

A photograph of a modern, multi-story city building with large glass windows and a brick-paved foreground. The image is overlaid with a blue gradient that transitions into a green gradient at the bottom. The text "ANNUAL COMPREHENSIVE FINANCIAL REPORT" is centered in the lower half of the image.

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED  
SEPTEMBER 30, 2021



Annual Comprehensive Financial Report  
List of Elected and Appointed Officials  
For the Fiscal Year Ended September 30, 2021

**City Council**

Daniel M. Pope	Mayor
Steve Massengale	Mayor Pro Tem – District 4
Juan A. Chadis	Council Member – District 1
Shelia Patterson Harris	Council Member – District 2
Jeff Griffith	Council Member – District 3
Randy Christian	Council Member – District 5
Latrelle Joy	Council Member – District 6

**Appointed Officials**

W. Jarrett Atkinson	City Manager
Chad Weaver	City Attorney
Rebecca Garza	City Secretary

**Finance Staff**

D. Blu Kostelich	Chief Financial Officer
Linda Cuellar, CPA	Director of Accounting
Cheryl Brock	Director, Financial Planning & Analysis
Brack Bullock, CPA	Accounting Manager
Veronica Valderaz	Accounting Manager
Deborah Hansard	Senior Accountant
Amber Aguilar	Senior Accountant
Amber Magar, CPA	Senior Accountant
Meg Beverly	Senior Accountant
Ranu Manik, CPA	Director of Finance, LP&L
Joe Jimenez	Manager, Financial Planning & Analysis, LP&L

**City of Lubbock, Texas**  
**Comprehensive Annual Financial Report**  
**Year Ended September 30, 2021**

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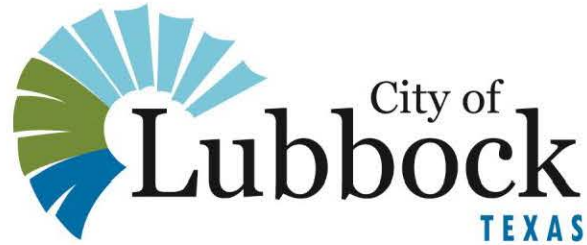
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March 2, 2022

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, 2021. 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 2010 Census population for the City was 229,573; the estimated 2021 population is 265,531. The City covers approximately 136.7 square miles.<sup>1</sup> 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.

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<sup>1</sup> 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 kicked off in FY 2019 and continued into FY 2021. The three Patrol Division Stations were completed and opened in FY 2021, and construction began on a Police Headquarters facility that is scheduled to complete in the first quarter of 2023. In addition, the design for a Property and Evidence Warehouse is underway. As part of an effort to fill its officer vacancies, increase patrol effectiveness and reduce call response times, the Police Department Academy completed the training of 14 new police recruits in FY 2021. As of September 30, 2021, the Police Department was staffed with 426 sworn officers including the additional 14 police trainees. In FY 2021, the Police Department had 303,136 responses to primary and backup dispatched calls for service with an average response time to Priority 1 calls of 6 minutes, 4 seconds.

Lubbock Fire Rescue is dedicated to providing unparalleled emergency response and life safety services for the City. As of September 30, 2021, the Fire Department operated 19 fire stations, the Emergency Operations Center, and the Lubbock Fire Marshal Office. These facilities were staffed with 406 sworn firefighters and 33 civilians. Two additional civilian positions are authorized for FY 2021-22, bringing our total employee count to 441. Fire Station 20 Capital Improvement Project has been funded for FY 2021-22. In FY 2021, the Fire Department responded to 29,278 calls, an average of 80 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, South Plains Electric Cooperative, and Southwestern Public Service Company (SPS) provide electric service in the City of Lubbock. As of September 30, 2021, LP&L owns and maintains 108,557 meters, 41 substations, 4,526 total miles of primary and secondary distribution lines, and approximately 174 miles of transmission lines. The average daily electric consumption is roughly 7,050 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.

LP&L's current capacity and energy supply requirements are met through a series of power supply resources. These resources include: Blocks of Firm Liquidated Damages (LD) power to cover a majority of our load along with day-ahead or real-time energy purchases for any unhedged position; a 170MW partial requirements contract with SPS; a 90.1MW power purchase agreement between LP&L and Elk City II Wind, LLC; and 112 MW of dependable natural gas fired generation.

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). The formal process related to LP&L's integration of the Affected Load into ERCOT included integration studies, a PUC project to identify issues pertaining to LP&L's proposal



to become part of ERCOT, cost-benefit studies, and a public interest determination. ERCOT's integration study determined that a configuration of transmission projects with three connection points between the ERCOT grid and the LP&L system—designated as Option 4ow—would present the lowest overall costs once capital costs and production cost effects were considered.

In September 2017, LP&L filed its application in PUC Docket No. 47576, Application of the City of Lubbock through Lubbock Power and Light for Authority to Connect a Portion of Its System with the Electric Reliability Council of Texas (Application). Through the Application, LP&L sought Commission authority to disconnect the Affected Load from SPP and to connect to ERCOT, along with related findings that would facilitate LP&L's integration into the ERCOT system, consistent with the public interest.

In March 2018, the PUC approved the integration of the Affected Load to the ERCOT system through an Order in PUC Docket No. 47576. LP&L then moved into the next phase of the ERCOT integration project, which was comprised of four CCN cases necessary to identify transmission line routes and substation locations necessary for the ERCOT integration. The last of the four CCN cases were approved by the PUC on March 12, 2020 which allowed for the completion of construction to integrate the Affected Load.

On May 30, 2021, LP&L completed the integration with ERCOT. Prior to that date, LP&L became owner and operator of three 345 kilovolt (kV) transmission lines, totaling 69 miles in length. Additionally, the assets associated with the integration include 81 miles of 115kV transmission lines; 20 miles of 69kV transmission lines; two 345/115kV switching stations (Dunbar and Posey); one 345/115kV substation (Yellow House Canyon); one 115/69kV switching station (Holly); three 115/69kV substations (McKenzie, Vicksburg, and Co-op); nine 115kV substations (Thompson, Chalker, Oliver, Southeast, Slaton, Wadsworth, Northeast, Northwest, and McDonald); and four 69kV substations (Erskine, Brandon, Red Raider, and McCullough).

LP&L's cost to fund the needed additional infrastructure were initially funded through short-term financing during the construction phase and were converted to Electric Light and Power System (EL&PS) Revenue Bonds, Series 2021, on August 10, 2021, as construction was complete. Additionally, capital projects currently included in LP&L's existing long-term capital improvement plan are related to reliability and will cover a portion of system improvements necessary prior to a final transition.

Debt service requirements for the transmission capital projects are being paid from a new transmission cost of service (TCOS) revenue stream that began upon entry into ERCOT. LP&L filed Docket No. 51100 on August 18, 2020 at the PUC to earn a rate of return on its transmission assets. These revenues (to be collected from all load serving entities in ERCOT) are set to recover transmission-related operating and maintenance expenses, depreciation and amortization expenses, and other expenses related to utility operations and the transmission functions.

On May 27, 2021, in anticipation of the full integration to ERCOT, LP&L and SPS approved a Settlement Agreement to terminate the Partial Requirements (PR) Agreement, which provides capacity for the remaining customers in SPP. LP&L and SPS identified May 31, 2023 as the estimate of the full ERCOT integration and resulting early termination of the PR Agreement. The impact of the early termination is the elimination of capacity charges in SPP beginning in June 2023. On an annualized basis, this represents an over \$17 million yearly savings to the utility, largely because ERCOT is an energy-only market and there is no capacity requirement, and therefore no capacity costs after full integration into ERCOT, after all lagging transmission charges are paid in SPP.

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.

Since August 2018, LP&L has been studying the feasibility of opting-in to retail customer choice. Presently, LP&L's budget and financial models anticipate that LP&L will opt-in to the ERCOT competitive retail electric market (Opt-In) by the fourth quarter of 2023, and will not operate as a Retail Electric Provider (REP). Any Opt-In assumption is contingent on both governing bodies of LP&L voting to Opt-In to competition, and such votes have not yet been taken.

**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, TDCJ's Montford Prison Unit, Lubbock Cooper ISD Main Campus, and Texas Tech's East Campus – Petroleum Engineering Classroom. As of January 1, 2021, the water system consisted of 92,849 meters and 1,901 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 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 50 years.

The City used a total of 12.58 billion gallons of water in FY 2020-21. The City's 5-year average per capita consumption for FY 2021 was 127 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 34 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.

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 7.34 billion gallons of its annual water supply from CRMWA in FY 2020-21. 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. They supply additional water from Lake Meredith, which is now at 35 percent capacity, throughout the year to increase peak capacity by 25 million gallons per day.

The Bailey County Well Field contains 175 active water wells with 83,305 acres of water rights, providing 2.38 billion gallons of the City's annual water supply in FY 2021. 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 3.03 billion gallons of the City's annual water supply in FY 2021. The lake is currently at greater than 90 percent capacity. The South Water Treatment Plant includes a 225 million gallon terminal storage reservoir and a high service pump station to transfer the treated water into the City's distribution system.

