total pension liability)	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	18,188,061
Changes of benefit provisions	-	-	-	-	(5,954,023)	-	-	-	-	-
Difference between expected and actual experience	-	12,896,584	-	996,773	-	35,696	-	1,284,558	-	(1,634,184)
Change of assumptions	-	-	-	8,341,782	-	(2,680,334)	-	-	-	9,070,157
Benefit payments, including refunds of employee contributions	(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)	(13,429,152)
Net Change in Total Pension Liability	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	17,865,571
Total Pension Liability - Beginning	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	228,497,277
Total Pension Liability - Ending (a)	\$ 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
Plan Fiduciary Net Position										
Contributions - Employer	\$ 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	6,234,058
Contributions - Employee	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	3,424,188
Net Investment Income	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)	991,921
Benefit payments, including refunds of employee contributions	(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)	(13,429,152)
Administrative Expense	(215,310)	(262,048)	(375,072)	(303,578)	(316,533)	(351,995)	(290,549)	(322,882)	(244,762)	(205,266)
Other	69	941	1,929	436,792	225,073	570,341	1,015,473	1,244,040	1,36,500	53,411
Net Change in Plan Fiduciary Net Position	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)	(2,930,840)
Plan Fiduciary Net Position - Beginning	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	185,255,012
Plan Fiduciary Net Position - Ending (b)	\$ 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
City's Net Pension Liability - Ending (a) - (b)	\$ 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	\$ 64,038,676
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	71.64%	68.90%	79.60%	72.00%	72.20%	64.89%	69.79%	65.67%	67.35%	74.01%
Covered Payroll	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	27,547,772
City's Net Pension Liability as a Percentage of Covered Payroll	241.35%	279.05%	181.22%	243.84%	235.20%	305.04%	265.63%	302.96%	280.27%	232.46%

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Statutorily Determined Contribution	\$ 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	\$ 6,316,139
Contributions in relation to the contractually determined contribution	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	6,316,139
Covered payroll	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	28,277,981
Contributions as a percentage of covered payroll	21.69%	21.56%	21.77%	22.09%	21.49%	21.81%	21.79%	21.72%	21.87%	22.34%

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability							
Service Cost	\$ 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)	5,299,115	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	(11,385,117)	(205,595)	(19,857,298)	(761,751)	(8,855,483)	(1,162,564)	
Change of assumptions	10,949,561	(33,405,883)	(7,915,478)	13,543,540	7,232,469	(6,179,217)	7,332,144
Benefit payments	(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	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	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)	\$ <u>137,020,521</u>	\$ <u>129,527,740</u>	\$ <u>154,946,406</u>	\$ <u>172,402,112</u>	\$ <u>150,930,890</u>	\$ <u>142,429,882</u>	\$ <u>140,863,715</u>
Covered-Employee Payroll	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	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, 2024

	<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	\$ 85,173,827	\$ 85,173,827	\$ 84,933,503	\$ (240,324)
Delinquent Taxes	981,253	981,253	742,153	(239,100)
Sales Tax	98,095,297	98,095,297	99,190,863	1,095,566
Mixed Beverage Tax	1,704,000	1,704,000	1,924,764	220,764
Bingo Tax	222,000	222,000	227,697	5,697
Suddenlink	1,590,952	1,590,952	1,116,239	(474,713)
Xcel	285,300	285,300	892	(284,408)
Atmos	3,000,000	3,000,000	3,434,880	434,880
South Plains Electric Cooperative	1,736,000	1,736,000	2,326,427	590,427
West Texas Gas Company	69,600	69,600	88,860	19,260
Franchise Fee	21,552,787	21,552,787	20,381,131	(1,171,656)
Telecom Right of Way	1,400,000	1,400,000	1,230,475	(169,525)
Development Services	334,300	334,300	163,623	(170,677)
General Government	272,200	272,200	242,230	(29,970)
City Secretary	480,100	480,100	484,780	4,680
Public Safety	870,323	850,323	914,418	64,095
Public Works	30,250,045	30,270,445	27,618,888	(2,651,557)
Health	71,157	71,157	49,501	(21,656)
Animal Shelter	79,500	79,500	66,081	(13,419)
Cultural/Recreational	636,789	636,789	719,074	82,285
Museum	347,995	347,995	260,971	(87,024)
Licenses and Permits	5,205,055	5,205,055	4,884,300	(320,755)
Intergovernmental	474,281	471,271	529,593	58,322
Fines and Forfeitures	2,726,411	2,726,411	3,194,308	467,897
Interest Earnings	2,445,243	2,445,243	6,730,194	4,284,951
In Lieu of Property Tax	10,954,760	10,954,760	10,293,605	(661,155)
Rental	20,400	20,400	83,042	62,642
Recoveries of Expenditures	1,041,510	1,044,120	1,286,498	242,378
Oil and Gas Royalties	368,000	368,000	400,104	32,104
Other	532,500	532,500	300,165	(232,335)
Transfers from Electric Fund	1,905,807	1,905,807	1,905,807	-
Transfers from Water/Wastewater Fund	2,936,773	2,936,773	2,936,773	-
Transfers from Airport Fund	2,364,893	2,364,893	2,364,893	-
Transfer from Risk Fund	180,000	180,000	180,000	-
Transfer from Grant Funds	-	-	11,243	11,243
Transfers from Stormwater	604,438	604,438	604,438	-
Total Revenue	<u>\$ 280,913,496</u>	<u>\$ 280,913,496</u>	<u>\$ 281,822,413</u>	<u>\$ 908,917</u>
EXPENDITURES				
<u>Administrative Services</u>				
City Attorney	\$ 2,520,286	\$ 2,539,471	\$ 2,701,132	\$ (161,661)
City Council	597,710	599,806	572,878	26,928
City Manager	1,823,934	1,832,551	1,869,613	(37,062)
City Secretary	1,784,850	2,143,121	1,729,465	413,656
Facilities Management	5,183,900	5,196,103	4,898,746	297,357
Finance	3,819,006	3,845,097	3,717,935	127,162
Human Resources	1,233,163	1,241,308	1,223,946	17,362
Internal Audit	472,089	475,557	315,444	160,113
Non-departmental	2,186,358	2,246,811	2,125,633	121,178
Communications and Marketing and Call Center	864,110	869,055	903,597	(34,542)
Total Administrative Services	<u>20,485,406</u>	<u>20,988,880</u>	<u>20,058,389</u>	<u>930,491</u>

City of Lubbock, Texas
Required Supplementary Information
Mandatory Budgetary Comparison Schedule (Continued)
General Fund
For the Year Ended September 30, 2024

	<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	\$ 3,053,203	\$ 3,072,892	\$ 2,960,789	\$ 112,103
Codes and Environmental Health	5,144,008	4,527,544	4,466,820	60,724
Planning	1,150,138	1,157,804	1,121,712	36,092
Total Development Services	<u>9,347,349</u>	<u>8,758,240</u>	<u>8,549,321</u>	<u>208,919</u>
<u>Cultural and Recreation Services</u>				
Library	4,343,217	4,361,966	4,142,501	219,465
Cultural Arts	1,417,734	1,423,542	1,369,108	54,434
Parks and Recreation	13,474,712	13,513,214	12,888,989	624,225
Total Cultural and Recreation Services	<u>19,235,663</u>	<u>19,298,722</u>	<u>18,400,598</u>	<u>898,124</u>
<u>Public Works</u>				
Solid Waste	26,582,117	22,203,815	20,534,842	1,668,973
Engineering	953,646	1,207,973	1,155,652	52,321
Streets	5,693,545	5,487,261	5,217,046	270,215
Traffic	4,357,389	4,378,202	4,309,834	68,368
Total Public Works	<u>37,586,697</u>	<u>33,277,251</u>	<u>31,217,374</u>	<u>2,059,877</u>
<u>Public Safety and Health Services</u>				
Animal Services	3,447,385	3,464,668	3,257,758	206,910
Fire	72,546,413	71,790,542	71,771,628	18,914
Municipal Court	2,144,178	2,155,553	1,772,096	383,457
Police	90,134,863	90,871,885	89,706,554	1,165,331
Public Health	1,734,323	2,421,271	2,416,098	5,173
Total Public Safety and Health Services	<u>170,007,162</u>	<u>170,703,919</u>	<u>168,924,134</u>	<u>1,779,785</u>
Transfers	29,848,906	35,368,217	32,657,074	2,711,143
Payroll Accrual/Other Adjustments	497,470	-	565,590	(565,590)
Total Expenditures	<u>\$ 287,008,653</u>	<u>\$ 288,395,229</u>	<u>\$ 280,372,480</u>	<u>\$ 8,022,749</u>
Revenues less expenditures	<u>\$ (6,095,157)</u>	<u>\$ (7,481,733)</u>	<u>\$ 1,449,933</u>	<u>\$ 8,931,666</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, 2024

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 \$281,822,413

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 498,887

Total general fund revenues and other financing sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds \$282,321,300

Expenditures and Other Financing Uses

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule \$280,372,480

Adjustments:

-

Total general fund expenditures and other financing uses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds \$280,372,480

City of Lubbock, Texas
Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2024

	<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	\$ 26,864,389	\$ 26,845,152	\$ 26,721,111	\$ (124,041)
Interest Earnings	180,000	180,000	466,757	286,757
Transfers from Solid Waste	3,363,113	3,363,113	3,363,113	-
Transfers from North Overton TIF	3,078,437	3,078,437	3,078,437	-
Transfers from CBD TIF	946,291	946,291	946,261	(30)
Transfers from Hotel Tax Fund	89,375	89,375	89,375	-
Transfers from Gateway	8,711,448	8,711,448	8,711,448	-
Transfers from LP&L	1,140,242	1,140,242	1,140,242	-
Transfers from Water	146,583	146,583	146,583	-
Transfers from Storm Water	102,608	102,608	102,608	-
Transfers from General Capital Projects	-	-	6,899,265	6,899,265
Total Revenue	<u>44,622,486</u>	<u>44,603,249</u>	<u>51,665,200</u>	<u>7,061,951</u>
EXPENDITURES				
Principal	26,866,834	26,866,834	30,133,745	(3,266,911)
Interest and other charges	17,014,239	17,014,239	13,561,787	3,452,452
Transfer to Civic Center	448,056	448,056	448,056	-
Total Expenditures	<u>44,329,129</u>	<u>44,329,129</u>	<u>44,143,588</u>	<u>185,541</u>
Revenues less expenditures	<u>\$ 293,357</u>	<u>\$ 274,120</u>	<u>\$ 7,521,612</u>	<u>\$ 6,876,410</u>

City of Lubbock, Texas
Budget Comparison Schedule (Continued)
Debt Service Fund
For the Year Ended September 30, 2024

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	\$51,665,200
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Adjustments:	_____ -
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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>\$51,665,200</u>
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Expenditures and Other Financing Uses

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule	\$44,143,588
--	--------------

Adjustments:	_____ -
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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>\$44,143,588</u>
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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.

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, 2024

Special Revenue Funds

	<u>Criminal Investigation</u>	<u>Municipal Court</u>	<u>Abandoned Motor Vehicle</u>	<u>Economic Development Incentive</u>	<u>Donations</u>	<u>Hotel/Motel Tax</u>
ASSETS						
Cash and cash equivalents	\$ 2,512	\$ 12,098	\$ 14,106	\$ 4,959	\$ 4,847	\$ 1,378
Investments	403,960	1,945,245	2,268,044	797,401	779,283	221,610
Taxes receivable (net)	-	-	-	100,657	-	-
Interest receivable	-	4,608	5,376	-	1,840	-
Due from other governments	-	-	-	-	-	-
Due from others	-	-	230,459	-	-	1,473,346
Restricted investments	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 406,472</u>	<u>\$ 1,961,951</u>	<u>\$ 2,517,985</u>	<u>\$ 903,017</u>	<u>\$ 785,970</u>	<u>\$ 1,696,334</u>
LIABILITIES						
Accounts payable	\$ 4,560	\$ 60,985	\$ 164,221	\$ 54,507	\$ 39,907	\$ 981,935
Accrued liabilities	-	-	-	7,830	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Unearned revenue - other	-	-	65,718	-	-	-
Total liabilities	<u>4,560</u>	<u>60,985</u>	<u>229,939</u>	<u>62,337</u>	<u>39,907</u>	<u>981,935</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflows from Leases	-	-	-	-	-	-
Unavailable revenue	-	-	-	94,890	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>94,890</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICIT)						
Restricted	401,912	1,900,966	2,288,046	745,790	746,063	714,399
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>401,912</u>	<u>1,900,966</u>	<u>2,288,046</u>	<u>745,790</u>	<u>746,063</u>	<u>714,399</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 406,472</u>	<u>\$ 1,961,951</u>	<u>\$ 2,517,985</u>	<u>\$ 903,017</u>	<u>\$ 785,970</u>	<u>\$ 1,696,334</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
\$ 3,265	\$ 16	\$ 43,730	\$ 9,031	\$ 13,578	\$ 17,534
525,053	2,602	7,031,279	1,452,023	2,183,112	2,819,214
-	1,533,616	-	-	-	-
1,243	6	22,018	4,362	5,167	6,685
-	-	-	-	-	-
-	-	-	-	-	-
-	-	1,565,196	393,141	-	-
-	-	306,642	-	-	-
\$ 529,561	\$ 1,536,240	\$ 8,968,865	\$ 1,858,557	\$ 2,201,857	\$ 2,843,433
\$ 15,548	\$ 1,536,240	\$ -	\$ -	\$ -	\$ 447,344
771	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,319	1,536,240	-	-	-	447,344
-	-	306,642	-	-	-
-	-	-	-	-	-
-	-	306,642	-	-	-
513,242	-	8,662,223	1,858,557	2,201,857	2,396,089
-	-	-	-	-	-
-	-	-	-	-	-
513,242	-	8,662,223	1,858,557	2,201,857	2,396,089
\$ 529,561	\$ 1,536,240	\$ 8,968,865	\$ 1,858,557	\$ 2,201,857	\$ 2,843,433

City of Lubbock, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

Special Revenue Funds

	<u>North Point PID</u>	<u>Vintage Township PID</u>	<u>Northwest Passage PID</u>	<u>Quincy Park PID</u>	<u>Valencia PID</u>	<u>Bell Farms PID</u>
ASSETS						
Cash and cash equivalents	\$ 6,349	\$ 116	\$ -	\$ 2,897	\$ 742	\$ 4,453
Investments	1,020,810	18,639	6	465,839	119,271	715,935
Taxes receivable (net)	-	-	-	-	-	-
Interest receivable	2,418	-	-	1,103	281	1,695
Due from other governments	-	-	-	-	-	-
Due from others	63,661	5,279	438	3,791	1,749	4,864
Restricted investments	-	133,230	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 1,093,238</u>	<u>\$ 157,264</u>	<u>\$ 444</u>	<u>\$ 473,630</u>	<u>\$ 122,043</u>	<u>\$ 726,947</u>
LIABILITIES						
Accounts payable	\$ 11,364	\$ -	\$ -	\$ -	\$ 2,634	\$ 19,788
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	8,664	-	-	-
Due to other governments	-	-	-	-	-	-
Due to others	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-	-
Total liabilities	<u>11,364</u>	<u>-</u>	<u>8,664</u>	<u>-</u>	<u>2,634</u>	<u>19,788</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	1,081,874	157,264	-	473,630	119,409	707,159
Committed	-	-	-	-	-	-
Unassigned	-	-	(8,220)	-	-	-
Total fund balances (deficit)	<u>1,081,874</u>	<u>157,264</u>	<u>(8,220)</u>	<u>473,630</u>	<u>119,409</u>	<u>707,159</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 1,093,238</u>	<u>\$ 157,264</u>	<u>\$ 444</u>	<u>\$ 473,630</u>	<u>\$ 122,043</u>	<u>\$ 726,947</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
\$ 3,137	\$ -	\$ -	\$ 582	\$ 21,002	\$ 27,048	\$ 5,002
504,428	-	7	93,576	3,376,909	4,349,040	804,244
-	-	-	-	-	-	-
1,190	-	-	221	17,944	10,301	1,920
-	-	-	-	-	-	-
4,866	232	-	796	-	53,818	-
-	-	-	-	4,214,463	-	-
-	-	-	-	-	-	-
<u>\$ 513,621</u>	<u>\$ 232</u>	<u>\$ 7</u>	<u>\$ 95,175</u>	<u>\$ 7,630,318</u>	<u>\$ 4,440,207</u>	<u>\$ 811,166</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 785,390	\$ 12,950
-	-	-	-	-	-	-
-	1,655	5,280	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,655	5,280	-	-	785,390	12,950
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
513,621	-	-	95,175	4,214,463	3,654,817	-
-	-	-	-	3,415,855	-	798,216
-	(1,423)	(5,273)	-	-	-	-
<u>513,621</u>	<u>(1,423)</u>	<u>(5,273)</u>	<u>95,175</u>	<u>7,630,318</u>	<u>3,654,817</u>	<u>798,216</u>
<u>\$ 513,621</u>	<u>\$ 232</u>	<u>\$ 7</u>	<u>\$ 95,175</u>	<u>\$ 7,630,318</u>	<u>\$ 4,440,207</u>	<u>\$ 811,166</u>

City of Lubbock, Texas
Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2024

Special Revenue Funds

	<u>Community Development</u>	<u>Community Services</u>	<u>Health</u>	<u>Library</u>	<u>Police</u>	<u>Other Grants</u>
ASSETS						
Cash and cash equivalents	\$ 12,565	\$ -	\$ -	\$ 19	\$ 1,834	\$ 98,442
Investments	2,020,230	-	-	2,993	294,938	15,828,256
Taxes receivable (net)	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Due from other governments	1,033,767	386,349	636,002	11,827	131,180	600,813
Due from others	-	-	42,025	-	-	-
Restricted investments	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-
Total assets	<u>\$ 3,066,562</u>	<u>\$ 386,349</u>	<u>\$ 678,027</u>	<u>\$ 14,839</u>	<u>\$ 427,952</u>	<u>\$ 16,527,511</u>
LIABILITIES						
Accounts payable	\$ 112,293	\$ 207,044	\$ 152,741	\$ -	\$ 27,522	\$ -
Accrued liabilities	19,168	3,204	72,217	-	-	7,566
Due to other funds	-	128,527	356,822	-	-	-
Due to other governments	-	-	7,688	14,839	-	-
Due to others	-	-	756	-	-	-
Unearned revenue - other	2,933,751	-	2,441	-	378,276	12,019,192
Total liabilities	<u>3,065,212</u>	<u>338,775</u>	<u>592,665</u>	<u>14,839</u>	<u>405,798</u>	<u>12,026,758</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	1,350	47,574	85,362	-	22,154	4,500,753
Committed	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,350</u>	<u>47,574</u>	<u>85,362</u>	<u>-</u>	<u>22,154</u>	<u>4,500,753</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 3,066,562</u>	<u>\$ 386,349</u>	<u>\$ 678,027</u>	<u>\$ 14,839</u>	<u>\$ 427,952</u>	<u>\$ 16,527,511</u>

Capital Projects Funds

Total Special Revenue Funds	TIF Capital Projects	Gateway Streets Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 311,242	\$ 39,895	\$ 40,445	\$ 80,340	\$ 391,582
50,043,947	6,414,616	6,503,101	12,917,717	62,961,664
1,634,273	-	-	-	1,634,273
88,378	-	-	-	88,378
2,799,938	-	-	-	2,799,938
1,885,324	-	-	-	1,885,324
6,306,030	2,479,704	6,590,952	9,070,656	15,376,686
306,642	-	-	-	306,642
\$ 63,375,774	\$ 8,934,215	\$ 13,134,498	\$ 22,068,713	\$ 85,444,487
\$ 4,636,973	\$ 37,918	\$ 10,471,957	\$ 10,509,875	\$ 15,146,848
110,756	-	-	-	110,756
500,948	-	-	-	500,948
22,527	-	-	-	22,527
756	-	-	-	756
15,399,378	-	-	-	15,399,378
20,671,338	37,918	10,471,957	10,509,875	31,181,213
306,642	-	-	-	306,642
94,890	-	-	-	94,890
401,532	-	-	-	401,532
38,103,749	2,479,704	47,752	2,527,456	40,631,205
4,214,071	6,416,593	2,614,789	9,031,382	13,245,453
(14,916)	-	-	-	(14,916)
42,302,904	8,896,297	2,662,541	11,558,838	53,861,742
\$ 63,375,774	\$ 8,934,215	\$ 13,134,498	\$ 22,068,713	\$ 85,444,487

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

	Special Revenue Funds					
	Criminal Investigation	Municipal Court	Abandoned Motor Vehicle	Economic Development Incentive	Donations	Hotel/Motel Tax
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ 4,473,505	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	9,842,670
Franchise taxes	-	-	-	-	-	-
Special assessments	-	-	-	-	-	-
Fees and fines	-	558,888	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	23,466	110,554	125,961	-	38,065	29,544
Miscellaneous	205,398	-	1,465,262	-	209,899	-
Total revenues	<u>228,864</u>	<u>669,442</u>	<u>1,591,223</u>	<u>4,473,505</u>	<u>247,964</u>	<u>9,872,214</u>
EXPENDITURES						
Current:						
Administrative services and general government	-	-	-	-	12,106	-
Community services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	89,338	-
Economic and business development	-	-	-	4,070,693	-	5,561,061
Health	-	-	-	-	49,000	-
Fire	-	-	-	-	183	-
Police	252,262	-	1,634,728	-	1,134	-
Other public safety	-	417,215	-	-	-	-
Streets and traffic	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	9,763	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	-	29,668	34,482	-	-	-
Total expenditures	<u>252,262</u>	<u>446,883</u>	<u>1,678,973</u>	<u>4,070,693</u>	<u>151,761</u>	<u>5,561,061</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(23,398)</u>	<u>222,559</u>	<u>(87,750)</u>	<u>402,812</u>	<u>96,203</u>	<u>4,311,153</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Issuance of debt - leases	-	-	34,482	-	-	-
Transfers in	-	-	-	88,973	-	-
Transfers out	-	-	-	(400,000)	-	(3,940,628)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>34,482</u>	<u>(311,027)</u>	<u>-</u>	<u>(3,940,628)</u>
Net change in fund balances (deficit)	(23,398)	222,559	(53,268)	91,785	96,203	370,525
Fund balances (deficit) - beginning of year	425,310	1,678,407	2,341,314	654,005	649,860	343,874
Fund balances (deficit) - end of year	<u>\$ 401,912</u>	<u>\$ 1,900,966</u>	<u>\$ 2,288,046</u>	<u>\$ 745,790</u>	<u>\$ 746,063</u>	<u>\$ 714,399</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
\$ -	\$ -	\$ 5,783,128	\$ 1,692,174	\$ 936,660	\$ -
-	9,017,351	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	931,946
-	-	-	-	-	-
-	-	-	-	-	-
402,071	-	-	-	-	-
28,376	-	459,554	88,038	109,337	161,815
-	-	168,948	-	-	3,875
<u>430,447</u>	<u>9,017,351</u>	<u>6,411,630</u>	<u>1,780,212</u>	<u>1,045,997</u>	<u>1,097,636</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	9,017,351	20,967	105,264	16,976	1,039,505
297,021	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>297,021</u>	<u>9,017,351</u>	<u>20,967</u>	<u>105,264</u>	<u>16,976</u>	<u>1,039,505</u>
<u>133,426</u>	<u>-</u>	<u>6,390,663</u>	<u>1,674,948</u>	<u>1,029,021</u>	<u>58,131</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	446,568	-	-	-
-	-	(5,578,437)	(814,136)	(100,000)	-
-	-	(5,131,869)	(814,136)	(100,000)	-
133,426	-	1,258,794	860,812	929,021	58,131
379,816	-	7,403,429	997,745	1,272,836	2,337,958
<u>\$ 513,242</u>	<u>\$ -</u>	<u>\$ 8,662,223</u>	<u>\$ 1,858,557</u>	<u>\$ 2,201,857</u>	<u>\$ 2,396,089</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

Special Revenue Funds

	North Point PID	Vintage Township PID	Northwest Passage PID	Quincy Park PID	Valencia PID	Bell Farms PID
REVENUES						
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-	-
Occupancy taxes	-	-	-	-	-	-
Franchise taxes	-	-	-	-	-	-
Special assessments	320,324	201,325	1,858	260,543	72,564	419,053
Fees and fines	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest	64,699	4,201	-	27,844	6,578	43,490
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>385,023</u>	<u>205,526</u>	<u>1,858</u>	<u>288,387</u>	<u>79,142</u>	<u>462,543</u>
EXPENDITURES						
Current:						
Administrative services and general government	-	-	-	-	-	-
Community services	-	-	-	-	-	-
Cultural and recreation	-	-	-	-	-	-
Economic and business development	166,692	208,295	10,365	122,249	59,147	251,501
Health	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Police	-	-	-	-	-	-
Other public safety	-	-	-	-	-	-
Streets and traffic	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Capital outlay	138,257	-	-	44,847	-	7,046
Total expenditures	<u>304,949</u>	<u>208,295</u>	<u>10,365</u>	<u>167,096</u>	<u>59,147</u>	<u>258,547</u>
Excess (deficiency) of revenues over (under) expenditures	<u>80,074</u>	<u>(2,769)</u>	<u>(8,507)</u>	<u>121,291</u>	<u>19,995</u>	<u>203,996</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Issuance of debt - leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	80,074	(2,769)	(8,507)	121,291	19,995	203,996
Fund balances (deficit) - beginning of year	1,001,800	160,033	287	352,339	99,414	503,163
Fund balances (deficit) - end of year	<u>\$ 1,081,874</u>	<u>\$ 157,264</u>	<u>\$ (8,220)</u>	<u>\$ 473,630</u>	<u>\$ 119,409</u>	<u>\$ 707,159</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	266,918	-
286,397	3,837	107	80,676	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,875	13	-	4,585	505,188	256,021	-
-	-	-	-	-	-	-
<u>309,272</u>	<u>3,850</u>	<u>107</u>	<u>85,261</u>	<u>505,188</u>	<u>522,939</u>	<u>-</u>
-	-	-	-	-	232,019	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,963	5,273	5,232	17,490	-	-	835,403
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	148	-	-	-	-
-	-	-	-	-	1,029,538	-
<u>26,963</u>	<u>5,273</u>	<u>5,380</u>	<u>17,490</u>	<u>-</u>	<u>1,261,557</u>	<u>835,403</u>
<u>282,309</u>	<u>(1,423)</u>	<u>(5,273)</u>	<u>67,771</u>	<u>505,188</u>	<u>(738,618)</u>	<u>(835,403)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	5,509,118	-	360,093
-	-	-	-	(9,166,979)	-	-
-	-	-	-	<u>(3,657,861)</u>	<u>-</u>	<u>360,093</u>
282,309	(1,423)	(5,273)	67,771	(3,152,673)	(738,618)	(475,310)
231,312	-	-	27,404	10,782,991	4,393,435	1,273,526
<u>\$ 513,621</u>	<u>\$ (1,423)</u>	<u>\$ (5,273)</u>	<u>\$ 95,175</u>	<u>\$ 7,630,318</u>	<u>\$ 3,654,817</u>	<u>\$ 798,216</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2024

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	4,181,205	2,777,072	6,003,266	217,880	245,535	1,437,337
Charges for services	-	-	-	-	-	-
Interest	-	-	-	-	16,436	2,163,660
Miscellaneous	120,567	-	85,037	-	-	17,695
Total revenues	<u>4,301,772</u>	<u>2,777,072</u>	<u>6,088,303</u>	<u>217,880</u>	<u>261,971</u>	<u>3,618,692</u>
EXPENDITURES						
Current:						
Administrative services and general government	-	-	-	-	-	-
Community services	2,831,671	2,729,498	-	-	-	666,241
Cultural and recreation	-	-	-	217,880	-	23,937
Economic and business development	-	-	-	-	-	-
Health	-	-	6,021,162	-	-	233,365
Fire	-	-	-	-	-	-
Police	-	-	-	-	165,735	-
Other public safety	-	-	-	-	-	417,755
Streets and traffic	-	-	-	-	-	-
Intergovernmental	-	-	-	-	114,355	-
Debt Service:						
Principal	162	-	-	-	-	-
Interest and other charges	1	-	-	-	-	-
Capital outlay	1,494,356	-	6,640	-	-	195,088
Total expenditures	<u>4,326,190</u>	<u>2,729,498</u>	<u>6,027,802</u>	<u>217,880</u>	<u>280,090</u>	<u>1,536,386</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,418)</u>	<u>47,574</u>	<u>60,501</u>	<u>-</u>	<u>(18,119)</u>	<u>2,082,306</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	-	-	-	-	-	-
Issuance of debt - leases	-	-	-	-	-	-
Transfers in	-	-	-	-	-	1,351
Transfers out	-	-	(11,243)	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(11,243)</u>	<u>-</u>	<u>-</u>	<u>1,351</u>
Net change in fund balances (deficit)	(24,418)	47,574	49,258	-	(18,119)	2,083,657
Fund balances (deficit) - beginning of year	25,768	-	36,104	-	40,273	2,417,096
Fund balances (deficit) - end of year	<u>\$ 1,350</u>	<u>\$ 47,574</u>	<u>\$ 85,362</u>	<u>\$ -</u>	<u>\$ 22,154</u>	<u>\$4,500,753</u>