**Wastewater Utility:** The City provides wastewater collection and treatment within the city limits to residential, commercial, and industrial customers. The City also provides wholesale wastewater services to Reese Redevelopment Authority, TDCJ's Montford Prison Unit, Lubbock Cooper ISD Main Campus, and Texas Tech's East Campus – Petroleum Engineering Classroom. As of January 1, 2021, the collection system consisted of approximately 1,223 miles of sanitary sewer lines and 34 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 17.5 million gallons per day. The peak utilization of the SEWRP is 25 million gallons per day. The treated wastewater is disposed of or reused in various ways. In 2021, approximately 46 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 9 percent of the treated wastewater and 45 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 new Northwest Water Reclamation Plant (NWWRP) became operational. This new plant was constructed to handle the growing sewer demand in the northwest part of Lubbock. The NWWRP had an average utilization of 0.7 million gallons per day. 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 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. Construction for rehabilitation of Plant 3 clarifiers and improved aeration capabilities is currently under construction. 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 and III are complete. Phase IV of this project is in progress. This project consists of construction of large diameter sanitary sewer interceptors for the expansion of the existing sanitary sewer system. In addition, the Canyon Lakes Interceptor Rehabilitation project is under construction and will replace deteriorated lines and manholes to improve aging infrastructure. 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 Downtown Sanitary Improvements Phase I and II design is nearing completion. 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 162 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 Yellowhouse 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 1,267 miles of paved and unpaved streets, 636 linear miles of paved and unpaved alleys, 1,353 storm sewer inlets, 126 miles of subsurface storm sewer pipe, four detention basins, 162 playa lakes, and one pump station. Maintenance of all of the storm sewers, including street cleaning, is funded through storm water fees.

During FY20-21, the focus was on two major projects: Storm Water Master Plan and Northwest Lubbock Drainage Project. The Storm Water Master Plan is a multi-year year project that is providing a comprehensive, holistic approach to storm water management. This project is updating the Drainage Criteria Manual (1997) and the Master Drainage Plan (2010), which are the primary documents that regulate development, guide drainage design and identify improvement projects. When completed with all phases, the Northwest Lubbock Drainage Project will connect six playa lakes to a new drainage system to help reduce the risk of flooding in the northwest region of Lubbock.

***Solid Waste Utility:*** The City provides garbage collection and disposal services to 79,933 residential customers and 3,154 commercial customers. One of the City's two landfill sites is designated as the Caliche Canyon Landfill and includes a citizen transfer station. 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 advisory board, and includes a 200,000 square foot passenger terminal building. A multi-year project to renovate the terminal building is nearing completion. 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 35 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 (paratransit), On-demand (micro transit), Charters and other additional special services. There are nine fixed-routes that traverse the City. Access is a curb-to-curb service for passengers in the community who are unable to utilize the regular fixed route service. 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 3 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 2020-21, the primary focus of the City of Lubbock Health Department was the continued response to the COVID-19 pandemic. In January of 2021, with the emergency use authorization of the first two COVID-19 vaccines in the United States the health department opened a mass vaccination clinic at the Lubbock Memorial Civic Center. During the 5 months of operation, the department administered over 100,000 vaccines. After the closure of the vaccine hub the department

dedicated resources to vaccinate individuals in hard to reach groups through community pop up clinics and a citywide vaccination campaign, #ItStartsWithUs. To support the cost of the vaccination hub and COVID-19 outreach work the health department obtained multiple grants from the Texas Department of State Health Services including \$2,761,375 from the Department of State Health Services (DSHS) COVID –Cares Act fund, \$1,500,000 from the DSHS Public Health Workforce Supplemental Fund and \$500,000 from DSHS from the COVID-19 Health Disparity grant. These grants will support continued public health COVID-19 response including vaccine clinics, testing and surveillance. The remaining funds will be used to build and sustain the local public health workforce by funding new staff positions and providing training opportunities to existing staff through 2023.

The City of Lubbock has housing and community development 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). In FY 2020-21, the City of Lubbock rehabbed 33 homes with CDBG funding and North-East Lubbock Neighborhood Infrastructure Fund (NELNIF) for the Homeowner Minor Rehabilitation Program. The ESG Program assisted 951 homeless individuals with essential services and 162 were assisted with rapid re-housing.

The City received funding from the Texas Department of Housing and Community Affairs (THDCA) for the Comprehensive Energy Assistance Program (CEAP) and the Community Services Block Grant (CSBG). In FY 2020-21, funding from the CSBG self-sufficiency program provided 121 individuals with assistance for education and job training programs and continued providing emergency assistance for COVID relief to 386 households for rental assistance and 446 households with utility assistance. The CEAP program has provided utility assistance and emergency heating/cooling repairs to 4,099 households, which included funding from the 2021 program year grant and the CEAP-CARES fund awarded the previous year.

***In-House Coronavirus Relief Services:*** The City continued running emergency programs in response to the Coronavirus pandemic with financial assistance for persons/ families who were financially impacted by COVID. Under the Coronavirus Aid, Relief and Economic Security Act (CARES), the City received funding from TDHCA for the Texas Emergency Rent Assistance Program (TERAP) and Eviction Diversion Program, whereupon a total of 258 persons and/or families received rent assistance, which included 134 eviction diversion cases. Additionally, the City received funding from the U.S. Department of Treasury for Emergency Rent Assistance programs. The City has assisted more than 3,000 households with rent and/or utility services and 84 homeowners with mortgage assistance.

***Cultural and Recreation Activities:*** The City provides cultural and recreation services through 4 libraries and 82 parks with 56 playgrounds. Other recreational facilities include 4 swimming pools, 49 tennis courts, 50 baseball and softball fields, 53 soccer fields, 44 basketball courts, 15 multi-sport courts, 3 disc golf courses, a cultural arts center, 5 community centers, and 4 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 Wells Fargo Amphitheatre, 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 1,276.8 miles of paved streets, 58.2 miles of unpaved streets, and 644.7 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 Roadway projects. The Gateway Streets Program consists of the Northwest Passage, City thoroughfare streets, and Texas Department of Transportation (TxDOT) improvements in northwest Lubbock, as well as other thoroughfare improvements located in Lubbock.

Street improvement projects under design or construction include the following:

- The Upland Ave thoroughfare project has completed the roadway schematic for 66<sup>th</sup> to 114<sup>th</sup> St. along with the Environmental Assessment of the project. Currently the project is in the final design phase from 66<sup>th</sup> St. to 98<sup>th</sup> St., with land acquisitions for additional Right of Way for the project underway.
- Indiana Avenue from 130<sup>th</sup> St. to 146<sup>th</sup> St. is currently under construction with completion anticipated in the second quarter of 2022.
- 114<sup>th</sup> St. from Quaker Avenue to Indiana Avenue has completed the design and environmental assessment. Construction of this section of thoroughfare is schedule to begin in the second quarter of 2022.

### **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 2021, the adopted Operating Budget and Capital Program appropriates funding at the fund level for all funds and at the project level in the Capital Program.

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

## **ECONOMIC CONDITION AND OUTLOOK**

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

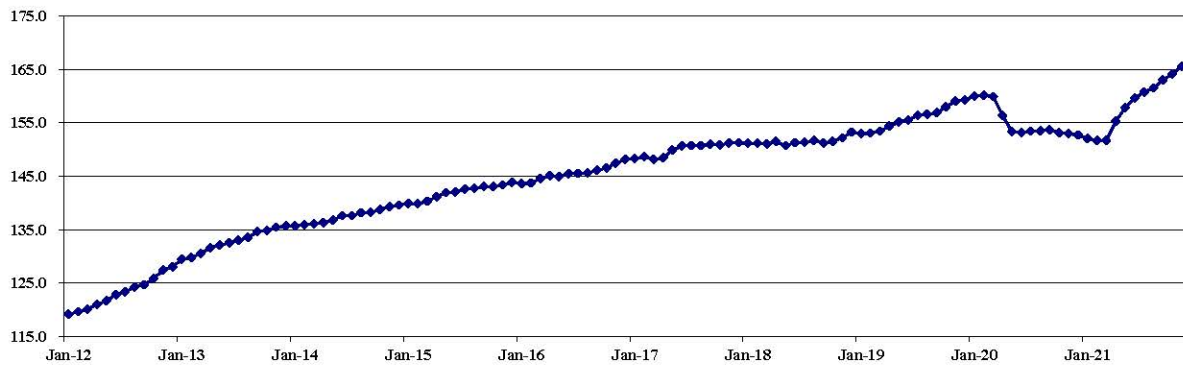
### **Local Economy**

The City of Lubbock has a stable economy with historically consistent and steady growth. Over the past forty years, Lubbock's agriculturally-based economy has diversified. This diversification minimizes the effects of business cycles experienced by individual sectors. The City has strong manufacturing, wholesale and retail trade, healthcare, education, and government sectors. Manufacturing includes a diverse group of

employers who support approximately 4,900 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 index (LEI) improved to a record 160.1 in February 2020, up from 153.0 in February 2019. The LEI began to decline in March 2020 dropping to 159.9 and bottoming out in March 2021 at 151.7. Starting in April 2021 the index started a rapid period of growth leading to a new record high of 165.6 in November 2021.<sup>2</sup> Much like most municipalities nation-wide, COVID-19 played a major role in the decline of the Lubbock economy due to its effects on tourism and employment. However, Lubbock serving as the major retail trade center for a 26-county retail trade area helped to counter the negative effects of COVID-19 in terms of sales tax collections. Residential construction also bolstered the local community by increasing single-family residential permits 33.8 percent through October 2021 compared to the prior year.

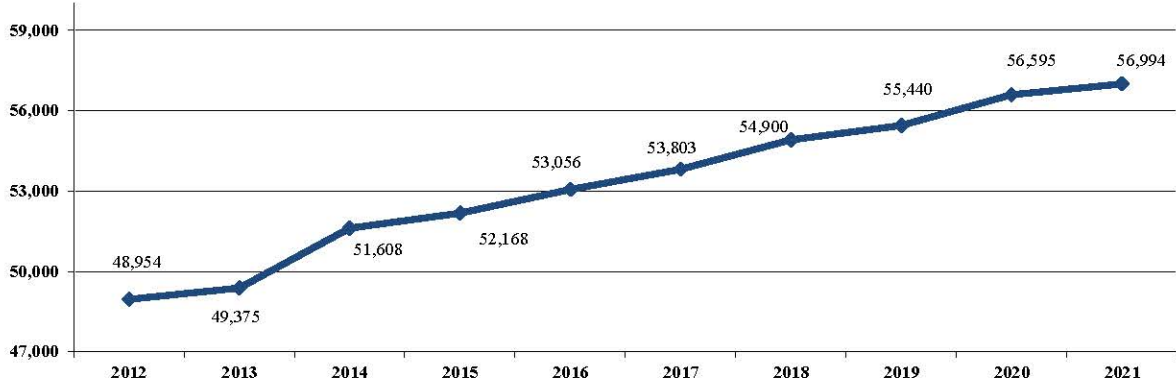
Lubbock Economic Index



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 2021 enrollment for all higher education institutions in Lubbock was 56,994, an increase of 0.7 percent from fall 2020 enrollment of 56,595. The increase was due to enrollment increases at Texas Tech University, Texas Tech University Health Science Center, and South Plains College, offset slight by a decrease experienced at Wayland Baptist University and Lubbock Christian University. Texas Tech has again attained a record enrollment for the thirteenth consecutive year with over 40,600 students for Fall 2021. 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.

<sup>2</sup> Ingham Economic Reporting, November 2021, Lubbock Economic Index and Consumer Price Index, Amarillo, Texas: Karr Ingham

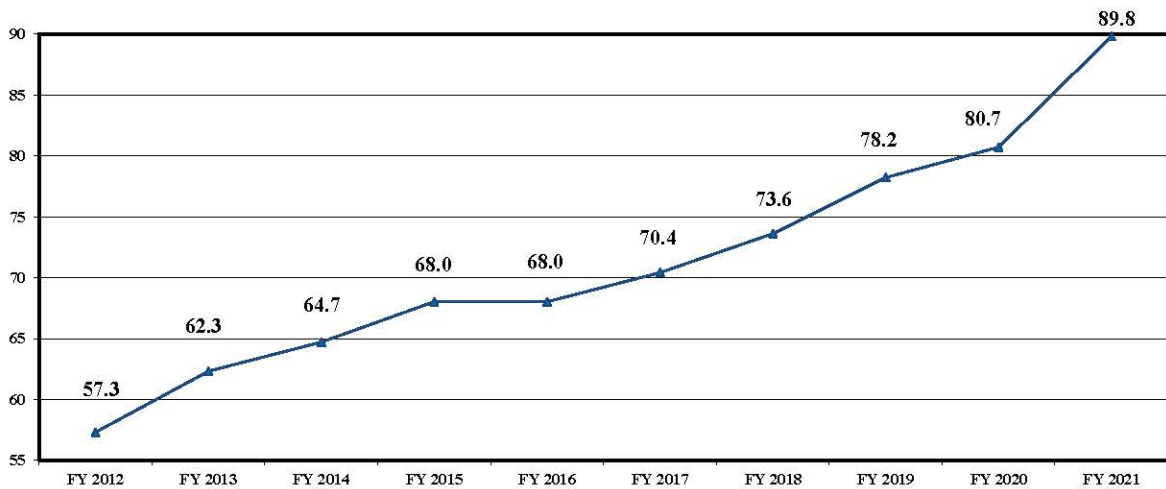
**Higher Education Fall Enrollments 2012 - 2021**



The health care and social assistance sector is also a vital component of the Lubbock economy, with 26,097 employees and payroll exceeding \$1.4 billion.<sup>3</sup> 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 2021 totaled \$89.8 million, 11.3 percent higher than collections through the same period in FY 2020.

**Annual Sales Tax Collections**

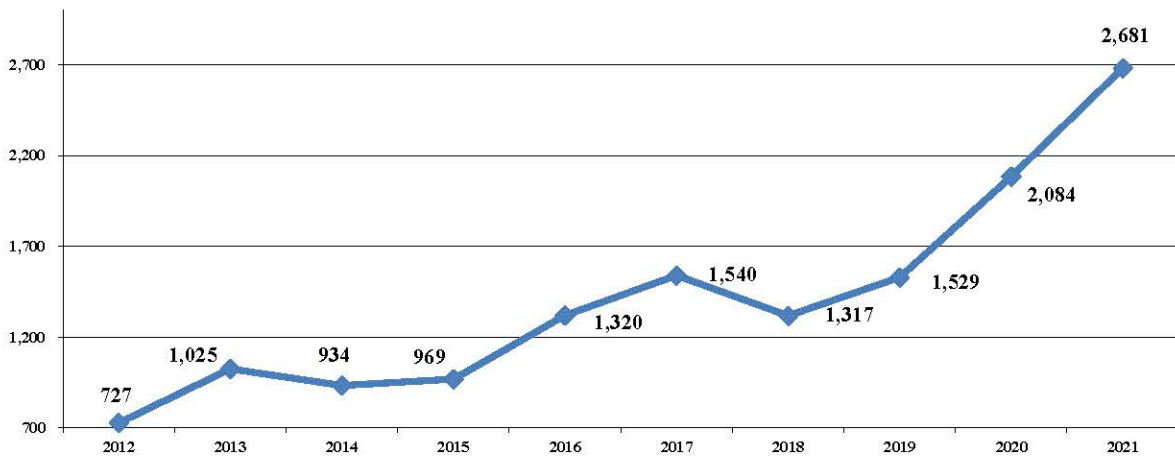


<sup>3</sup> Texas Labor Market Information, *Quarterly Census of Employment and Wages (QCEW) Report*, retrieved from [texaslmi.com/LMIbyCategory/QCEW](https://texaslmi.com/LMIbyCategory/QCEW).



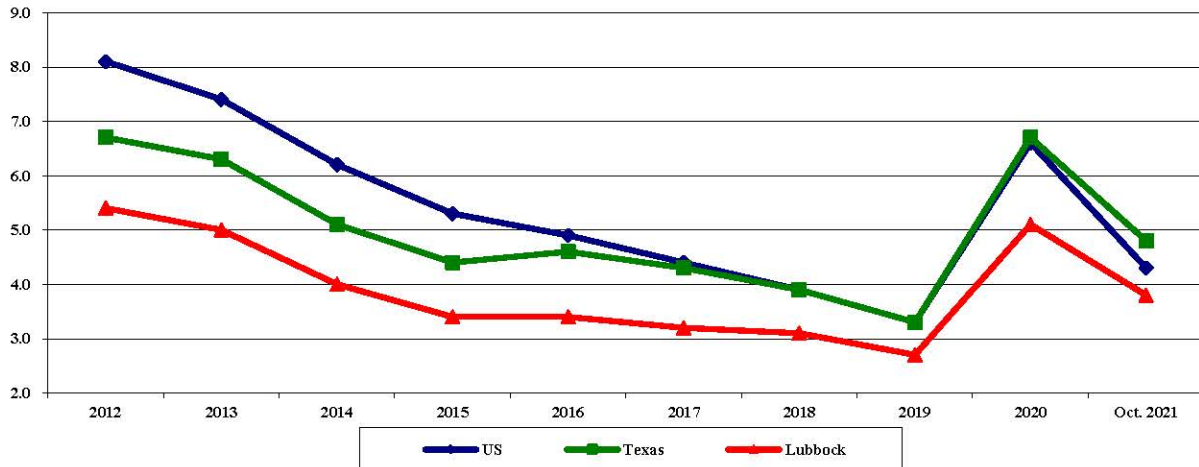
**Building Permits:** Construction activity has expanded significantly in recent years, setting records for new residential permits in 2017, 2019, 2020, and 2021. New construction permits issued increased 21.7 percent through 2021. Similarly, new residential permits rose 28.6 percent in 2021 compared to the prior year.<sup>4</sup> The preliminary average home sales price in December 2021 was \$252,857, an increase of 7.4 percent over December 2020.<sup>5</sup>

Residential Building Permits 2021



**Employment:** The total non-agricultural employment estimate for October 2021 was 152,000, an increase of 3.5 percent over the revised October 2020 estimate. The unemployment rate for the Lubbock Metropolitan Statistical Area (MSA) in October 2021 was 3.8 percent, a decrease of 2.1 percent, largely attributed to Lubbock’s rebounding from effects of the COVID-19 pandemic. Historically, Lubbock has had a low rate of unemployment that is well below the national and state unemployment rates.<sup>6</sup>

Unemployment Rate



<sup>4</sup> City of Lubbock Building Inspection Department, December 2020 and December 2021 *Building Inspection Statistical Report*.