Capital Projects Funds

Total Special Revenue Funds	TIF Capital Projects	Gateway Streets Projects	Total Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 12,885,467	\$ -	\$ -	\$ -	\$ 12,885,467
9,017,351	-	-	-	9,017,351
9,842,670	-	-	-	9,842,670
266,918	-	-	-	266,918
2,578,630	-	-	-	2,578,630
558,888	-	-	-	558,888
14,862,295	-	-	-	14,862,295
402,071	-	-	-	402,071
4,290,300	132,125	294,469	426,594	4,716,894
2,276,681	-	-	-	2,276,681
<u>56,981,271</u>	<u>132,125</u>	<u>294,469</u>	<u>426,594</u>	<u>57,407,865</u>
244,125	-	-	-	244,125
6,227,410	-	-	-	6,227,410
331,155	-	-	-	331,155
21,540,427	70,321	-	70,321	21,610,748
6,600,548	-	-	-	6,600,548
183	-	-	-	183
2,053,859	-	-	-	2,053,859
834,970	-	-	-	834,970
-	-	77,977	77,977	77,977
114,355	-	-	-	114,355
9,925	-	-	-	9,925
149	-	42,037	42,037	42,186
2,979,922	1,888,456	11,045,985	12,934,441	15,914,363
<u>40,937,028</u>	<u>1,958,777</u>	<u>11,165,999</u>	<u>13,124,776</u>	<u>54,061,804</u>
<u>16,044,243</u>	<u>(1,826,652)</u>	<u>(10,871,530)</u>	<u>(12,698,182)</u>	<u>3,346,061</u>
-	-	6,045,000	6,045,000	6,045,000
34,482	-	-	-	34,482
6,406,103	2,600,000	5,130,000	7,730,000	14,136,103
(20,011,423)	(132,125)	(294,469)	(426,594)	(20,438,017)
<u>(13,570,838)</u>	<u>2,467,875</u>	<u>10,880,531</u>	<u>13,348,406</u>	<u>(222,432)</u>
2,473,405	641,223	9,001	650,224	3,123,629
39,829,499	8,255,074	2,653,540	10,908,614	50,738,113
<u>\$ 42,302,904</u>	<u>\$ 8,896,297</u>	<u>\$ 2,662,541</u>	<u>\$ 11,558,838</u>	<u>\$ 53,861,742</u>

City of Lubbock, Texas
Budgetary Comparison Schedule
Special Revenue Funds
For the Year Ended September 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
Abandoned Motor Vehicle		
Revenues and transfers in	1,714,645	1,625,705
Utilization of fund balance	160,355	53,268
Expenditures and transfers out	(1,875,000)	(1,678,973)
Animal Assistance		
Revenues and transfers in	295,960	430,447
Utilization of fund balance	10,405	(133,426)
Expenditures and transfers out	(306,365)	(297,021)
Bell Farms PID		
Revenues and transfers in	413,435	462,543
Expenditures and transfers out	(307,488)	(258,547)
Cable Services		
Revenues and transfers in	493,000	522,939
Utilization of fund balance	7,000	738,618
Expenditures and transfers out	(500,000)	(1,261,557)
Central Business District TIF		
Revenues and transfers in	1,677,959	1,780,212
Expenditures and transfers out	(1,058,549)	(919,400)
Community Development Grant		
Revenues and transfers in	6,257,183	4,301,772
Expenditures and transfers out	(6,257,183)	(4,326,190)
Criminal Investigation		
Revenues and transfers in	171,000	228,864
Utilization of fund balance	28,000	23,398
Expenditures and transfers out	(199,000)	(252,262)
Department of Justice Asset Sharing		
Revenues and transfers in	-	16,412
Utilization of fund balance	2,000	18,143
Expenditures and transfers out	(2,000)	(34,555)
Economic Development Incentive		
Revenues and transfers in	4,589,063	4,562,478
Utilization of fund balance	1,195	(91,785)
Expenditures and transfers out	(4,590,258)	(4,470,693)

City of Lubbock, Texas
Budgetary Comparison Schedule (Continued)
Special Revenue Funds
For the Year Ended September 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
Gateway Streets		
Revenues and transfers in	8,622,525	6,014,306
Utilization of fund balance	838,923	3,152,673
Expenditures and transfers out	(9,461,448)	(9,166,979)
Grants		
Revenues and transfers in	5,526,360	3,620,043
Expenditures and transfers out	(5,526,360)	(1,536,386)
Hotel Motel Tax		
Revenues and transfers in	9,400,000	9,872,214
Expenditures and transfers out	(9,400,000)	(9,501,689)
Lubbock Business Park TIF		
Revenues and transfers in	1,038,478	1,045,997
Expenditures and transfers out	(117,362)	(116,977)
Lubbock Economic Development Alliance		
Revenues and transfers in	8,906,909	9,017,351
Expenditures and transfers out	(8,906,909)	(9,017,351)
Municipal Court		
Revenues and transfers in	536,715	669,442
Expenditures and transfers out	(421,768)	(446,883)
North and East Lubbock Neighborhood and Infrastructure Fund		
Revenues and transfers in	331,200	360,093
Expenditures and transfers out	(331,200)	(835,403)
North Overton PID		
Revenues and transfers in	1,014,914	1,097,636
Utilization of fund balance	35,036	(58,131)
Expenditures and transfers out	(1,049,950)	(1,039,505)
North Overton District TIF		
Revenues and transfers in	6,064,367	6,858,198
Expenditures and transfers out	(4,852,101)	(5,599,404)

City of Lubbock, Texas
Budgetary Comparison Schedule (Continued)
Special Revenue Funds
For the Year Ended September 30, 2024

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
North Point PID		
Revenues and transfers in	329,229	385,023
Utilization of fund balance	225,409	(80,074)
Expenditures and transfers out	(554,638)	(304,949)
Northwest Passage PID		
Revenues and transfers in	3,080	1,858
Expenditures and transfers out	(3,080)	(10,365)
Quincy Park PID		
Revenues and transfers in	267,570	288,387
Expenditures and transfers out	(206,488)	(167,096)
Upland Crossing PID		
Revenues and transfers in	276,354	309,272
Expenditures and transfers out	(159,325)	(26,963)
Upland Crossing 2 PID		
Revenues and transfers in	3,145	3,850
Expenditures and transfers out	(3,145)	(5,273)
Upland Crossing 3 PID		
Revenues and transfers in	94	107
Expenditures and transfers out	(94)	(5,380)
Valencia PID		
Revenues and transfers in	72,261	79,142
Utilization of fund balance	2,350	(19,995)
Expenditures and transfers out	(74,611)	(59,147)
Vintage Township PID		
Revenues and transfers in	205,284	205,526
Expenditures and transfers out	(205,284)	(208,295)
Willow Bend Villas PID		
Revenues and transfers in	74,005	85,261
Expenditures and transfers out	(16,439)	(17,490)

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, 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.

City of Lubbock, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 177,227	\$ 1,324	\$ 8,858
Investments	28,496,131	212,830	1,424,334
Accounts receivable, net	744,929	911,317	44,695
Interest receivable	97,919	-	3,442
Due from others	617,002	-	-
Due from other funds	128,527	-	-
Due from other governments	1,014,481	7,091,870	-
Prepaid expenses	-	149,676	-
Inventories	-	982,217	-
	<u>31,276,216</u>	<u>9,349,234</u>	<u>1,481,329</u>
Noncurrent assets:			
Restricted investments	9,542,036	-	29,073
Lease receivable	2,459,176	-	-
	<u>12,001,212</u>	<u>-</u>	<u>29,073</u>
Capital assets:			
Land	3,608,781	318,539	14,097
Construction in progress	6,789,452	394,808	-
Buildings	44,140,473	4,389,056	846,652
Improvements other than buildings	231,611,815	3,920,562	158,812
Machinery and equipment	32,504,602	36,741,276	497,202
Less accumulated depreciation	<u>(188,888,319)</u>	<u>(24,755,195)</u>	<u>(713,063)</u>
	<u>129,766,804</u>	<u>21,009,046</u>	<u>803,700</u>
	<u>141,768,016</u>	<u>21,009,046</u>	<u>832,773</u>
	<u>\$173,044,232</u>	<u>\$ 30,358,280</u>	<u>\$ 2,314,102</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	55,966	-	2,187
Deferred outflows from pensions	1,216,183	-	121,627
Deferred outflows from OPEB	413,421	-	51,661
	<u>1,685,570</u>	<u>-</u>	<u>175,475</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 27,454	\$ 3,392	\$ 218,255
4,414,234	545,420	35,092,949
120,770	2,801	1,824,512
19,666	1,291	122,318
-	-	617,002
-	-	128,527
-	-	8,106,351
-	-	149,676
-	-	982,217
<u>4,582,124</u>	<u>552,904</u>	<u>47,241,807</u>
203,537	-	9,774,646
18,165	-	2,477,341
<u>221,702</u>	<u>-</u>	<u>12,251,987</u>
873,850	-	4,815,267
37,127	-	7,221,387
15,875,670	-	65,251,851
6,753,143	-	242,444,332
5,845,218	170,484	75,758,782
<u>(21,644,239)</u>	<u>(143,355)</u>	<u>(236,144,171)</u>
<u>7,740,769</u>	<u>27,129</u>	<u>159,347,448</u>
<u>7,962,471</u>	<u>27,129</u>	<u>171,599,435</u>
<u>\$ 12,544,595</u>	<u>\$ 580,033</u>	<u>\$ 218,841,242</u>
25,900	-	84,053
482,895	80,413	1,901,118
<u>167,063</u>	<u>14,931</u>	<u>647,076</u>
<u>675,858</u>	<u>95,344</u>	<u>2,632,247</u>

City of Lubbock, Texas
Combining Statement of Net Position
Nonmajor Enterprise Funds
September 30, 2024

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 1,515,867	\$ 1,118,007	\$ 41,185
Accrued liabilities	123,906	174,920	8,062
Accrued interest payable	171,248	213	562
Due to other funds	-	6,337,910	-
Customer deposits	-	-	-
Unearned revenue - other	100,472	-	3,220
Compensated absences	181,482	517,004	18,192
Post employment benefits	70,084	-	8,760
Bonds payable	<u>1,935,000</u>	<u>136,513</u>	<u>50,000</u>
Total current liabilities	<u>4,098,059</u>	<u>8,284,567</u>	<u>129,981</u>
Noncurrent liabilities:			
Compensated absences	207,478	-	20,798
Post employment benefits	2,786,990	-	348,374
Net pension liability	2,390,508	-	208,728
Rebatable arbitrage	21,141	-	-
Bonds payable	<u>34,379,644</u>	<u>-</u>	<u>68,869</u>
Total noncurrent liabilities	<u>39,785,761</u>	<u>-</u>	<u>646,769</u>
Total liabilities	<u>43,883,820</u>	<u>8,284,567</u>	<u>776,750</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows from pensions	290,801	-	27,748
Deferred inflows from OPEB	1,084,940	-	117,112
Deferred inflows from leases	<u>2,459,176</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>3,834,917</u>	<u>-</u>	<u>144,860</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	94,158,027	20,872,533	687,018
Restricted for passenger facility charges	7,613,223	-	-
Restricted for debt service	1,222,814	-	29,073
Unrestricted	<u>24,017,001</u>	<u>1,201,180</u>	<u>851,876</u>
Total net position (deficit)	<u>\$127,011,065</u>	<u>\$ 22,073,713</u>	<u>\$ 1,567,967</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 197,387	\$ 2,214	\$ 2,874,660
40,512	6,113	353,513
12,776	-	184,799
-	-	6,337,910
133,406	-	133,406
-	-	103,692
100,905	2,952	820,535
33,582	2,920	115,346
340,000	-	2,461,513
<u>858,568</u>	<u>14,199</u>	<u>13,385,374</u>
115,359	3,374	347,009
1,335,433	116,125	4,586,922
730,889	121,427	3,451,552
-	-	21,141
2,104,454	-	36,552,967
<u>4,286,135</u>	<u>240,926</u>	<u>44,959,591</u>
<u>5,144,703</u>	<u>255,125</u>	<u>58,344,965</u>
91,178	15,847	425,574
561,575	49,735	1,813,362
18,165	-	2,477,341
<u>670,918</u>	<u>65,582</u>	<u>4,716,277</u>
5,322,215	27,129	121,066,922
-	-	7,613,223
203,537	-	1,455,424
1,879,080	327,541	28,276,678
<u>\$ 7,404,832</u>	<u>\$ 354,670</u>	<u>\$ 158,412,247</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
For Fiscal Year Ended September 30, 2024

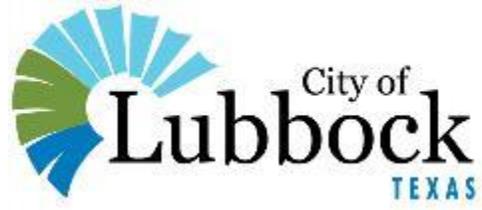
	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
OPERATING REVENUES			
Charges for services (net)	\$ 15,152,248	\$ 5,805,865	\$ 455,850
Total operating revenues	<u>15,152,248</u>	<u>5,805,865</u>	<u>455,850</u>
OPERATING EXPENSES			
Personnel services	4,403,719	10,220,752	397,134
Supplies	270,794	1,466,500	26,094
Maintenance	1,309,909	1,157,937	62,106
Other services and charges	4,969,411	2,540,174	160,656
Depreciation and amortization	10,718,640	2,811,078	36,885
Total operating expenses	<u>21,672,473</u>	<u>18,196,441</u>	<u>682,875</u>
Operating income (loss)	<u>(6,520,225)</u>	<u>(12,390,576)</u>	<u>(227,025)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest earnings	2,409,478	-	85,189
Passenger facility charges/Federal grants	6,861,688	20,345,243	-
Disposition of assets	17,666	4,817	-
Miscellaneous	353,679	(112,840)	-
Interest expense	(1,490,344)	(6,721)	(5,250)
Net nonoperating revenues (expenses)	<u>8,152,167</u>	<u>20,230,499</u>	<u>79,939</u>
Income (loss) before contributions and transfers	1,631,942	7,839,923	(147,086)
Capital contributions/grants	2,235,991	-	-
Transfers in	-	2,858,356	335,162
Transfers out	(2,364,893)	-	-
Change in net position (deficit)	1,503,040	10,698,279	188,076
Total net position - beginning of year	<u>125,508,025</u>	<u>11,375,434</u>	<u>1,379,891</u>
Total net position (deficit) - ending	<u>\$ 127,011,065</u>	<u>\$ 22,073,713</u>	<u>\$ 1,567,967</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 572,698	\$ 823,217	\$ 22,809,878
<u>572,698</u>	<u>823,217</u>	<u>22,809,878</u>
1,446,863	221,836	16,690,304
71,457	9,849	1,844,694
312,975	31,900	2,874,827
1,412,030	324,338	9,406,609
877,699	5,372	14,449,674
<u>4,121,024</u>	<u>593,295</u>	<u>45,266,108</u>
<u>(3,548,326)</u>	<u>229,922</u>	<u>(22,456,230)</u>
250,959	34,090	2,779,716
-	-	27,206,931
-	-	22,483
12,905	10,059	263,803
<u>(75,414)</u>	<u>-</u>	<u>(1,577,729)</u>
<u>188,450</u>	<u>44,149</u>	<u>28,695,204</u>
(3,359,876)	274,071	6,238,974
-	-	2,235,991
4,314,247	-	7,507,765
<u>(918,755)</u>	<u>(295,912)</u>	<u>(3,579,560)</u>
35,616	(21,841)	12,403,170
<u>7,369,216</u>	<u>376,511</u>	<u>146,009,077</u>
<u>\$ 7,404,832</u>	<u>\$ 354,670</u>	<u>\$ 158,412,247</u>