<sup>5</sup> Texas A&M University Real Estate Center, *Lubbock MLS Housing Activity Report (December 2021)*, retrieved from <http://recenter.tamu.edu/data/datahs.html> (Figures are preliminary and will be updated as information becomes available.)

<sup>6</sup> Texas Workforce Commission, *MSA Employment and Unemployment Data*, October 2021. (Current year numbers are the average through October 2020 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 2.2468 cents of the property tax allocation. 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. Total allocated tax revenues for MLI and LEDA for FY 2021 were \$11 million.

The City's Finance Department is responsible for tracking and maintaining economic and demographic information for the City, assisting with city-related business issues, the enterprise zone and tax abatement programs, three Tax Increment Financing Reinvestment Zones, and all Public Improvement Districts.

***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 2021 appraised value of the LBP Zone is \$64.9 million with a net taxable value of \$64.5 million, which is a \$64.5 million increase over the 2009 base year value.

***Overton Park:*** Overton Park, a former blighted area called North Overton, is a 300-acre revitalization project adjacent to the downtown area of Lubbock. Projects that have been constructed in Overton Park since the beginning of the redevelopment include eleven 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 \$520 million over the Overton Zone's 30-year life. The 2021 appraised value of the Overton Zone is \$528.4 million, which is a \$501.4 million increase over the 2002 base year value.

***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 2021 was used for rehabilitation of owner occupied homes in North and East Lubbock. In FY 2021, twenty owner occupied homes had minor rehabilitations with the funding available.

***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 2021 appraised value of the CBD Zone is \$249.7 million, a \$143.8 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. LP&L must maintain three months gross retail electric revenue, as determined by taking the average monthly gross retail electric revenue from the previous fiscal year. 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 amount LP&L pays in lieu of property tax is based on one percent of gross revenues. The payment in lieu of

Honorable Mayor, City Council,  
And Citizens of the City of Lubbock, Texas  
March 2, 2022

property taxes for other utility funds is calculated by applying the property tax rate to the fixed assets of the fund.

### 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, 2020. 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 sixteen consecutive years.

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

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

Respectfully submitted,



W. Jarrett Atkinson  
City Manager



D. Blu Kostelich  
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**

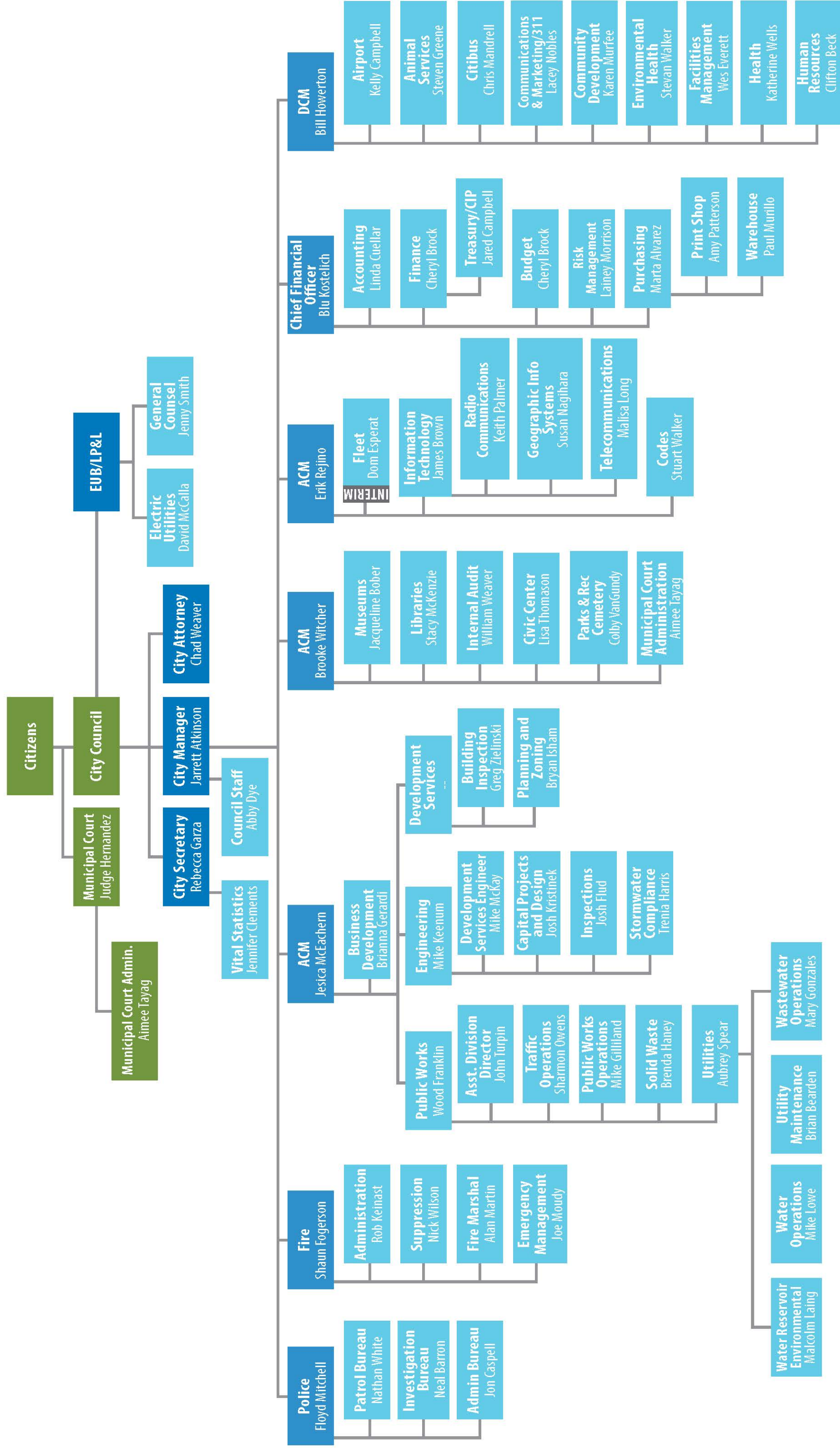
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2020

*Christopher P. Morill*

Executive Director/CEO

# Organizational Chart







## Independent Auditor's Report

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

### Report on the Financial Statements

We have audited the accompanying 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 the City of Lubbock, Texas (the City), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Civic Lubbock, Inc., Market Lubbock Economic Development Corporation d/b/a Market Lubbock, Inc. or Lubbock Economic Development Alliance, which represent 94 percent, 99 percent and 99 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for such entities, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Civic Lubbock, Inc., a component unit included in the financial statements of the aggregate discretely presented component units was not audited in accordance with *Government Auditing Standards*.

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

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

Weaver and Tidwell, L.L.P.  
2300 North Field Street, Suite 1000 | Dallas, Texas 75201  
Main: 972.490.1970



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

## **Opinions**

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note I-J to the basic financial statements, during the year ended September 30, 2021, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities. Beginning net position in the custodial fund has been restated as a result of the implementation of this standard. Our opinions are not modified with respect to this matter.

## **Other Matters**

### Required Supplementary Information

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

### Other Information

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

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

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

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2022 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  
March 2, 2022



**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

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, 2021.

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, 2021 by \$1.2 billion (net position).
- The City's total net position increased by \$108.8 million resulting from operations during the fiscal year.
- The ending unassigned fund balance for the General Fund was \$87.8 million, or 37.0 percent of total General Fund revenues, an increase of \$16.3 million from the prior year.
- The City's governmental funds reported combined ending fund balances of \$229.6 million, of which \$87.8 million is available for spending at the City's discretion.
- The City's enterprise funds reported combined ending net position of \$1.1 billion, of which \$80.0 million is available for spending at the City's discretion.
- During FY 2021, the City issued \$408.5 million in bonded debt. Part of this was used to refund debt, which decreased debt service requirements by \$7.3 million.

### **Overview of the Financial Statements**

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

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

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

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each of the City's functions or programs. Direct expenses are specifically associated with an activity and are therefore clearly identifiable with that activity. Program revenues include charges paid by the recipient of the goods or services offered by the program. Program revenues also include grants and contributions

**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

restricted to meeting the operational or capital requirements of a particular activity. Revenues not directly 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, and streets and traffic. 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 six 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.; Vintage Township Public Facilities Corporation; and the Lubbock Metropolitan Planning Organization 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.

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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 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 32 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Governmental Capital Projects Fund, and Debt Service Fund which are considered to be major funds. The governmental FFS can be found on pages 44-47 of the ACFR. Data for the other 29 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 48-59 of the ACFR.

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

**Notes to Basic Financial Statements:** The notes provide additional information that is essential to a full understanding of the data provided in the GWFS and FFS. The notes can be found on pages 62-114 of the ACFR.

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**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 \$1.2 billion (*net position*) at the close of the fiscal year, compared to assets and deferred outflows exceeding liabilities and deferred inflows by \$1.1 billion (*net position*) at the end of the prior fiscal year. As a result of operations, total net position increased by \$108.8 million during the period.

**City of Lubbock Net Position**  
**September 30**  
**(in thousands)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 325,163	\$ 272,115	\$ 422,929	\$ 457,547	\$ 748,092	\$ 729,662
Capital assets	540,191	514,196	1,936,622	1,737,328	2,476,813	2,251,524
Total assets	865,354	786,311	2,359,551	2,194,875	3,224,905	2,981,186
Total deferred outflows of resources	49,681	35,645	17,561	15,771	67,242	51,416
Current liabilities	115,531	82,690	145,906	255,118	261,437	337,808
Noncurrent liabilities	619,487	614,958	1,137,804	916,840	1,757,291	1,531,798
Total liabilities	735,018	697,648	1,283,710	1,171,958	2,018,728	1,869,606
Total deferred inflows of resources	36,840	35,280	11,978	11,941	48,818	47,221
Net position:						
Net investment in capital assets	253,191	221,288	931,616	870,350	1,184,807	1,091,638
Restricted	27,909	27,866	74,355	63,638	102,264	91,504
Unrestricted	(137,923)	(160,126)	75,453	92,759	(62,470)	(67,367)
Total net position	\$ 143,177	\$ 89,028	\$ 1,081,424	\$ 1,026,747	\$ 1,224,601	\$ 1,115,775

Approximately 96.8 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;

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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 \$102.2 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 \$4.9 million from FY 2020.



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

	Governmental Activities		Business- type Activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for services	\$ 39,608	\$ 35,354	\$ 447,055	\$ 387,343	\$ 486,663	\$ 422,697
Operating grants and contributions	22,250	22,554	12,773	10,845	35,023	33,399
Capital grants and contributions	13,601	17,388	33,073	26,341	46,674	43,729
General Revenues:						
Property taxes	105,517	103,521	-	-	105,517	103,521
Sales taxes	90,000	80,704	-	-	90,000	80,704
Other taxes	9,256	7,402	-	-	9,256	7,402
Franchise fees	29,733	26,326	-	-	29,733	26,326
Investment earnings	1,080	4,818	3,239	9,953	4,319	14,771
Other	19,782	16,874	1,312	575	21,094	17,449
Total revenues	<u>330,827</u>	<u>314,941</u>	<u>497,452</u>	<u>435,057</u>	<u>828,279</u>	<u>749,998</u>
<b>Expenses:</b>						
Administrative services/general govt.	21,533	18,499	-	-	21,533	18,499
Community services	9,316	7,099	-	-	9,316	7,099
Cultural and recreation	17,904	18,630	-	-	17,904	18,630
Economic and business development	20,025	18,535	-	-	20,025	18,535
Fire	60,501	47,665	-	-	60,501	47,665
Health	10,625	7,120	-	-	10,625	7,120
Police	69,070	76,434	-	-	69,070	76,434
Other public safety	16,239	21,923	-	-	16,239	21,923
Streets and traffic	31,273	32,943	-	-	31,273	32,943
Solid Waste	18,801	19,575	-	-	18,801	19,575
Interest on long-term debt	8,476	10,570	-	-	8,476	10,570
Electric	-	-	266,510	199,683	266,510	199,683
Water/Wastewater	-	-	113,325	111,443	113,325	111,443
Storm Water	-	-	13,771	14,368	13,771	14,368
Transit	-	-	13,530	13,636	13,530	13,636
Airport	-	-	24,394	17,823	24,394	17,823
Civic Centers	-	-	3,073	3,886	3,073	3,886
Cemetery	-	-	550	623	550	623
Lake Alan Henry	-	-	537	535	537	535
Total expenses	<u>283,763</u>	<u>278,993</u>	<u>435,690</u>	<u>361,997</u>	<u>719,453</u>	<u>640,990</u>
Change in net position before transfers	47,064	35,948	61,762	73,060	108,826	109,008
Transfers	7,085	6,335	(7,085)	(6,335)	-	-
Change in net position	<u>54,149</u>	<u>42,283</u>	<u>54,677</u>	<u>66,725</u>	<u>108,826</u>	<u>109,008</u>
Net position - beginning of year	89,028	46,745	1,026,747	960,022	1,115,775	1,006,767
Net position - end of year	<u>\$ 143,177</u>	<u>\$ 89,028</u>	<u>\$ 1,081,424</u>	<u>\$ 1,026,747</u>	<u>\$ 1,224,601</u>	<u>\$ 1,115,775</u>

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

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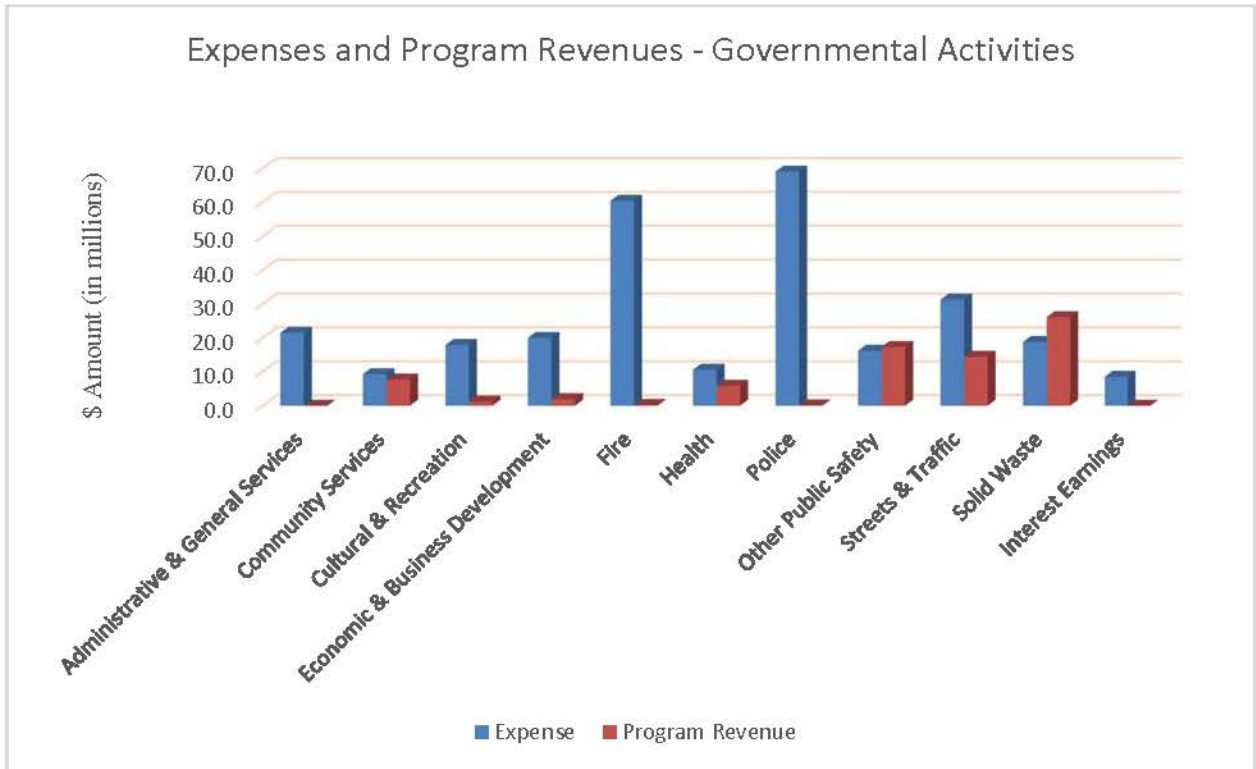
**Governmental activities:** The City's governmental activities experienced an increase in net position of \$54.1 million, compared to an increase of \$42.3 million during the prior fiscal year. Key elements of the operational increase compared to prior year include:

- Revenues increased \$15.9 million, from \$314.9 million in FY 2020 to \$330.8 million in FY 2021.
  - The City experienced a \$163 thousand increase in total program revenues from FY 2020 to FY 2021. Charges for services increased \$4.3 million from FY 2020 to FY 2021 and operating grants and contributions decreased \$304 thousand. Capital grants and contributions decreased \$3.8 million from FY 2020 to FY 2021. The City received \$5.4 million less in other public safety grants than in FY 2020, and \$4.9 million more in health and community services grants in FY 2021. Fewer capital contributions decreased revenues by \$3.8 million, and street and other capital grants increased by \$0.1 million from the previous year. Charges for services increased due to Solid Waste fees increasing by \$2.0 million, Municipal Court fines and Engineering fees increasing by \$0.8 million in FY 2021 and cultural and recreation revenues also increasing by \$0.4 million.
  - Property tax revenue increased from \$103.5 million in FY 2020 to \$105.5 million in FY 2021. The property tax rate decreased from \$0.55802 per \$100 of assessed value in 2020 to \$0.52323 per 100 of assessed value in 2021. Taxable assessed values increased from \$18.7 billion in 2020 to \$20.9 billion in 2021, as real property valuations continued to climb.
  - Sales tax revenue increased from \$80.7 million in FY 2020 to \$90.0 million in FY 2021. Since FY 2012, Lubbock had experienced a steady increase in sales tax revenue averaging an annual increase of 5.2 percent. In FY 2021, Lubbock experienced a 11.5 percent increase in sales tax.
  - Investment earnings decreased from \$4.8 million in FY 2020 to \$1.1 million in FY 2021. The decrease is due to a lower rate environment in FY 2021.
  