City Of Lubbock, Texas
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended September 30, 2024

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 15,304,652	\$ 5,907,345	\$ 456,795
Payments to suppliers	(5,276,533)	(4,734,424)	(200,856)
Payments to employees	(4,496,629)	(10,220,752)	(405,196)
Other receipts (payments)	353,679	-	-
Net cash provided (used) by operating activities	<u>5,885,169</u>	<u>(9,047,831)</u>	<u>(149,257)</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES			
Transfers in from other funds	-	2,858,356	335,162
Transfers out to other funds	(2,364,893)	-	-
Short-term interfund borrowings	-	(530,946)	-
Operating grants	6,861,688	20,345,243	-
Net cash provided (used) by noncapital and related financing activities	<u>4,496,795</u>	<u>22,672,653</u>	<u>335,162</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchases of capital assets	(4,668,846)	(13,382,184)	(33,126)
Sale of capital assets	17,666	4,817	-
Principal paid on bonds	(2,790,000)	(398,398)	(40,000)
Interest paid on bonds and leases	(1,757,058)	(6,721)	(6,784)
Payment/proceeds of rebatable arbitrage	5,033	-	-
Capital grants and contributions	2,235,991	-	-
Net cash provided (used) by capital and related financing activities	<u>(6,957,214)</u>	<u>(13,782,486)</u>	<u>(79,910)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from sales and maturities of investments	549,640	191,956	52,248
Purchase of investments	(6,325,397)	(35,392)	(241,688)
Interest earnings (expenses) on cash and investments	2,378,366	-	84,162
Net cash provided (used) by investing activities	<u>(3,397,391)</u>	<u>156,564</u>	<u>(105,278)</u>
Net increase (decrease) in cash and cash equivalents	27,359	(1,100)	717
Cash and cash equivalents - beginning of year	149,868	2,424	8,141
Cash and cash equivalents - end of year	<u>\$ 177,227</u>	<u>\$ 1,324</u>	<u>\$ 8,858</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (6,520,225)	\$ (12,390,576)	\$ (227,025)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	10,718,640	2,811,078	36,885
Other income (expense)	353,679	(112,840)	-
Change in current assets and liabilities:			
Accounts receivable	152,404	101,480	945
Inventory	-	14,321	-
Prepaid expenses	-	10,477	-
Due from other governments	(332,569)	646,943	-
Accounts payable	1,043,424	88,081	30,319
Other accrued expenses	27,669	(251,180)	673
Due to/from other funds	536,401	-	-
Customer deposits	-	-	-
Change in compensated absences and retirement benefits	(94,254)	34,385	8,946
Net cash provided (used) by operating activities	<u>\$ 5,885,169</u>	<u>\$ (9,047,831)</u>	<u>\$ (149,257)</u>
Supplemental cash flow information:			
Noncash capital contributions and other charges	\$ -	\$ -	\$ -

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 559,331	\$ 823,854	\$ 23,051,977
(1,692,933)	(406,001)	(12,310,747)
(1,487,375)	(227,949)	(16,837,901)
12,905	10,059	376,643
<u>(2,608,072)</u>	<u>199,963</u>	<u>(5,720,028)</u>
4,314,247	-	7,507,765
(918,755)	(295,912)	(3,579,560)
-	-	(530,946)
-	-	27,206,931
<u>3,395,492</u>	<u>(295,912)</u>	<u>30,604,190</u>
(128,085)	-	(18,212,241)
-	-	22,483
(335,756)	-	(3,564,154)
(126,495)	-	(1,897,058)
-	-	5,033
-	-	2,235,991
<u>(590,336)</u>	<u>-</u>	<u>(21,409,946)</u>
324,257	152,124	1,270,225
(767,893)	(90,698)	(7,461,068)
246,613	33,933	2,743,074
<u>(197,023)</u>	<u>95,359</u>	<u>(3,447,769)</u>
61	(590)	26,447
27,393	3,982	191,808
<u>\$ 27,454</u>	<u>\$ 3,392</u>	<u>\$ 218,255</u>
\$ (3,548,326)	\$ 229,922	\$ (22,456,230)
877,699	5,372	14,449,674
12,905	10,059	263,803
(13,366)	638	242,101
-	-	14,321
-	-	10,477
-	-	314,374
165,545	(22,208)	1,305,161
6,432	3,583	(212,823)
-	-	536,401
10,858	-	10,858
(119,819)	(27,403)	(198,145)
<u>\$ (2,608,072)</u>	<u>\$ 199,963</u>	<u>\$ (5,720,028)</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, 2024

	Business-type Activities			
	Print Shop and Warehouse	Risk Management	Total Business-type Activities	Fleet Maintenance
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 6,016	\$ 104,301	\$ 110,317	\$ 12,825
Investments	967,248	16,770,462	17,737,710	2,062,127
Accounts receivable (net)	-	29,433	29,433	-
Interest receivable	2,104	39,730	41,834	31,261
Due from others	12,968	-	12,968	-
Inventories	912,295	-	912,295	419,085
Total current assets	<u>1,900,631</u>	<u>16,943,926</u>	<u>18,844,557</u>	<u>2,525,298</u>
Noncurrent assets:				
Restricted investments	-	-	-	<u>7,269,661</u>
Capital assets:				
Construction in Progress	-	-	-	2,432,027
Buildings	162,117	-	162,117	1,469,765
Improvements other than buildings	-	-	-	2,013,519
Machinery and equipment	195,529	57,472	253,001	50,810,923
Lease right-of-use assets, net	-	-	-	-
Subscription assets, net	-	-	-	-
Less accumulated depreciation	<u>(287,497)</u>	<u>(51,097)</u>	<u>(338,594)</u>	<u>(19,027,152)</u>
Total capital assets	<u>70,149</u>	<u>6,375</u>	<u>76,524</u>	<u>37,699,082</u>
Total noncurrent assets	<u>70,149</u>	<u>6,375</u>	<u>76,524</u>	<u>44,968,743</u>
Total assets	<u>\$ 1,970,780</u>	<u>\$ 16,950,301</u>	<u>\$ 18,921,081</u>	<u>\$ 47,494,041</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows from pensions	124,956	279,178	404,134	632,340
Deferred outflows from OPEB	<u>59,562</u>	<u>56,076</u>	<u>115,638</u>	<u>186,122</u>
Total deferred outflows of resources	<u>184,518</u>	<u>335,254</u>	<u>519,772</u>	<u>818,462</u>

Governmental Activities

Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$ 67,156	\$ 75,811	\$ 417	\$ 156,209	\$ 266,526
10,797,840	12,189,493	67,119	25,116,579	42,854,289
49,367	-	-	49,367	78,800
59,911	28,920	-	120,092	161,926
-	-	-	-	12,968
11,446	-	-	430,531	1,342,826
<u>10,985,720</u>	<u>12,294,224</u>	<u>67,536</u>	<u>25,872,778</u>	<u>44,717,335</u>
<u>3,185,795</u>	<u>-</u>	<u>-</u>	<u>10,455,456</u>	<u>10,455,456</u>
60,710	-	-	2,492,737	2,492,737
60,000	-	-	1,529,765	1,691,882
8,594,326	-	-	10,607,845	10,607,845
21,930,230	-	-	72,741,153	72,994,154
1,234,318	-	-	1,234,318	1,234,318
4,698,847	-	-	4,698,847	4,698,847
<u>(23,708,976)</u>	<u>-</u>	<u>-</u>	<u>(42,736,128)</u>	<u>(43,074,722)</u>
<u>12,869,455</u>	<u>-</u>	<u>-</u>	<u>50,568,537</u>	<u>50,645,061</u>
<u>16,055,250</u>	<u>-</u>	<u>-</u>	<u>61,023,993</u>	<u>61,100,517</u>
<u>\$ 27,040,970</u>	<u>\$ 12,294,224</u>	<u>\$ 67,536</u>	<u>\$ 86,896,771</u>	<u>\$ 105,817,852</u>
1,395,057	78,264	17,938	2,123,599	2,527,733
<u>405,913</u>	<u>35,571</u>	<u>-</u>	<u>627,606</u>	<u>743,244</u>
<u>1,800,970</u>	<u>113,835</u>	<u>17,938</u>	<u>2,751,205</u>	<u>3,270,977</u>

City of Lubbock, Texas
Combining Statement of Net Position
Internal Service Funds
September 30, 2024

	Business-type Activities			
	Print Shop and Warehouse	Risk Management	Total Business-type Activities	Fleet Maintenance
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 102,612	\$ 29,925	\$ 132,537	\$ 861,461
Accrued liabilities	9,903	17,097	27,000	44,365
Accrued interest payable	6	-	6	161,577
Compensated absences	15,660	58,661	74,321	55,146
Post employment benefits	8,760	10,221	18,981	33,582
Accrued insurance claims	-	1,541,023	1,541,023	-
Leases payable	-	-	-	-
Subscription liability	-	-	-	-
Bonds payable	2,988	-	2,988	2,087,300
Total current liabilities	<u>139,929</u>	<u>1,656,927</u>	<u>1,796,856</u>	<u>3,243,431</u>
Noncurrent liabilities:				
Accrued insurance claims	-	1,441,625	1,441,625	-
Compensated absences	17,904	67,064	84,968	116,997
Post employment benefits	348,375	406,436	754,811	1,335,433
Net pension liability	208,385	516,339	724,724	1,141,268
Rebatable arbitrage	-	-	-	108,558
Leases payable	-	-	-	-
Bonds payable	2,988	-	2,988	10,227,637
Subscription liability	-	-	-	-
Total noncurrent liabilities	<u>577,652</u>	<u>2,431,464</u>	<u>3,009,116</u>	<u>12,929,893</u>
Total liabilities	<u>717,581</u>	<u>4,088,391</u>	<u>4,805,972</u>	<u>16,173,324</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred charge on refunding	-	-	-	1,027
Deferred inflows from pensions	27,369	68,265	95,634	136,675
Deferred inflows from OPEB	145,132	139,400	284,532	522,498
Total deferred inflows of resources	<u>\$ 172,501</u>	<u>207,665</u>	<u>380,166</u>	<u>\$ 660,200</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	64,173	6,375	70,548	31,407,224
Restricted for debt service	-	-	-	1,246,582
Unrestricted	1,201,043	12,983,124	14,184,167	(1,174,827)
Total net position (deficit)	<u>\$ 1,265,216</u>	<u>\$ 12,989,499</u>	<u>\$ 14,254,715</u>	<u>\$ 31,478,979</u>

Governmental Activities

Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$ 1,857,260	\$ 1,365,262	\$ -	\$ 4,083,983	\$ 4,216,520
129,766	8,350	2,424	184,905	211,905
25,932	-	-	187,509	187,515
251,008	26,380	-	332,534	406,855
78,844	4,380	-	116,806	135,787
-	2,087,419	-	2,087,419	3,628,442
426,938	-	-	426,938	426,938
1,207,747	-	-	1,207,747	1,207,747
1,772,700	-	-	3,860,000	3,862,988
<u>5,750,195</u>	<u>3,491,791</u>	<u>2,424</u>	<u>12,487,841</u>	<u>14,284,697</u>
-	232,400	-	232,400	1,674,025
532,534	55,969	-	705,500	790,468
3,135,365	174,187	-	4,644,985	5,399,796
2,977,442	213,014	63,993	4,395,717	5,120,441
131,087	-	-	239,645	239,645
845,499	-	-	845,499	845,499
4,582,940	-	-	14,810,577	14,813,565
3,548,423	-	-	3,548,423	3,548,423
<u>15,753,290</u>	<u>675,570</u>	<u>63,993</u>	<u>29,422,746</u>	<u>32,431,862</u>
<u>21,503,485</u>	<u>4,167,361</u>	<u>66,417</u>	<u>41,910,587</u>	<u>46,716,559</u>
-	-	-	1,027	1,027
379,102	26,333	9,057	551,167	646,801
1,032,895	79,621	-	1,635,014	1,919,546
<u>1,411,997</u>	<u>105,954</u>	<u>9,057</u>	<u>2,187,208</u>	<u>2,567,374</u>
2,624,944	-	-	34,032,168	34,102,716
1,033,698	-	-	2,280,280	2,280,280
2,267,816	8,134,744	10,000	9,237,733	23,421,900
<u>\$ 5,926,458</u>	<u>\$ 8,134,744</u>	<u>\$ 10,000</u>	<u>\$ 45,550,181</u>	<u>\$ 59,804,896</u>

City of Lubbock, Texas
Combining Statement of Revenues, Expenses
And Changes in Net Position
Internal Service Funds
For The Year Ended September 30, 2024

	<u>Business-type Activities</u>			
	<u>Print Shop and Warehouse</u>	<u>Risk Management</u>	<u>Total Business-type Activities</u>	<u>Fleet Maintenance</u>
OPERATING REVENUES				
Charges for services (net)	<u>\$ 6,822,017</u>	<u>\$ 13,952,825</u>	<u>\$ 20,774,842</u>	<u>\$ 17,359,620</u>
Total operating revenues	<u>6,822,017</u>	<u>13,952,825</u>	<u>20,774,842</u>	<u>17,359,620</u>
OPERATING EXPENSES				
Personnel services	454,468	946,674	1,401,142	2,091,215
Insurance and claims	-	11,778,123	11,778,123	-
Supplies	161,321	10,881	172,202	88,021
Materials	6,069,687	-	6,069,687	5,575,597
Maintenance	17,331	7,942	25,273	9,940,444
Other services and charges	69,879	517,061	586,940	286,495
Depreciation and amortization	61,588	5,038	66,626	5,219,704
Total operating expenses	<u>6,834,274</u>	<u>13,265,719</u>	<u>20,099,993</u>	<u>23,201,476</u>
Operating income (loss)	<u>(12,257)</u>	<u>687,106</u>	<u>674,849</u>	<u>(5,841,856)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	65,262	937,079	1,002,341	659,782
Federal grants	-	-	-	1,698,529
Disposition of assets	-	-	-	403,219
Miscellaneous	-	183,616	183,616	1,070,324
Interest expense	<u>(1,229)</u>	<u>-</u>	<u>(1,229)</u>	<u>(512,615)</u>
Net nonoperating revenues (expenses)	<u>64,033</u>	<u>1,120,695</u>	<u>1,184,728</u>	<u>3,319,239</u>
Income (loss) before contributions and transfers	51,776	1,807,801	1,859,577	(2,522,617)
Transfers in	-	-	-	6,086,822
Transfers out	<u>-</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>(27,239)</u>
Change in net position (deficit)	51,776	1,627,801	1,679,577	3,536,966
Total net position (deficit) - beginning of year,	<u>1,213,440</u>	<u>11,361,698</u>	<u>12,575,138</u>	<u>27,942,013</u>
Total net position (deficit) - end of year	<u>\$ 1,265,216</u>	<u>\$ 12,989,499</u>	<u>\$ 14,254,715</u>	<u>\$ 31,478,979</u>