- Total expenses increased \$4.8 million, from \$279.0 million to \$283.8 million in FY 2021.
  - Fire department expenses increased \$12.8 million from \$47.7 million in FY 2020 to \$60.5 million in FY 2021. COVID-19 relief grants paid for a portion of FY 2020 employee compensation so expenses increased by \$10.8 million. In addition, the GASB 68 pension expense of the fire department increased by \$2.0 million in FY 2021.
  - Health expenses increased from \$7.1 million in FY 2020 to \$10.6 million in FY 2021. The expense increase is due to the CARES Act funding to provide aid in response to the COVID-19 pandemic.
  - Police department expenses decreased \$7.3 million to \$69.1 million in FY 2021. The GASB 68 pension expense for the police department decreased by \$3.2 million in FY 2021. The salary and benefit cost also decreased by \$3.1 due to retirements of tenured officers, vacancies, and canceled events that usually had police presence while charges for internal services decreased by \$1.0 million.
  - Other public safety grant expense decreased \$5.7 million to \$16.2 million in FY 2021. In FY 2020, employee compensation was paid through the CARES Act funding to provide relief but in FY 2021 departments paid employee compensation.
  - Economic and business development increased by \$1.5 million to \$20.0 million in FY 2021. Hotel occupancy tax allocations increased \$1.3 million while Economic Development Incentive expenses increased \$0.2 million.
  
- Transfers from business-type activities during FY 2021 increased governmental activities' net position by \$7.1 million. During the prior fiscal year, the transfers increased governmental activities' net position by \$6.3 million. Transfers from Transit to the General Fund decreased by \$1.6 million in FY 2021 while transfers from Water/Wastewater increased \$0.1 million. Transfers from Storm Water to the General Fund decreased by \$0.2 million in FY 2021.

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- Net transfers from business-type activities included indirect cost payments of operations for centralized services such as payroll and purchasing to governmental activities.

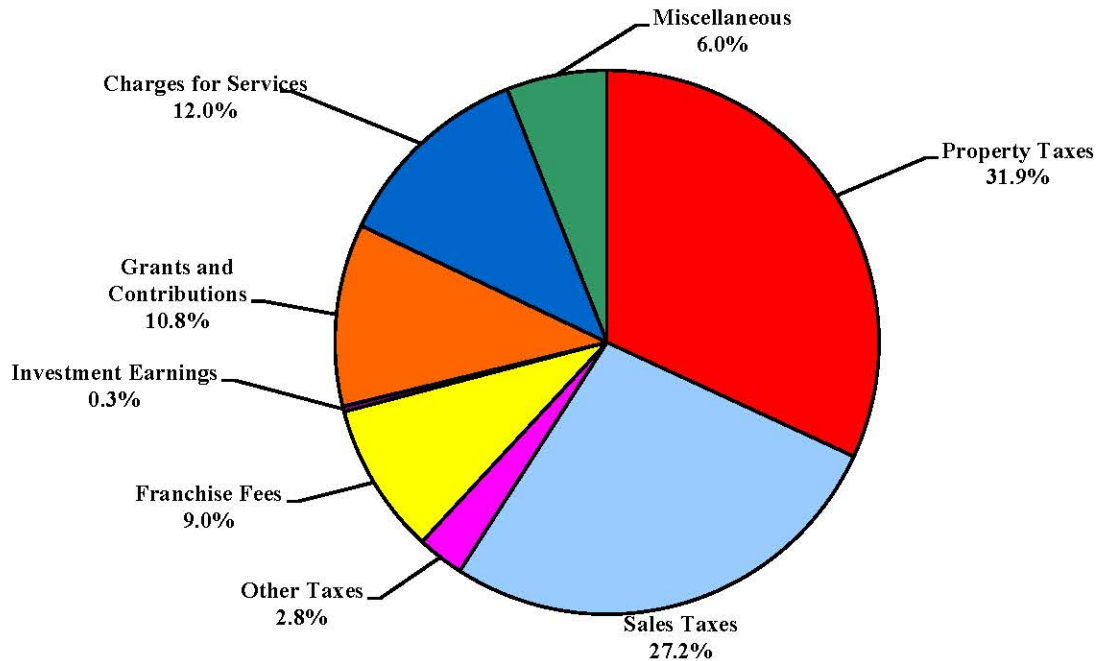
The following graph depicts the expenses and program revenues generated through the City's various governmental activities.



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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 \$497.4 million, compared to \$435.1 million in FY 2020, an increase of \$62.4 million. Key elements of the revenue increase from operations include:

- Charges for services for business-type activities totaled \$447.1 million in FY 2021, an increase of \$59.7 million from the prior year.
  - Electric operations, which is Lubbock Power & Light (LP&L), totaled \$273.8 million in FY 2021, an increase of \$60.8 million. The increase in general consumers' metered revenue of \$53.1 million was related to higher energy prices in FY 2021 combined with below-cost rates in FY 2020 used to return a portion of past Power Cost Recovery Factor (PCRF) over-recoveries to LP&L customers. Additionally, LP&L added a new revenue line item for Transmission Cost of Service Revenues (TCOS) that resulted in \$5.5 million of the total increase of FY 2020 due to the ERCOT integration. Fees and charges increased \$2.8 million due to the reimplementation of disconnect, reconnect, and late fees. During the height of the pandemic, all fees were discontinued. These increases are slightly offset by a lower level of recoveries in the allowance for uncollectable accounts that led to an increase in bad debt expense for FY 2021.
  - Water/Wastewater operations totaled \$134.8 million in FY 2021, a decrease of \$1.6 million. Average daily water usage was 34.5 million gallons for FY 2021, down from 35.3 million gallons in FY 2020. Water charges for services decreased from \$88.1 million in FY 2020 to \$86.9 million in FY 2020 in part due to a wetter year. Wastewater charges for services increased slightly from \$48.3 million in FY 2020 to \$48.8 million in FY 2021.

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- Storm Water operations totaled \$22.4 million, an increase of \$0.2 million. The increase is in line with the one percent forecasted increase in residential and commercial usage.
- Operating grants, capital grants and contributions produced \$45.8 million in revenue for business-type activities during FY 2021, an increase of \$8.7 million from the prior year. The increase is related to Airport capital grants and contributions, which increased from \$7.9 million in FY 2020 to \$11.8 million in FY 2021. Airport operating grants and contributions were also up \$4.1 million to \$6.7 million in FY 2021. Transit operating grants and contributions decreased \$2.2 million in FY 2021 to \$6.1 million while Water/Wastewater capital grants and contributions increased \$2.2. Electric capital grants and contributions also increased from \$0.6 million in FY 2020 to \$1.3 million in FY 2021.

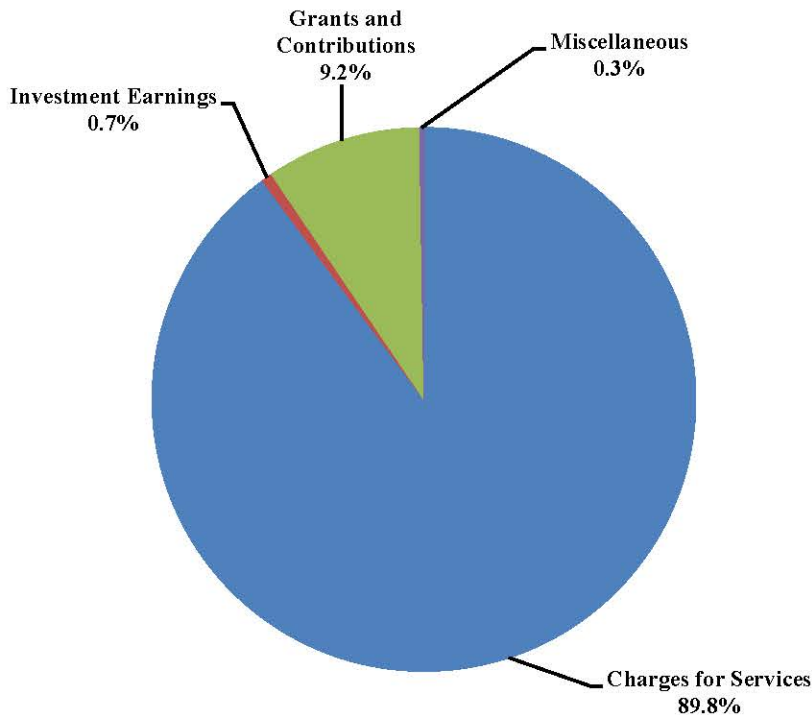
Expenses for business-type activities were \$435.7 million in FY 2021, an increase of \$73.7 million.