Governmental Activities

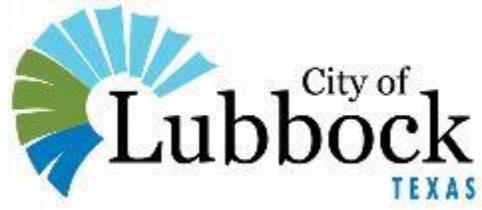
Information Technology	Health Benefits	Investment Pool	Total Governmental Activities	Total Internal Service Funds
\$18,905,360	\$ 40,830,326	\$ -	\$ 77,095,306	\$ 97,870,148
18,905,360	40,830,326	-	77,095,306	97,870,148
6,190,793	430,716	130,848	8,843,572	10,244,714
-	39,083,231	-	39,083,231	50,861,354
34,646	31,544	2,011	156,222	328,424
55,171	-	-	5,630,768	11,700,455
5,472,956	-	-	15,413,400	15,438,673
2,987,596	372,091	112,930	3,759,112	4,346,052
3,101,188	-	-	8,320,892	8,387,518
17,842,350	39,917,582	245,789	81,207,197	101,307,190
1,063,010	912,744	(245,789)	(4,111,891)	(3,437,042)
739,167	545,312	245,789	2,190,050	3,192,391
1,161,436	-	-	2,859,965	2,859,965
-	-	-	403,219	403,219
-	5,889	-	1,076,213	1,259,829
(550,259)	-	-	(1,062,874)	(1,064,103)
1,350,344	551,201	245,789	5,466,573	6,651,301
2,413,354	1,463,945	-	1,354,682	3,214,259
-	193,806	-	6,280,628	6,280,628
(243,806)	-	-	(271,045)	(451,045)
2,169,548	1,657,751	-	7,364,265	9,043,842
3,756,910	6,476,993	10,000	38,185,916	50,761,054
\$ 5,926,458	\$ 8,134,744	\$ 10,000	\$ 45,550,181	\$ 59,804,896

City of Lubbock, Texas
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2024

	Business-type Activities			
	Print Shop and Warehouse	Risk Management	Total Business-type Activities	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 6,585,340	\$ 13,990,482	\$ 20,575,822	\$ 17,359,620
Receipts from interfund services	236,677	-	236,677	-
Payments to suppliers	(6,474,549)	(12,005,686)	(18,480,235)	(15,726,501)
Payments to employees	(402,930)	(895,969)	(1,298,899)	(2,053,827)
Other receipts	-	183,616	183,616	1,070,324
Net cash provided (used) by operating activities	<u>(55,462)</u>	<u>1,272,443</u>	<u>1,216,981</u>	<u>649,616</u>
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES				
Transfers in from other funds	-	-	-	6,086,822
Transfers out to other funds	-	(180,000)	(180,000)	(27,239)
Federal grants	-	-	-	1,698,529
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>(180,000)</u>	<u>(180,000)</u>	<u>7,758,112</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(40,450)	-	(40,450)	(15,808,428)
Sale of capital assets	-	-	-	403,219
Principal paid on leases	(54,236)	-	(54,236)	-
Payment of rebatable arbitrage	-	-	-	83,501
Principal paid on bonds	(2,945)	-	(2,945)	(1,502,950)
Issuance of bonds	-	-	-	4,885,000
Interest paid on bonds and leases	(1,233)	-	(1,233)	(415,960)
Net cash provided (used) by capital and related financing activities	<u>(98,864)</u>	<u>-</u>	<u>(98,864)</u>	<u>(12,355,618)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sales and maturities of investments	350,489	2,534,557	2,885,046	5,783,976
Purchase of investments	(262,108)	(4,544,515)	(4,806,623)	(2,528,761)
Interest earnings (loss) on cash and investments	65,033	924,950	989,983	643,200
Net cash provided (used) by investing activities	<u>153,414</u>	<u>(1,085,008)</u>	<u>(931,594)</u>	<u>3,898,415</u>
Net increase (decrease) in cash and cash equivalents	(912)	7,435	6,523	(49,475)
Cash and cash equivalents - beginning of year	6,928	96,866	103,794	62,300
Cash and cash equivalents - end of year	<u>\$ 6,016</u>	<u>\$ 104,301</u>	<u>\$ 110,317</u>	<u>\$ 12,825</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (12,257)	\$ 687,106	\$ 674,849	\$ (5,841,856)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	61,588	5,038	66,626	5,219,704
Other income	-	183,616	183,616	1,070,324
Change in current assets and liabilities:				
Accounts receivable	-	37,657	37,657	-
Inventory	(192,819)	-	(192,819)	51,532
Prepaid expenses	-	-	-	-
Accounts payable	12,629	(86,750)	(74,121)	(7,735)
Due from other funds	(2,185)	-	(2,185)	-
Other accrued expenses	2,592	329,859	332,451	8,501
Change in compensated absences and retirement benefits	74,990	115,917	190,907	149,146
Net cash provided (used) by operating activities	<u>\$ (55,462)</u>	<u>\$ 1,272,443</u>	<u>\$ 1,216,981</u>	<u>\$ 649,616</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>
\$ 16,502,980	\$ 40,830,325	\$ -	\$ 74,692,925	\$ 95,268,747
2,402,380	-	-	2,402,380	2,639,057
(5,358,770)	(38,755,089)	(86,790)	(59,927,150)	(78,407,385)
(5,557,367)	(184,555)	(130,848)	(7,926,597)	(9,225,496)
-	5,889	-	1,076,213	1,259,829
<u>7,989,223</u>	<u>1,896,570</u>	<u>(217,638)</u>	<u>10,317,771</u>	<u>11,534,752</u>
-	193,806	-	6,280,628	6,280,628
(243,806)	-	-	(271,045)	(451,045)
<u>1,161,436</u>	<u>-</u>	<u>-</u>	<u>2,859,965</u>	<u>2,859,965</u>
<u>917,630</u>	<u>193,806</u>	<u>-</u>	<u>8,869,548</u>	<u>8,689,548</u>
(3,572,264)	-	-	(19,380,692)	(19,421,142)
-	-	-	403,219	403,219
(1,873,914)	-	-	(1,873,914)	(1,928,150)
131,087	-	-	214,588	214,588
(2,146,988)	-	-	(3,649,938)	(3,652,883)
-	-	-	4,885,000	4,885,000
<u>(667,706)</u>	<u>-</u>	<u>-</u>	<u>(1,083,666)</u>	<u>(1,084,899)</u>
<u>(8,129,785)</u>	<u>-</u>	<u>-</u>	<u>(20,485,403)</u>	<u>(20,584,267)</u>
2,294,486	695,605	-	8,774,067	11,659,113
(3,789,327)	(3,303,148)	(27,991)	(9,649,227)	(14,455,850)
<u>722,209</u>	<u>530,097</u>	<u>245,789</u>	<u>2,141,295</u>	<u>3,131,278</u>
<u>(772,632)</u>	<u>(2,077,446)</u>	<u>217,798</u>	<u>1,266,135</u>	<u>334,541</u>
4,436	12,930	160	(31,949)	(25,426)
62,720	62,881	257	188,158	291,952
<u>\$ 67,156</u>	<u>\$ 75,811</u>	<u>\$ 417</u>	<u>\$ 156,209</u>	<u>\$ 266,526</u>
\$ 1,063,010	\$ 912,744	\$ (245,789)	\$ (4,111,891)	\$ (3,437,042)
3,101,188	-	-	8,320,892	8,387,518
-	5,889	-	1,076,213	1,259,829
-	-	-	-	37,657
1,005	-	-	52,537	(140,282)
1,404,844	-	-	1,404,844	1,404,844
1,205,975	589,195	-	1,787,435	1,713,314
(16,817)	-	-	(16,817)	(19,002)
47,867	318,578	483	375,429	707,880
<u>1,182,151</u>	<u>70,164</u>	<u>27,668</u>	<u>1,429,129</u>	<u>1,620,036</u>
<u>\$ 7,989,223</u>	<u>\$ 1,896,570</u>	<u>\$ (217,638)</u>	<u>\$ 10,317,771</u>	<u>\$ 11,534,752</u>
\$ 5,459,302	\$ -	\$ -	\$ 5,459,302	\$ 5,459,302



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, 2024

	Urban Renewal Agency (URA)	Civic Lubbock, Inc.	Market Lubbock, Inc.
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 1,157,785	\$ 7,119,207
Investments	-	-	4,267,567
Accounts receivable, net	-	2,671,846	79,747
Interest receivable	-	-	-
Due from other governments	-	-	1,124,342
Inventories	-	15,342	54,774
Prepaid expenses	-	60,527	-
Restricted assets:			
Cash and cash equivalents	-	1,195,045	-
Investment in property	236,940	-	-
Mortgage receivables	1,162,995	-	-
Land inventory	-	-	-
Capital assets (net of accumulated depreciation):			
Non-depreciable	-	250,000	-
Depreciable	-	-	46,867
Total assets	<u>1,399,935</u>	<u>5,350,545</u>	<u>12,692,504</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	2,810,235	74,563
Accrued liabilities	-	22,182	40,079
Accrued interest payable	-	-	-
Unearned revenues	-	1,029,298	-
Noncurrent liabilities due within one year:			
Contracts and leases payable	-	-	867,274
Bonds	-	-	-
Noncurrent liabilities due in more than one year:			
Contracts and leases payable	-	-	-
Bonds payable	-	-	-
Total liabilities	<u>-</u>	<u>3,861,715</u>	<u>981,916</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	-	250,000	14,145
Restricted for:			
Primary government agreement	-	100,000	-
Special revenue	1,399,935	-	-
Unrestricted	-	1,138,830	11,696,443
Total net position (deficit)	<u>\$ 1,399,935</u>	<u>\$ 1,488,830</u>	<u>\$ 11,710,588</u>

Lubbock Economic Development Alliance	Vintage Township Public Facilities Corporation	Total Nonmajor Component Units
\$ 10,651,216	\$ -	\$ 18,928,208
17,221,328	-	21,488,895
3,473,699	-	6,225,292
173,282	-	173,282
-	-	1,124,342
-	-	70,116
-	-	60,527
-	-	1,195,045
-	-	236,940
-	-	1,162,995
13,559,474	-	13,559,474
-	-	250,000
<u>11,186,448</u>	<u>-</u>	<u>11,233,315</u>
<u>56,265,447</u>	<u>-</u>	<u>75,708,431</u>
441,584	-	3,326,382
184,534	-	246,795
-	68,145	68,145
-	-	1,029,298
9,075,750	-	9,943,024
-	54,000	54,000
49,039,000	-	49,039,000
-	1,794,000	1,794,000
<u>58,740,868</u>	<u>1,916,145</u>	<u>65,500,644</u>
11,149,998	-	11,414,143
-	-	100,000
1,138,677	-	2,538,612
<u>(14,764,096)</u>	<u>(1,916,145)</u>	<u>(3,844,968)</u>
<u>\$ (2,475,421)</u>	<u>\$ (1,916,145)</u>	<u>\$ 10,207,787</u>

City of Lubbock, Texas
Combining Statement of Activities
Nonmajor Component Units
For the Year Ended September 30, 2024

	<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	\$ 293,942	\$ 14,473	\$ -	\$ -
Civic Lubbock, Inc.				
Cultural and recreation	2,815,122	2,720,521	332,128	-
Market Lubbock, Inc.				
Economic and business development	9,318,262	39,453	152,089	-
Lubbock Economic Development Alliance				
Economic and business development	12,700,825	-	1,000,000	4,937,553
Vintage Township Public Facilities Corporation				
Interest on long-term debt	136,290	-	-	186,060
Total component units	<u>\$ 25,264,441</u>	<u>\$ 2,774,447</u>	<u>\$ 1,484,217</u>	<u>\$ 5,123,613</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
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
\$ (279,469)	\$ -	\$ -	\$ -	\$ -	\$ (279,469)
-	237,527	-	-	-	237,527
-	-	(9,126,720)	-	-	(9,126,720)
-	-	-	(6,763,272)	-	(6,763,272)
-	-	-	-	49,770	49,770
<u>(279,469)</u>	<u>237,527</u>	<u>(9,126,720)</u>	<u>(6,763,272)</u>	<u>49,770</u>	<u>(15,882,164)</u>
-	-	3,886,754	-	-	3,886,754
-	-	-	9,017,351	-	9,017,351
-	-	4,902,779	-	-	4,902,779
50,369	14,876	549,543	1,401,488	-	2,016,276
519,724	-	6,000	488,759	-	1,014,483
<u>570,093</u>	<u>14,876</u>	<u>9,345,076</u>	<u>10,907,598</u>	<u>-</u>	<u>20,837,643</u>
290,624	252,403	218,356	4,144,326	49,770	4,955,479
1,109,311	1,236,427	11,492,232	(6,619,747)	(1,965,915)	5,252,308
<u>\$ 1,399,935</u>	<u>\$ 1,488,830</u>	<u>\$ 11,710,588</u>	<u>\$ (2,475,421)</u>	<u>\$ (1,916,145)</u>	<u>\$ 10,207,787</u>

City of Lubbock, Texas
Statement of Net Position
Discretely Presented Component Unit
Urban Renewal Agency (URA)
September 30, 2024

ASSETS	
Restricted assets:	
Investment in Property	\$ 236,940
Mortgage receivables	<u>1,162,995</u>
 Total assets	 <u><u>\$ 1,399,935</u></u>
LIABILITIES	
Total liabilities	<u>\$ -</u>
NET POSITION	
Restricted for:	
Special revenue	<u>1,399,935</u>
 Total net position	 <u><u>\$ 1,399,935</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, 2024

OPERATING REVENUES	
Other services and charges	\$ 14,473
Interest income	<u>50,369</u>
Total operating revenues	<u>64,842</u>
OPERATING EXPENSES	
Other services and charges	<u>293,942</u>
Total operating expenses	<u>293,942</u>
Operating income	<u>(229,100)</u>
NONOPERATING REVENUES (EXPENSES)	
Disposition of property	122,052
Miscellaneous	<u>397,672</u>
Nonoperating revenues (expenses)	519,724
Change in net position	290,624
Total net position - beginning	<u>1,109,311</u>
Total net position - ending	<u><u>\$ 1,399,935</u></u>

City Of Lubbock, Texas
Statement of Cash Flows
Urban Renewal Agency
For the Year Ended September 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$ (154,099)
Payments to suppliers	(243,573)
Payments to employees	-
Other receipts (payments)	397,672
Net cash provided (used) by operating activities	<u>-</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sales and maturities of investments	-
Purchase of investments	-
Interest earnings on cash and investments	-
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	-
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)	(229,100)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Other income (expense)	397,672
Change in current assets and liabilities:	
Mortgage receivable	(168,572)
Net cash provided (used) by operating activities	<u>-</u>

Supplemental cash flow information:

Noncash capital improvements and other changes	\$ <u><u>-</u></u>
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City of Lubbock, Texas
Statement of Net Position
Discretely Presented Component Unit
Vintage Township Public Facilities Corporation
September 30, 2024

ASSETS	
Total assets	<u><u>\$ -</u></u>
LIABILITIES	
Current liabilities:	
Accrued interest payable	\$ 68,145
Bonds payable	<u>54,000</u>
Total current liabilities	<u>122,145</u>
Noncurrent liabilities:	
Bonds payable	<u>1,794,000</u>
Total noncurrent liabilities	<u>1,794,000</u>
Total liabilities	<u>1,916,145</u>
NET POSITION (DEFICIT)	
Unrestricted	<u>(1,916,145)</u>
Total net position (deficit)	<u><u>\$ (1,916,145)</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, 2024

NONOPERATING REVENUES (EXPENSES)

Grants	\$ 186,060
Interest expense	<u>(136,290)</u>
Net nonoperating revenues (expenses)	<u>49,770</u>
Change in net position	49,770
Total net position (deficit) - beginning	<u>(1,965,915)</u>
Total net position (deficit) - ending	<u><u>\$ (1,916,145)</u></u>

City Of Lubbock, Texas
Statement of Cash Flows
Vintage Township Public Facilities Corporation
For the Year Ended September 30, 2024

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>186,060</u>
Net cash provided (used) by noncapital and related financing activities		<u>186,060</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Principal paid on bonds		(48,000)
Interest paid on bonds		<u>(138,060)</u>
Net cash provided (used) for capital and related financing activities		<u>(186,060)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

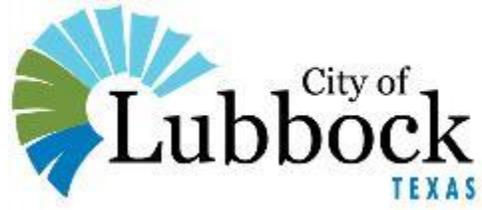
Proceeds from sales and maturities of investments		-
Purchase of investments		-
Interest earnings on cash and investments		<u>-</u>
Net cash provided by (used for) investing activities		<u>-</u>
Net increase (decrease) in cash and cash equivalents		-
Cash and cash equivalents - beginning of year		<u>-</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>
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City of Lubbock, Texas
Statistical Section
(Unaudited – for Analytical Purposes Only)
September 30, 2024

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 422,576	\$ 358,630	\$ 310,186	\$ 253,191	\$ 221,288	\$ 186,559	\$ 152,999	\$ 126,549	\$ 107,639	\$ 94,271
Restricted	50,852	36,508	30,605	27,909	27,866	26,958	22,597	20,190	17,194	15,158
Unrestricted	(134,285)	(123,838)	(124,563)	(137,923)	(160,126)	(166,772)	(160,028)	(120,441)	(97,536)	(76,919)
Total governmental activities net position	\$ 339,143	\$ 271,300	\$ 216,228	\$ 143,177	\$ 89,028	\$ 46,745	\$ 15,568	\$ 26,298	\$ 27,297	\$ 32,510
Business-type activities										
Net investment in capital assets	1,047,325	1,040,403	996,595	931,616	870,350	810,898	764,280	730,908	676,613	614,404
Restricted	89,833	80,625	81,977	74,355	63,638	50,997	32,147	39,889	38,728	40,576
Unrestricted	127,378	56,485	92,406	75,453	92,759	99,196	121,879	99,534	100,079	97,774
Total business-type activities net position	1,264,536	1,177,513	1,170,978	1,081,424	1,026,747	961,091	918,306	870,331	815,420	752,754
Primary Government										
Net investment in capital assets	1,469,901	1,399,033	1,306,781	1,184,807	1,091,638	997,457	917,279	857,457	784,252	708,675
Restricted	140,685	117,133	112,582	102,264	91,504	77,955	54,744	60,079	55,922	55,734
Unrestricted	(6,907)	(67,353)	(32,157)	(62,470)	(67,367)	(67,576)	(38,149)	(20,907)	2,543	20,855
Total Primary government net position	\$ 1,603,679	\$ 1,448,813	\$ 1,387,206	\$ 1,224,601	\$ 1,115,775	\$ 1,007,836	\$ 933,874	\$ 896,629	\$ 842,717	\$ 785,264

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)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
EXPENSES										
Governmental activities:										
Administrative services and general government	\$ 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	\$ 12,678,745
Community services	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	5,518,501
Cultural and recreation	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	17,538,405
Economic and business development	24,818,360	26,104,347	24,176,858	20,025,126	18,534,771	20,174,850	18,938,568	17,207,379	16,333,858	16,349,405
Fire	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	50,954,425
Health	14,235,860	14,118,024	10,918,444	10,625,328	7,120,460	6,717,959	5,790,308	5,905,200	5,702,354	5,222,280
Police	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	62,607,334
Other public safety	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	7,052,342
Streets and traffic	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	28,143,677
Solid Waste	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	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	11,887,688
Total governmental activities	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	217,952,802
Business-type activities:										
Electric	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	213,356,425
Water/Wastewater	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	82,860,997
Solid Waste	-	-	-	-	-	-	-	19,276,982	18,085,516	17,810,415
Storm Water	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	11,195,526
Transit	18,311,185	16,679,992	15,585,043	13,529,584	13,636,366	14,184,242	13,613,841	13,293,179	12,721,209	13,494,416
Airport	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	15,188,492
Civic Centers	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	5,053,790
Cemetery	706,140	671,173	507,682	549,490	622,854	604,329	606,304	760,032	752,734	718,990
Lake Alan Henry	956,449	633,506	539,989	535,206	535,390	462,046	390,539	382,614	359,639	367,216
Total business-type activities	455,625,774	574,263,460	477,874,353	435,689,945	361,997,553	346,114,558	360,929,282	376,250,039	358,578,232	360,046,267
Total primary government expenses	\$ 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	\$ 577,999,069
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
Cultural and recreation	\$ 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	\$ 1,400,867
Other public safety	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	7,381,112
Other activities	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	2,087,636
Solid Waste	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	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	6,212,820
Capital grants and contributions	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	12,841,939
Total governmental activities program revenues	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	29,924,374
Business-type activities:										
Charges for services:										
Electric	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	228,310,467
Water/Wastewater	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	111,728,950
Solid Waste	-	-	-	-	-	-	-	20,738,031	20,483,239	20,662,231
Storm Water	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	23,119,087
Transit	5,805,865	5,742,741	4,932,365	4,438,573	3,988,367	5,901,555	5,872,405	5,732,262	5,638,145	5,926,672
Airport	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	9,082,072
Civic Centers	572,698	656,038	463,525	396,032	308,267	534,064	819,382	834,156	728,652	698,421
Cemetery	455,850	415,187	575,814	609,490	450,789	310,796	370,857	363,327	402,480	476,144
Lake Alan Henry	823,217	776,381	710,736	716,640	975,011	609,164	615,979	571,513	600,320	506,207
Operating grants and contributions	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	7,724,257
Capital grants and contributions	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	29,158,083
Total business-type activities program revenues	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	437,392,591

CITY OF LUBBOCK, TEXAS
Table B - Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total primary government program revenues	\$ 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	\$ 467,316,965
NET (EXPENSES) AND PROGRAM REVENUES										
Governmental activities	\$ (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)	\$ (188,028,428)
Business-type activities	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	77,346,324
Total net (expenses) and program revenues	\$ (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)	\$ (110,682,104)
GENERAL REVENUE, SPECIAL ITEMS, AND TRANSFERS										
Governmental activities:										
Property taxes	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	74,227,519
Sales taxes	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	68,037,340
Occupancy taxes	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	6,769,286
Other taxes	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	1,562,665
Franchise taxes	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	10,841,411
Investment earnings	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	754,439
Miscellaneous	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	2,760,695
Special items: gain or (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Transfers, net	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	36,189,998
Total governmental activities	\$ 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	\$ 201,143,353
Business-type activities:										
Investment earnings	33,714,534	22,569,426	-	3,238,746	9,952,776	16,333,948	8,241,483	2,841,137	1,873,424	1,412,364
Miscellaneous	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	1,744,209
Special items: gain or (loss) on sale of property	-	-	-	-	-	-	-	-	-	-
Termination of interest rate swap	-	-	-	-	-	-	-	-	-	-
Transfers, net	(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)	(36,189,998)
Total business-type activities	\$ 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)	\$ (33,033,425)
Total primary government	\$ 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	\$ 168,109,928
CHANGES IN NET POSITION										
Governmental activities	\$ 67,842,143	\$ 55,177,544	\$ 81,911,381	\$ 54,149,094	\$ 42,283,229	\$ 31,176,740	\$ 22,250,139	\$ (998,678)	\$ (5,212,674)	\$ 13,114,925
Business-type activities	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	44,312,899
Total primary government	\$ 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	\$ 57,427,824

CITY OF LUBBOCK, TEXAS
Table C - Fund Balance of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 150,529	\$ 130,895	\$ 137,510	\$ 141,304	\$ 158,566	\$ 154,233	\$ 121,578	\$ 119,300	\$ 107,770	\$ 118,303
Restricted	270,799	270,854	206,205	246,718	3,235,247	206,655	5,007,610	1,966,885	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	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	39,072,190
Total general fund	\$ 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	\$ 39,190,493
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	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	64,688,760
Committed	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	18,127,157
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(14,916)	19,130	-	(533)	(122)	-	-	(621,125)	(2,469,447)	(1,988,475)
Total all other governmental funds	\$ 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	\$ 80,827,442

CITY OF LUBBOCK, TEXAS
Table D - Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	\$ 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	\$ 150,651,856
Franchise taxes	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	10,841,411
Special assessments	2,578,630	2,116,592	1,842,755	1,576,264	1,542,553	1,427,669	1,186,366	1,196,693	972,073	932,227
Fees and fines	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	3,657,410
Licenses and permits	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	3,004,539
Intergovernmental	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	6,982,323
Charges for services	30,834,768	30,333,569	30,239,475	30,373,725	26,936,207	27,693,602	25,945,159	3,261,092	3,369,472	3,283,699
Interest	18,813,073	11,313,808	596,451	758,436	3,918,903	5,813,270	2,249,228	1,121,782	837,193	471,663
IRS Build America Bond subsidy	-	-	-	-	-	-	306,422	427,246	427,694	425,399
Miscellaneous	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	3,982,473
Total revenues	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	184,233,000
EXPENDITURES										
Current:										
Administrative services and general government	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	11,602,733
Community services	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	5,157,325
Cultural and recreation	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	13,781,678
Economic and business development	22,732,461	23,108,578	23,283,347	18,799,850	16,198,335	17,176,903	16,499,599	15,123,557	14,847,901	14,486,273
Fire	68,672,227	64,326,973	11,009,832	54,317,718	43,033,910	51,843,242	49,141,306	48,371,296	46,749,381	44,678,736
Health	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	4,708,040
Police	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	58,715,559
Other public safety	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	6,676,285
Streets and traffic	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	7,602,508
Solid Waste	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	85,493
Debt services:										
Principal	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	25,150,914
Interest and other charges	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	12,964,382
Capital outlay	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	24,805,107
Total expenditures	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	230,415,033
Deficiency of revenues under expenditures	(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)	(46,182,033)
OTHER FINANCING SOURCES (USES)										
Long-term debt issued	84,260,000	61,555,000	-	59,075,538	38,026,000	59,243,627	41,718,979	33,336,596	75,465,000	69,145,000
Payment of refunded debt to escrow agent	7,656,572	4,432,591	-	(26,983,904)	(20,600,990)	(7,856,803)	(20,510,547)	(14,745,470)	(17,872,864)	(45,972,814)
Bond premium (discount)	-	-	-	5,309,885	1,194,216	7,240,311	4,084,766	2,560,230	10,646,353	9,344,831
Capital leases issued	-	-	-	-	-	-	-	-	6,591,692	4,555,298
Right-to-use lease proceeds	34,482	23,623	2,785,552	-	-	-	-	-	-	-
Subscription proceeds	498,887	189,405	-	-	-	-	-	-	-	-
Transfers in	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	58,318,909
Transfers out	(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)	(22,476,426)
Net other financing sources (uses)	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	72,914,798
Net change in fund balances	\$ 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	\$ 26,732,765
Debt service as a percentage of noncapital expenditures	14.64%	14.89%	16.37%	17.44%	19.48%	20.27%	22.80%	20.79%	18.80%	18.54%

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 ⁽¹⁾	Revenues ⁽¹⁾	Revenues	Revenues	Revenues	Revenues ⁽²⁾	Revenues ⁽²⁾	Revenues ⁽³⁾	Revenues ⁽³⁾	Revenues ⁽³⁾
2015	74,282,565	74,282,565	68,037,340	68,037,340	6,769,286	1,562,665	1,562,665	150,651,856	150,651,856	150,651,856
2016	80,488,838	80,488,838	67,978,112	67,978,112	6,852,082	1,562,933	1,562,933	156,881,965	156,881,965	156,881,965
2017	86,167,221	86,167,221	70,417,997	70,417,997	7,025,004	1,603,945	1,603,945	165,214,167	165,214,167	165,214,167
2018	89,678,449	89,678,449	73,571,504	73,571,504	7,355,293	1,662,833	1,662,833	172,268,079	172,268,079	172,268,079
2019	97,315,095	97,315,095	78,160,193	78,160,193	7,855,116	1,743,275	1,743,275	185,073,679	185,073,679	185,073,679
2020	103,221,564	103,221,564	80,703,622	80,703,622	5,931,465	1,471,037	1,471,037	191,327,688	191,327,688	191,327,688
2021	105,805,057	105,805,057	89,999,993	89,999,993	7,483,912	1,771,582	1,771,582	205,060,544	205,060,544	205,060,544
2022	108,985,304	108,985,304	100,990,723	100,990,723	9,191,083	2,017,783	2,017,783	221,184,893	221,184,893	221,184,893
2023	113,156,048	113,156,048	105,747,752	105,747,752	9,763,985	2,213,535	2,213,535	230,881,320	230,881,320	230,881,320
2024	125,282,234	125,282,234	108,208,214	108,208,214	9,842,670	2,152,460	2,152,460	245,485,578	245,485,578	245,485,578

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			
2015	12,215,957,184	12,666,291,180	1,885,618,746	1,949,879,589	514,594,839	14,101,575,930	14,616,170,769	96.5%	0.522400
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