- Electric expenses were \$266.5 million, an increase of \$66.8 million from the prior year. The primary expenses contributing to the increase is the cost of purchased fuel and power, which increased \$58.8 million from FY 2020. Additionally, depreciation and amortization expense increased \$2.0 million in FY 2021 as a result of new assets being added. Other services and charges also increased \$3.1 million in FY 2021 due to increases in professional services.
- Expenses in the Water/Wastewater Fund were \$113.3 million in FY 2021, up \$1.9 million from FY 2020. Water other services and charges increased by \$5.6 million in FY 2021 while Water interest expense went down \$2.5 million from the prior year. Water personnel expense was \$8.8 million in FY 2021 and \$9.5 million in FY 2020 and Water depreciation increased \$1.0 million to \$19.9 million in FY 2021. Wastewater other services and charges increased by \$0.5 million in FY 2021 while Wastewater interest expense decreased from \$8.9 million in FY 2020 to \$6.9 million in FY 2021.
- Expenses in the Storm Water Fund were \$13.8 million in FY 2021, a decrease of \$0.5 million from the prior year. Other services and charges cost decreased by \$0.1 million in FY 2021 to \$3.7 million. Interest expense decreased \$0.4 million in FY 2021 to \$2.4 million from FY 2020 while Storm Water billing office expense and supplies had a slight decrease in FY 2021.
- Expenses for Transit, Airport, Civic Centers, Cemetery, and Lake Alan Henry were \$42.1 million, a \$5.6 million increase from FY 2020. Transit Fund expenses decreased by \$0.1 million in FY 2021 to \$13.5 million. Transit personnel services decreased by \$0.3 million in FY 2021, supplies decreased by \$0.1 million, and maintenance decreased by \$0.1 million as well. Transit depreciation expense increased by \$0.2 million and other services and charges increased by \$0.2 million in FY 2021. Airport expenses increased by \$6.6 million in FY 2021 to \$24.4 million. Airport other services and charges increased by \$6.3 million and depreciation expense increased by \$1.0 million in FY 2021. Airport personnel services decreased by \$0.6 million and interest expense decreased by \$0.1 million in FY 2021. Civic Centers expenses decreased by \$0.8 million in FY 2021 and Cemetery expenses decreased slightly while Lake Alan Henry expenses increased marginally in FY 2021. Civic Center personnel services and maintenance expenses decreased by \$0.4 million each and depreciation and amortization expenses increased slightly. Cemetery personnel services decreased a bit while Lake Alan Henry maintenance expenses increased slightly.

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

**Revenues by Source – Business-type Activities**



**Financial Analysis of the City's Funds**

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

The GASB has defined five types of fund balances, which, are more fully described in the notes to the financials. The City uses four of the five types of fund balances defined: nonspendable, restricted, committed, and unassigned. At the end of the year, the City's governmental funds reported combined ending fund balances of \$229.6 million, compared to \$206.7 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 2021, the General Fund had \$87.8 million unassigned fund balance compared to \$71.6 million unassigned fund balance in FY 2020. This is 38.3 percent of the ending governmental fund balance, compared to 34.6 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 37.0 percent of total General Fund revenues compared to 32.7 percent of total General Fund

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revenue in the prior year. Total fund balance represented 37.1 percent of total General Fund revenues compared to 34.3 percent of total General Fund revenue in the prior year.

The Governmental Capital Project Fund had a increase in fund balance of \$11.8 million in FY 2021. Long-term debt of \$30.4 million was issued in FY 2021 and \$2.3 million in FY 2020 to fund projects going forward. The new debt amount is what caused the increase in fund balance.

**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, 2021 and 2020 are as follows with amounts presented in thousands:

	2021	2020
LP&L	\$ 30,060	\$ 39,065
Water/Wastewater	25,172	31,294
Storm Water	8,552	6,046
	\$ 63,784	\$ 76,405

The LP&L Fund unrestricted net position decreased by \$9.0 million, compared to a decrease of \$4.5 million in the prior year. FY 2021 net position before contributions and transfers of \$7.7 million was \$9.7 million lower than in FY 2020. FY 2021 income before transfers, totaling \$8.0 million, was \$9.5 million lower than FY 2020 income due to the \$4.9 million increase in other expenses, mainly related to the increase in PILOT and FFE, and residual equity transfers. The \$2.7 million decrease in interest earnings and the \$60.8 million increase in program revenues offset by the \$62.9 million increase in program expenses contributed to the decrease. FY 2021 net transfers-out, totaling \$0.1 million, was \$0.4 million lower than the FY 2020 net transfers out due to the increase in the indirect costs allocation.

The Water/Wastewater Fund unrestricted net position decreased by \$6.1 million compared to a decrease of \$6.5 million in the prior year. Revenues decreased by \$1.6 million in FY 2021 due to a decrease in average daily water consumption from 35.3 million gallons in FY 2020 to 34.5 million gallons in FY 2021. An increase in other services and charges was mainly due to completed capital projects. As a result, other services and charges increased from \$31.5 million in FY 2020 to \$37.6 million in FY 2021. Water/Wastewater interest earnings decreased \$2.9 million from \$5.4 million in FY 2020 to \$2.5 million in FY 2021. Interest expense was \$19.2 million in FY 20 and \$14.7 million in FY 2021.

The Storm Water Fund unrestricted net position increased by \$2.5 million compared to a \$0.9 million increase in the prior fiscal year. FY 2021 net position before contributions and transfers of \$8.8 million was a slight increase than in FY 2020. Transfer out decreased by \$2.0 million to \$3.4 million in FY 2021. Capital contributions increased marginally in FY 2021, and the increase is due to the addition of drainage easements.

**General Fund Budgetary Highlights**

The adopted operating revenue budget for the General Fund, including transfers, totaled \$230.8 million.

The final adopted budget revenue for FY 2021, including transfers in, totaled \$232.7 million. Two budget amendments affected General Fund revenue. The first increased General Fund cash by \$1.6 million due to

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an ordinance increasing franchise fee revenue. The other amendment increased General Fund revenue by \$317,082 by increasing PILOT revenue from LP&L. Actual revenue was \$244.6 million. Revenue and transfers into the General Fund exceeded budget by \$11.9 million. The City's sales tax was \$7.7 million over budget and property taxes were \$0.7 million over budget. Public Works increased revenue by \$2.8 million largely due to increase in fees associated with Solid Waste operations. Solid Waste tipping fees increased for both regular trash and special trash. License and permits revenue were \$1.2 million over budget while cultural/recreational and telecom right of way revenues were under budget by \$0.3 million and \$0.2 million respectively. Development services, general government, and city secretary revenues were each over budget by \$0.1 million while fines and forfeitures revenue was under budget \$0.3 million.

The original operating expenditure budget for the General Fund, including transfers out, totaled \$230.8 million. An amendment was passed to carry forward balances not used in FY 2020 in the amount of \$494,446 for City elections postponed due to the pandemic, the purchase of a self contained breathing apparatus for the Fire Department, and three cubic yard trash containers for Solid Waste Residential Collections. Four budget amendments were made throughout the year to increase the transfer to General Fund Capital by \$2.2 million. The General Fund operating budget increased funding to Gateway by \$634,164 as well as increasing the transfer to Fleet by \$3.2 million. In addition, Police Administration reduced its budget for professional services by \$25,000, Fire Suppression reduced its budget by \$1,750 for capital outlay, and Parks Maintenance reduced its custodial budget by \$98,000. Facilities Management increased their budget by \$2.9 million due to repairs needed at the Utilities Customer Service Center. The final General Fund expenditure budget totaled \$240.0 million.

The City ended the fiscal year with expenditures and transfers out totaling \$232.7 million, \$7.3 million less than budgeted. Police expenditures were under budget by \$6.1 million primarily because compensation and benefit amounts were budgeted for a full staff and many vacancies occurred over the last year. Cultural and Recreation was \$1.4 million below budget. The COVID-19 pandemic cancelled many activities this year, which caused less expenditures for Cultural Arts overall. Facilities Management was \$1.4 million below budget as furniture for the utilities customer service area was not ordered due to repair delays. Fire was \$0.9 million over budget due to overtime compensation paid while working COVID-19 clinics. The transfer to the Gateway fund was \$0.7 million over budget due to LP&L franchise fees and PILOT coming in above projections.

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, for its governmental and business-type activities at September 30, 2021 totaled \$2.48 billion, a \$225.3 million increase over the prior fiscal year's balance of \$2.25 billion. The investment in capital assets includes land, buildings and improvements, equipment, construction in progress, and infrastructure.