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 2024			FYE 2015		
			Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
	Macerich Lubbock LTD Ptrshp	Regional Shopping Mall	\$ 132,877,142	1	0.51%	\$ 129,465,305	1	0.92%
	Energas/Atmos Corp	Natural Gas Utility	123,708,330	2	0.47%	49,281,060	2	0.35%
	ACC OP LLC	Student Housing	62,432,249	3	0.24%			
	CBC Centre Suites LLC	Student Housing	60,630,000	4	0.23%			
	United Supermarket LLC	Food Wholesale	57,025,138	5	0.22%			
	Suddenlink Communications	Cable Utility	47,925,350	6	0.18%	32,200,129	8	0.23%
	Westwind Realty LP	Student Housing	47,919,395	7	0.18%			
	TTU Student SM LLC	Student Housing	43,374,018	8	0.16%			
	CCC-Lubbock LLC	Apartments	43,000,000	9	0.16%			
	South Plains Electric Coop Inc	Electric Utility	41,888,890	10	0.16%			
	AT&T Mobility LLC	Utility				39,173,810	3	0.28%
	Texland Petroleum LP	Oil & Gas Production				37,125,920	4	0.26%
	Wal Mart Stores Inc	Discount Retail Store				34,339,990	5	0.24%
	1859 Management PTRS LP	Hotel				33,838,757	6	0.24%
	Pycos Industries Inc	Cottonseed Oil Mill				33,069,613	7	0.23%
	Southwestern Public Service	Electric Utility				31,442,970	9	0.22%
	TTUC LLC	Student Housing				30,500,000	10	0.22%
			<u>\$ 660,780,512</u>		<u>2.51%</u>	<u>\$ 450,437,554</u>		<u>3.19%</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 9/30/19	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
2015	71,916,404	(109,254)	71,807,150	71,106,766	98.9%	498,082	71,604,848	99.7%
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)	109,841,056	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%

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)
2015	0.38500	0.02315	0.11425	0.52240	1.23500	0.34136	0.00803	0.11680
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

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
2015	317,369,524	-	23,073,398	-	-	771,109,866	-	147,305,321	19,700,974	3,750,000	-	1,282,309,083	11.59%	5,316
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%	5,619
2023	341,013,993	18,651,488	3,804,387	5,535,509	-	326,052,238	993,512	734,753,171	528,468	-	-	1,431,332,766	8.60%	5,305
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

(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	Net Bonded Debt Per Capita
2015	241,233	14,101,576	1,088,479,390	7,024,873	89,353,562	713,358,056	278,742,899	1.98%	1,155
2016	243,736	15,947,988	1,133,066,439	8,020,696	84,137,838	707,242,657	333,665,248	2.09%	1,369
2017	252,506 (6)	16,841,610	1,128,327,563	8,912,516	74,179,187	713,533,693	331,702,167	1.97%	1,314
2018	253,783 (6)	17,793,732	1,085,770,438	10,427,738	55,526,409	652,027,887	363,189,800	2.04%	1,431
2019	255,067 (6)	18,655,937	1,054,896,859	13,845,408	56,061,646	609,753,272	372,904,272	2.00%	1,462
2020	257,615 (6)	19,233,335	891,271,256	14,176,331	53,138,620	483,798,260	340,158,045	1.77%	1,320
2021	261,675 (6)	20,656,948	791,189,520	12,297,686	44,707,903	384,037,965	350,145,966	1.70%	1,338
2022	265,050 (6)	23,336,227	706,828,027	10,309,799	42,671,289	344,769,945	309,076,994	1.32%	1,166
2023	267,825 (6)	25,823,948	686,711,231	12,852,053	27,850,036	307,079,208	338,929,934	1.31%	1,265
2024	269,814	27,783,309	712,893,525	21,015,448	59,314,156	280,146,140	352,417,781	1.27%	1,306

*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 and Special Revenue TIF funds. (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

	2024	2023	2022	2021	2020
Total Taxable Property Value	27,783,309,492	25,823,948,022	23,336,226,987	20,656,947,725	19,233,335,385
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	416,749,642	387,359,220	350,043,405	309,854,216	288,500,031
General Obligation & Certificate Obligation principal payments	(66,977,900)	(68,362,858)	(69,935,000)	(78,040,000)	(77,765,000)
Capital lease principal payments	-	-	-	(317,136)	(1,378,148)
Margin of Indebtedness Available	\$ 349,771,742	\$ 318,996,362	\$ 280,108,405	\$ 231,497,080	\$ 209,356,883
<hr/>					
	2019	2018	2017	2016	2015
Total Taxable Property Value	18,655,937,242	17,793,732,000	16,841,610,145	15,947,987,520	\$ 14,183,510,930
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	279,839,059	266,905,980	252,624,152	239,219,813	212,752,664
General Obligation & Certificate Obligation principal payments	(78,165,000)	(78,365,000)	(72,370,000)	(66,210,000)	(64,864,113)
Capital lease principal payments	(2,458,087)	(6,550,200)	(12,374,232)	(10,341,126)	(10,640,995)
Margin of Indebtedness Available	\$ 199,215,972	\$ 181,990,780	\$ 167,879,920	\$ 162,668,687	\$ 137,247,556

*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

ELECTRIC BONDS:				Debt Service Requirements			
Fiscal Year	Net Revenue⁽¹⁾	Direct Operating Expenses⁽²⁾	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage
2015	221,215,135	176,975,146	44,239,989	9,400,000	3,247,888	12,647,888	3.50
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

WATER BONDS:				Debt Service Requirements			
Fiscal Year⁽¹⁾	Net Revenue⁽²⁾	Direct Operating Expenses⁽³⁾	Net Revenue Available for Debt Service	Principal⁽⁴⁾	Interest⁽⁴⁾	Total	Coverage
2015	76,767,339	27,439,885	49,327,454	3,147,287	2,744,582	5,891,869	8.37
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	5,717,632	13.66
2020	136,392,723	57,815,047	78,577,676	8,197,002	4,609,613	12,806,614	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

(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⁾		
2015	13,665,060	6,375,646	20,040,706	208,586,280		9.6%
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%

⁽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 09/30/2024	Percentage Applicable to City of Lubbock	Amount Applicable to City of Lubbock
City of Lubbock	(1) \$ 423,734,223	100.00%	\$ 423,734,223
Subtotal Directs	423,734,223		423,734,223
Lubbock County	(2) 120,040,000	81.38%	97,688,552
Lubbock Independent School District	(2) 263,410,000	98.24%	258,773,984
Lubbock-Cooper Independent School District	(2) 566,517,706	74.57%	422,452,253
Frenship Independent School District	(2) 440,645,000	77.64%	342,116,778
Idalou Independent School District	(2) 9,285,000	7.40%	687,090
New Deal Independent School District	(2) 43,130,000	48.08%	20,736,904
Roosevelt Independent School District	(2) 5,945,000	3.91%	232,450
Subtotal Overlapping	1,448,972,706		1,142,688,011
Total	\$ 1,872,706,929		\$ 1,566,422,234

(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 ⁽¹⁾ (in thousands)	Per Capita Income* ⁽³⁾	Median Age ⁽¹⁾	Education Level in Years of			Unemployment Rate ⁽¹⁾
					Formal Schooling Completed ⁽¹⁾	School Enrollment ⁽⁶⁾	Rate	
2015	241,233	11,066,436	38,467	30.0	13.4	29,265	3.40%	(3)
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	12,646,303	40,813	30.9	14.7	28,026	3.10%	(3)
2019	255,067	13,086,192	42,854	31.3	14.4	27,759	2.70%	(3)
2020	257,615	13,761,558	44,169	31.4	14.5	27,348	6.00%	(7)
2021	261,675	14,637,393	46,502	31.7	14.4	26,454	3.90%	(7)
2022	261,675	15,999,431	50,881	32.1	14.7	25,263	3.10%	(7)
2023	269,814	16,652,095	52,437	32.3	14.8	25,546	3.30%	(7)
2024	269,814	17,431,206	54,313	32.5	14.8	25,247	3.60%	(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

*Prior year data has been updated

CITY OF LUBBOCK, TEXAS
Table Q - Principal Employers
Current Year and Nine Years Ago

Employer	2024			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Covenant Health System	6,158	1	3.81%	4,393	2	3.11%
Texas Tech University	5,681	2	3.52%	5,453	1	3.86%
University Medical Center	4,274	3	2.65%	3,208	6	2.27%
Lubbock ISD	4,243	4	2.63%	3,532	5	2.50%
TTU Health Sciences Center	3,796	5	2.35%	3,703	4	2.62%
United Supermarkets	3,443	6	2.13%	3,803	3	2.69%
City of Lubbock	2,506	7	1.55%	2,245	7	1.59%
Frenship ISD	1,423	8	0.88%	1,060	9	0.75%
Lubbock County	1,284	9	0.80%	1,278	8	0.91%
Lubbock State Supported Living Center	832	10	0.52%	766	10	0.54%
Interim Healthcare						0.00%
Total	33,640		20.83%	29,441		20.85%

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	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities:										
Administrative services and general government	110	110	110	109	108	103	102	99	97	97
Community development	14	14	14	12	12	12	13	13	14	14
Cultural and recreation	116	123	127	127	126	124	124	125	125	125
Economic and business development	11	11	11	11	10	8	7	7	7	7
Fire	458	446	441	439	438	435	434	429	429	429
Health	85	80	77	67	65	49	48	47	47	44
Police	579	573	573	578	577	565	555	544	545	545
Other public safety	111	105	99	91	91	90	87	83	80	83
Streets and traffic	122	122	126	131	131	131	101	89	90	90
Solid Waste*	99	99	99	96	96	96	94	-	-	-
Internal service	85	84	87	86	85	83	72	52	48	48
Total governmental activities	1,790	1,767	1,764	1,747	1,739	1,696	1,637	1,488	1,482	1,482
Business-type activities:										
Electric	328	347	346	336	335	329	324	303	303	303
Water/Wastewater**	235	228	228	224	224	219	249	171	170	170
Sewer**	-	-	-	-	-	-	-	79	76	76
Solid waste	-	-	-	-	-	-	-	113	113	112
Storm water	32	32	31	33	33	33	38	38	38	38
Transit	182	182	176	169	178	177	171	170	169	168
Airport	52	50	50	50	50	50	49	48	48	48
Cemetery	6	6	6	6	6	6	6	7	7	7
Civic Centers	18	18	18	16	16	16	21	27	27	27
Lake Alan Henry	2	2	2	2	2	2	1	1	1	1
Internal service	13	12	6	6	6	6	15	31	29	30
Total business-type activities	868	877	863	842	850	838	874	988	981	980
Total	2,658	2,644	2,627	2,589	2,589	2,534	2,511	2,476	2,463	2,462

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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Cultural and Recreation Services										
Civic Center number of events with greater than 500 attendees	121	101	98	44	67	149	220	226	195	195
Library Visits	345,337	296,947	279,194	223,473	278,057	466,094	453,736	466,606	467,939	447,593
Softball Team Registrations	202	237	192	132	114	155	254	254	314	332
Community Center Attendance	45,276	46,469	45,261	47,749	79,510	157,018	180,490	166,153	169,401	214,652
Senior Center Attendance	34,869	56,591	56,074	46,432	82,272	132,805	133,527	138,245	142,061	112,028
Garden and Arts Attendance	21,864	16,832	13,250	11,820	7,713	21,334	27,008	37,726	28,916	31,519
Other Public Safety										
Construction Permits	5,570	5,706	5,427	6,399	8,719	8,273	7,784	3,714	3,522	3,493
Building Department Inspections	56,559	58,464	73,540	65,548	59,822	46,724	49,050	65,056	60,334	45,607
Police										
Police Reports Processed	84,156	97,657	89,042	92,545	89,390	90,007	85,139	91,524	82,472	82,075
Police Crime/Incident Reports	37,217	40,883	41,852	44,457	44,381	47,223	44,930	36,479	49,693	49,950
Police Calls	412,906	515,128	729,523	704,151	696,728	586,776	565,324	563,881	382,746	412,962
Fire										
Public Fire Safety Education Presentations	723	600	1,546	415	0	950	923	940	1,042	177
Fire/Arson Investigations Conducted	200	219	259	234	246	220	179	173	156	136
Inspection Activities Performed	3,353	3,295	3,561	4,129	6,733	2,640	1,749	2,464	2,145	2,358
LP&L										
Average daily consumption (kwh)	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	7,532,819
Water										
Average daily consumption (gal)	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	31,667,400
Airport										
Number of airline passengers enplaned (annual projection)	574,021	541,474	491,092	366,837	333,981*	537,394*	493,997*	471,565	463,621	462,257
Daily average of airplane departures and landings	223	237	256	230*	226*	251*	234*	208	199	201
Number of major airlines	3	3	3	3	3	3	3	3	3	3
Number of scheduled daily flights	20	21	20	19	14	21	20	18	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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Streets and Traffic Engineering										
Miles of Streets Paved	1,293	1,260	1,254	1,219	1,208	1,195	1,192	1,178	1,127	1,095
Miles of Streets Unpaved	57	57	57	58	59	61	63	57	62	57
Fire										
Number of stations	19	19	19	19	19	19	19	19	19	19
Number of fire fighters and officers (civil service)	429	410	410	406	406	404	404	404	404	404
Police										
Number of stations	4	4	4	4	1	1	1	1	1	1
Number of authorized police officers	451	445	445	440	465	465	443	433	433	477
Culture and Recreation Services										
Number of parks and playgrounds	141	138	138	138	138	137	137	141	141	140
Number of dog parks	4	3	3	2	2	2	2	-	-	-
Number of recreation centers	4	9	9	9	9	9	9	9	9	9
Number of golf courses	1	1	1	1	1	2	2	2	2	2
Number of swimming pools	0	1	4	4	4	4	4	4	4	4
Number of auditoriums/coliseums	0	0	0	0	0	1	2	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	111,539	111,230	110,208	108,557	107,899	107,240	106,555	105,788	104,103	103,475
Number of sub-stations	41	41	41	41	38	38	37	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	4,469	4,475	4,485	4,526	4,393	4,324	4,312	4,322	4,831	4,879
Miles of transmission lines	195	174	174	174	89	112	105	105	105	105
Water										
Number of meters	101,854	100,014	97,709	95,701	92,291	90,046	88,834	87,370	85,761	84,332
Miles of distribution lines	2,223	2,183	2,128	2,011	1,901	1,859	1,780	1,747	1,727	1,777
Number of fire hydrants	7,871	7,723	7,590	7,403	7,133	6,874	6,670	6,491	6,359	6,134
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*	9,057	7,849**
Sewer										
Miles of sanitary sewer lines	1,328	1,315	1,301	1,275	1,242	1,212	1,203	1,181	1,152	1,167