**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

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

	Governmental Activities		Business- type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 40,118	\$ 37,827	\$ 76,739	\$ 70,045	\$ 116,857	\$ 107,872
Electric non-depreciable Buildings	-	-	46,808	20,091	46,808	20,091
Improvements other than buildings	100,092	90,293	141,365	146,238	241,457	236,531
Machinery and equipment	310,497	313,827	999,679	977,317	1,310,176	1,291,144
Electric depreciable	56,202	55,606	85,517	88,697	141,719	144,303
Construction in progress	-	-	516,138	303,487	516,138	303,487
Total	33,282	16,643	70,376	131,453	103,658	148,096
	<u>\$ 540,191</u>	<u>\$ 514,196</u>	<u>\$ 1,936,622</u>	<u>\$ 1,737,328</u>	<u>\$ 2,476,813</u>	<u>\$ 2,251,524</u>

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

- 345kV transmission line interconnecting Oncor's Black Draw Station and Oncor's Folsom Point Switch Station totaling \$32.0 million
- Transmission facilities connecting the existing Abernathy Station, to the existing Double Mountain Switch Station totaling \$34.9 million
- Airport work on the terminal building remodel for \$14.4 million
- Work on the new police substations as the City implements community policing totaling \$15.1 million

At the end of the fiscal year, the City had construction commitments of \$254.5 million. Wastewater has \$8.8 million remaining commitments for two 4 million gallon ground storage tanks that will serve the North Water Treatment Plant. The Airport has \$7.8 million committed for further remodeling of the terminal. More than \$33 million is committed to build a new Police Headquarters facility, property warehouse/crime lab facility, and a new Municipal Court facility.

Additional information about the City's capital assets can be found on pages 79-82 of the ACFR.

**City of Lubbock, Texas  
Management’s Discussion and Analysis  
For the Year Ended September 30, 2021**

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

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 339,016	\$ 340,102	\$ 387,599	\$ 487,713	\$ 726,615	\$ 827,815
Revenue and contract bonds	-	-	640,595	334,578	640,595	334,578
State infrastructure bank loan	6,474	6,925	-	-	6,474	6,925
Notes from direct borrowings	-	-	-	120,600	-	120,600
Capital Lease Obligation	-	1,608	-	381	-	1,989
Total	\$ 345,490	\$ 348,635	\$ 1,028,194	\$ 943,272	\$ 1,373,684	\$ 1,291,907

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 2021 interest and sinking fund tax rate per \$100 of assessed valuation was \$0.12043, which is significantly below the maximum allowable tax rate.

As of September 30, 2021, the City’s total outstanding debt has increased by \$81.8 million, or 6.3 percent from the prior fiscal year. General obligation bond and revenue and contract bond debt increased by \$204.8 million or 17.6 percent. The increase in outstanding debt is attributed to the \$306.0 million increase in revenue and contract bonds issued to fund various capital projects and the refunding of direct borrowing notes. Total bond additions were \$408.5 million, offset by the payment of scheduled principal payments totaling \$102.0 million and refunded debt of \$101.7 million.

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

- \$6.0 million Combination Tax & Revenue Certificates of Obligation, Series 2021 (Certificates), with interest rates ranging from 3.0 percent to 5.0 percent. The Certificates were issued at a premium of \$1,493,363 and incurred issuance cost of \$98,363. The \$7,503,363 proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for various public improvements and renovations including: (i) development of 114<sup>th</sup> Street – Slide Road to Quaker Avenue; and (ii) payment of professional services of attorneys, financial advisors, engineers and other professionals in connection with the Project and the issuance of the Certificates. The proceeds of the debt are recorded in the various Capital Projects Funds.
- \$9.6 million Water and Wastewater System Surplus Revenue Bonds, Series 2021 (Bonds), with interest rates ranging from 2.0 percent to 5.0 percent. The Bonds were issued at a premium of \$1,998,676 and incurred issuance cost of \$128,679. The \$11,628,676 proceeds from the sale of the Bonds will be used for the purpose of paying contractual obligations to be incurred for various public improvements and renovations including: (i) paying the costs of acquiring, purchasing, constructing, improving, renovating, enlarging, and/or equipping property, buildings, structures, facilities, and/or related infrastructure for the Water and Wastewater System; (ii) funding capitalized interest; (iii) funding the reserve fund requirement for the Bonds; and (iv) paying the costs of issuing the Bonds. The proceeds of the debt are recorded in the various Capital Projects Funds.

**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

- \$24.4 million Combination Tax & Revenue Certificates of Obligation, Series 2021A (Certificates), with interest rates ranging from 2.0 percent to 5.0 percent. The Certificates were issued at a premium of \$3,816,522 and incurred issuance cost of \$291,522. The \$28,236,522 proceeds from the sale of the Certificates will be used for the purpose of paying contractual obligations to be incurred for various public improvements and renovations including: (i) construction of Fire Station 20; (ii) development of Erskine Street; (iii) improvements to unpaved roads; and (iv) payment of professional services of attorneys, financial advisors, engineers and other professionals in connection with the Project and the issuance of the Certificates. The proceeds of the debt are recorded in the various Capital Projects Funds.
- \$3.0 million Tax Note, Series 2021 - The proceeds were used for the purpose of providing funds to pay contractual obligations incurred or to be incurred (i) for the purchase of the Property, consisting of: materials, supplies, equipment and machinery for the City's Solid Waste department, and (ii) to pay the costs of issuance related thereto. Additionally, the proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The note refunded \$1.7 million in outstanding debt.
- \$32.7 million General Obligation Refunding, Series 2020 (Bonds) - The proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The bonds refunded \$29.6 million in outstanding debt, which resulted in a decrease of \$3.0 million in total debt service requirements.
- \$27.2 million Water and Wastewater System Refunding Bonds, Series 2020B (Bonds) - The proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The bonds refunded \$32.7 million in outstanding debt, which resulted in a decrease of \$2.7 million in total debt service requirements.
- \$22.1 million Water and Wastewater System Refunding Bonds, Series 2020C (Bonds) - The proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The bonds refunded \$20.0 million in outstanding debt, which resulted in a decrease of \$1.7 million in total debt service requirements.
- \$266.9 million Electric Light and Power System Refunding Bonds, Series 2021 (Bonds) - The proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The bonds refunded \$245.6 million in notes from direct borrowings. The refunding was done to provide long-term fixed rate financing for projects that were initially funded by the variable rate short-term note program.

In June 2021, Fitch Ratings, Inc. and Standard and Poor's each reaffirmed the City's bond rating of AA+ and characterized the City's rating outlook as stable.

In October 2021, Fitch Ratings, Inc. improved its outlook from AA- (Positive) to AA (Stable).

Additional information about the City's long-term debt can be found on pages 97-104 of the ACFR.

**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

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

- In September 2021, the average unemployment rate for the Lubbock area was 3.9 percent, down from 6.1 percent in September of the previous year. The State's unemployment rate of 4.9 percent and the national rate of 4.6 percent for September 2021 is down from 8.3 percent and 7.7 percent respectively from the previous year and reflective of the effects of COVID 19.
- Taxable retail sales tax were \$90.0 million in FY 2021 compared to \$80.7 million in FY 2020.
- The total number of new residential permits through September 2021 increased 32.1 percent from 2020 levels, and valuation amounts were \$478.4 million, which is 14.0 percent higher than the same period in 2020.
- Hotel occupancy tax receipts increased to \$7.5 million in FY 2021 compared to \$5.9 million in FY 2020.

The following factors were considered in preparing the City's budget for FY 2022.

- The City adopted a decreased tax rate of \$0.52323 per \$100 valuation for FY 2022. This is a \$0.018343 decrease from FY 2021. The tax rate for debt service decreased from \$0.120433 to \$0.120266 per \$100 valuation. The Maintenance and Operations rate decreased from \$0.398672 to \$0.381257 per \$100 valuation. The property tax rate per \$100 valuation is broken down as follows: General Fund \$0.381257; Debt Service Fund \$0.120266; and Economic Development Fund \$0.021707 cents. Property tax revenues are expected to increase by \$4.1 million for FY 2022 of which \$2.2 million is new property on the roll.
- Sales tax revenues in FY 2022 are expected to increase 8.1 percent compared to the FY 2021 forecasted amount.
- Payments in lieu of franchise fees are expected to increase by \$610.8 thousand or 2.1 percent. The franchise fees for the City of Lubbock utilities were reclassified to this section in FY 2020 and are no longer transfers.
- Fees for services are expected to increase by \$1.9 million in FY 2022. This is due to an increase in Solid Waste General Consumer Metered fees, collection rates and tipping fees for regular trash and special waste.
- License and permit revenue increased \$1.1 million or 30.3 percent for FY 2022. 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 \$907.9 thousand or 36.9 percent compared to FY 2022.
- Compensation costs are expected to increase 4 percent on average in FY 2022 due to a raise and increased pay structure for Police with a weighted average increase for sworn officers of slightly over 10 percent. In addition, thirty new positions were approved in critical areas and are offset by a decrease of eleven positions.

**City of Lubbock, Texas**  
**Management's Discussion and Analysis**  
**For the