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, 2024

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 23-24	14.218	B-23-MC-48-0022	\$ 350,000	\$ 1,121,364
Community Development Block Grant 22-23	14.218	B-22-MC-48-0022	-	729,413
Community Development Block Grant 21-22	14.218	B-21-MC-48-0022	-	1,248,786
Community Development Block Grant 20-21	14.218	B-20-MC-48-0022	-	2,565
Community Development Block Grant 18-19	14.218	B-18-MC-48-0022	-	53,870
Total CDBG Entitlement Grants Cluster			<u>350,000</u>	<u>3,155,998</u>
Emergency Solutions Grant 22-23	14.231	E-22-MC-48-0022	-	54,948
Total Assistance Listing Number 14.231			<u>-</u>	<u>54,948</u>
HOME Program 23-24	14.239	M-23-MC-48-0205	-	36,463
COVID-19 ARPA HOME Program 21-22	14.239	M-21-MP-48-0205	-	4,492
HOME Program 22-23	14.239	M-22-MC-48-0205	-	55,887
HOME Program 21-22	14.239	M-21-MC-48-0205	-	94,255
HOME Program 20-21	14.239	M-20-MC-48-0205	-	22,338
HOME Program 19-20	14.239	M-19-MC-48-0205	-	190,363
HOME Program 18-19	14.239	M-18-MC-48-0205	-	459,351
HOME Program 17-18	14.239	M-17-MC-48-0205	-	107,110
Total Assistance Listing Number 14.239			<u>-</u>	<u>970,259</u>
Total U. S. Department of Housing & Urban Development			<u>350,000</u>	<u>4,181,205</u>
<u>U. S. DEPARTMENT OF JUSTICE</u>				
Passed through Texas Office of Justice Programs:				
Byrne Memorial (JAG 23)	16.738	15PBJA-23-GG-03842-JAGX	114,355	114,355
Byrne Memorial (JAG 22)	16.738	15PBJA-22-GG-02184-JAGX	-	47,440
Byrne Memorial (JAG 21)	16.738	15PBJA-21-GG-01885-JAGX	-	68,745
Total Assistance Listing Number 16.738			<u>114,355</u>	<u>230,540</u>
Internet Crimes Against Children Task Force 22-23	16.800	15PJDP-22-GK-04883-MECP	-	14,996
Total Assistance Listing Number 16.800			<u>-</u>	<u>14,996</u>
Passed through The Institute for Intergovernmental Research:				
Reaching Rural Implementation 2024	16.838	15PBJA-21-GK-01074-MUMU	-	2,578
Total Assistance Listing Number 16.838			<u>-</u>	<u>2,578</u>
Direct Programs:				
Federal Equitable Sharing - Justice 21-22	16.922	N/A	-	34,555
Total CFDA 16.922			<u>-</u>	<u>34,555</u>
Total U. S. Department of Justice			<u>114,355</u>	<u>282,669</u>
<u>U. S. DEPARTMENT OF TRANSPORTATION</u>				
Direct Programs:				
Federal Aviation Administration:				
Terminal Building Mechanical Upgrades	20.106	3-48-0138-058-2024	-	221,295
Extend Twy L Design & Bidding Services	20.106	3-48-0138-059-2024	-	161,547
Extend Twy L Preliminary Engineering	20.106	3-48-0138-056-2023	-	957,763
Terminal Building Electrical Upgrades	20.106	3-48-0138-057-2023	-	960,595
COVID-19 ARPA - Airport Rescue Grant 2021	20.106	3-48-0138-052-2021	-	1,720,998
COVID-19 FAA CARES Act Funding	20.106	3-48-0138-045-2020	-	2,003,123
Total Assistance Listing Number 20.106			<u>-</u>	<u>6,025,321</u>
Federal Transit Administration:				
5339(c) Low-No Bus Purchase 21-22	20.526	TX-2023-120	-	12,008,460
5339 Funds Buses & Bus Facilities 22-23	20.526	TX-2024-008	-	273,474
5339 Funds Buses & Bus Facilities 21-22	20.526	TX-2023-096	-	373,789
COVID-19 5307 Funds - CARES Act Operating and Equipment 2020	20.507	TX-2020-165-00	-	1,528,781
5307 Funds - Capital, Operating and Planning 23-24	20.507	N/A	-	3,325,558
5307 Funds - Capital, Operating and Planning 22-23	20.507	N/A	-	1,528,298
5307 Funds - Capital, Operating and Planning 19-20	20.507	TX-2020-168-00	-	25,256
Total Federal Transit Cluster			<u>\$ -</u>	<u>\$ 19,063,616</u>

City of Lubbock, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
Federal Highway Administration:				
Passed through Texas Department of Transportation:				
Under the Unified Planning Work Program:				
Lubbock Metropolitan Planning Organization 23-24	20.205	50-20XF0005	\$ -	\$ 666,241
Total Highway Planning and Construction Cluster			-	666,241
Passed through Texas Department of Transportation:				
COVID-19 ARPA 5304 Federal Planning 21-22	20.505	TX-2023-030	-	110,730
5304 Federal Planning 21-22	20.505	PLN-2022-LUBBOCK-00025	-	2,316
Total Assistance Listing Number 20.505			-	113,046
Passed through Texas Department of Transportation:				
5310 Funds - FED CAP & NF 23-24	20.513	TX-2024-118	-	134,507
5310 Funds - FED CAP & NF 21-22	20.513	TX-2024-038	-	164,397
5310 Funds - FED CAP & NF 21-22	20.513	TX-2024-038	-	168,120
Transit Services Program Cluster			-	467,024
Passed through Texas Department of Transportation:				
Safety City Providing Education Today for a Safer Tomorrow 23-24	20.600	2024-LubbockP-G-1YG-0144	-	23,937
Total Highway Safety Cluster			-	23,937
Total U. S. Department of Transportation			-	26,359,185
<u>U.S Department of the Treasury</u>				
Direct Programs:				
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027	SLFRP2653	692,114	28,353,578
Total Assistance Listing Number 21.027			692,114	28,353,578
Total U.S. Department of the Treasury			692,114	28,353,578
<u>U.S. Federal Communications Commission</u>				
Direct Programs:				
Emergency Connectivity Fund 2021	32.009	ECF222120270	-	206,053
Total Assistance Listing Number 32.009			-	206,053
Total U.S. Federal Communications Commission			-	206,053
<u>U.S INSTITUTE OF MUSEUM AND LIBRARY SERVICES</u>				
Passed through Texas State Library and Archives Commission:				
Interlibrary Loan Lending Reimbursement Program 23-24	45.310	LS-253655-OLS-23	-	11,827
Total Assistance Listing Number 45.310			-	11,827
Total U.S. Institute of Museum and Library Services			-	11,827
<u>U.S. Department of Energy</u>				
Passed through State Energy Conservation Office:				
Lighting Conversion to LED Lights Program 2024	81.041	CM24023	-	6,753
Total Assistance Listing Number 81.041			-	6,753
Direct Programs:				
Energy Efficiency and Conservation Block Grant 2024	81.128	EECEQ-00334	-	196,271
Total Assistance Listing Number 81.128			-	196,271
Total U.S. Department of Energy			-	203,024
<u>U.S. FOOD AND DRUG ADMINISTRATION</u>				
Passed through National Environmental Health Association:				
FDA Retail Flexible Funding Model FY 2023	93.103	G-BDEV2-202210-02796	-	5,807
Total Assistance Listing Number 93.103			-	5,807
Total U.S. Food and Drug Administration			\$ -	\$ 5,807

City of Lubbock, Texas
Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

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 HEALTH AND HUMAN SERVICES				
Passed through South Plains Association of Governments:				
Special Program for the Aging Title III B 22-23	93.044	83124-17-A100	\$ -	\$ 28,071
Special Program for the Aging Title III C 22-23	93.045	83124-17-A100	-	108,881
Special Program for the Aging Title III C 23-24	93.045	83124-17-A100	-	4,909
Total Aging Cluster			-	141,861
Passed through Texas Department of State Health Services:				
Public Health Emergency Preparedness 24-25	93.069	HHS001311200019	-	61,237
Public Health Emergency Preparedness 23-24	93.069	HHS001311200019	-	191,829
Total Assistance Listing Number 93.069			-	253,066
Immunization / Locals 24-25	93.268	HHS001331300015	-	19,422
Immunization / Locals 23-24	93.268	HHS001331300015	-	76,311
COVID-19 Immunizations Vaccine Capacity	93.268	HHS001019500024	-	211,173
Total Assistance Listing Number 93.268			-	306,906
COVID-19 IDCU - COVID Cares/Expansion Grant	93.323	HHS000812700012	-	116,585
Total Assistance Listing Number 93.323			-	116,585
COVID-19 Public Health Workforce Development 2021	93.354	HHS001083000001	-	579,856
Total Assistance Listing Number 93.354			-	579,856
COVID-19 Health Disparities Grant	93.391	HHS001057600030	-	124,874
Total Assistance Listing Number 93.391			-	124,874
NACCHO - BUILD - HAJAR 2024	93.421	NACCHO 2023-112007	-	80,000
NACCHO - Raising Syphilis Awareness 2024	93.421	NACCHO 2024-011610	-	32,000
Total Assistance Listing Number 93.421			-	112,000
Public Health Infrastructure, Workforce, and Data Systems 24-25	93.967	HHS001324900033	-	128,244
Total Assistance Listing Number 93.967			-	128,244
STD/HIV Disease Intervention Specialists 2024	93.977	HHS001120300005	-	290,908
STD/HIV Disease Intervention Specialists 2023	93.977	HHS001120300005	-	96,993
Total Assistance Listing Number 93.977			-	387,901
Preventive Health & Health Services Block Grant (RLSS/LPHS) 23-25	93.991	HHS001324900033	-	48,125
Total Assistance Listing Number 93.991			-	48,125
Passed through Texas Health and Human Services Commission:				
Medicaid Administrative Claiming Program (MAC) 20-21	93.778	HHS000437900286	-	93,759
Total Medicaid Cluster			-	93,759
Community Coalition Partnership 24-25	93.959	HHS001081400002	-	8,362
Prevention Resource Centers Program 24-25	93.959	HHS001081400002	-	19,104
Administration Substance Use Disorder Services 24-25	93.959	HHS000779500001	-	21,257
Community Health Workers Grant Program 24-25	93.959	HHS000780500002	-	36,715
UTAUS - IHCP Grant Program FY 22-23	93.959	HHS001190300001	-	253,265
Prevention Resource Centers Program 22-23	93.959	HHS001081400001	-	562,652
Substance Use Disorder Treatment - Co-Occurring Psychiatric & Substance Use Disorder	93.959	HHS000779500006	-	14,176
Substance Use Disorder Treatment - Treatment Adult - Specialize Female 21-23	93.959	HHS000779500004	-	347,305
Substance Use Disorder Treatment - Youth Treatment Services 21-23	93.959	HHS000779500003	-	30,672
Substance Use Disorder Treatment - Treatment Adult Services 21-23	93.959	HHS000779500002	-	1,560,076
Administration Substance Use Disorder Services 21-23	93.959	HHS000779500001	-	135,324
Community Health Workers Grant Program 21-23	93.959	HHS000780500002	-	347,958
Total Assistance Listing Number 93.959			-	3,336,866
Passed through Texas Department of Housing & Comm. Affairs:				
Comprehensive Energy Assistance Program (CEAP) 2024 - Emergency Supp.	93.568	58940004161	93,379	93,379
Comprehensive Energy Assistance Program (CEAP) 2023 - Emergency Supp.	93.568	58930003976	413,210	471,283
Comprehensive Energy Assistance Program (CEAP) 2024	93.568	58240004013	1,469,490	1,607,419
Comprehensive Energy Assistance Program (CEAP) 2023	93.568	58230003823	493,716	557,418
Total Assistance Listing Number 93.568			2,469,795	2,729,499
Passed through Centers for Disease Control:				
Closing the Gap with Social Determinant of Health Accelerators Plan 2022	93.945	1 NU58DP007289-01-00	-	7,612
Total Assistance Listing Number 93.945			-	7,612
Total U. S. Department of Health & Human Services			2,469,795	8,367,154
TOTAL FEDERAL FINANCIAL ASSISTANCE			\$ 3,626,264	\$ 67,970,502

CITY OF LUBBOCK, TEXAS
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended September 30, 2024

(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, 2024. 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, 2024. The balance of loans outstanding at September 30, 2024 consist of:

Federal Assistance Listing		Outstanding Balance at
Number	Program Name	September 30, 2024
14.218	Community Development Block Grant	\$ 58,265
14.239	HOME Program	1,468,059
14.240	HOPE 3 Program	505,401
66.458	Texas Water Development Board	<u>46,330,000</u>
	Total	<u>\$ 48,361,725</u>

City of Lubbock, Texas
Schedule of Expenditures of State Awards
For the Year Ended September 30, 2024

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				
HIV Prevention Services Grant 2025	N/A	HHS000077800035	\$ -	\$ 19,418
Epidemiology Capacity Expansion Grant (IDPS/SUR) 23-25	N/A	HHS001315700012	-	63,185
HIV Prevention Services Grant 2024	N/A	HHS000077800035	-	204,154
Immunization / Locals 23-24	N/A	HHS001331300015	-	128,839
Preventive Health & Health Services Block Grant (RLSS/LPHS) 23-25	N/A	HHS001324900033	-	31,591
Total Texas Department of State Health Services			-	447,187
Texas Division of Emergency Management				
TIFMAS - Wildfire Season FY 2024	N/A	TIFMAS-ST 24-101	-	261,816
California Wildfire Deployment FY 2024	N/A	EMAC 3092-RR-13497	-	140,742
Total Texas Forest Service			-	402,558
Texas Department of Transportation				
5307 Funds - FY 23 State Operation	N/A	N/A	-	655,365
Total Texas Department of Transportation			-	655,365
TOTAL STATE FINANCIAL ASSISTANCE			\$ -	\$ 1,505,110

CITY OF LUBBOCK, TEXAS
Notes to Schedule of Expenditures of State Awards
For the Year Ended September 30, 2024

(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, 2024, 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, 2024, 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 17, 2025. 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 17, 2025

**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, 2024. 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, 2024.

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 17, 2025

City of Lubbock, Texas
 Schedule of Findings and Questioned Costs
 For the Fiscal Year Ended September 30, 2024

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 No
- Significant deficiency(ies) identified that are not considered to be material weakness(es)? _____ Yes None reported

Noncompliance material to the financial statements noted? _____ Yes 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 No
- Significant deficiencies identified that are not considered to be material weakness(es)? _____ Yes 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 No

Identification of major programs:

<u>Identification Number</u>	<u>Name of Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds
14.218	CDBG – Entitlement Grants Cluster
93.568	Comprehensive Energy Assistance Program (CEAP) 2024 – Emergency Supplement
STATE	5307 Funds – FY 23 State Operation

Dollar threshold used to distinguish between Type A and Type B federal programs: \$2,039,115

Dollar threshold used to distinguish between Type A and Type B state programs: \$ 750,000

Auditee qualified as low-risk auditee for federal single audit? Yes _____ No

City of Lubbock, Texas
Schedule of Findings and Questioned Costs – Continued
For the Fiscal Year Ended September 30, 2024

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

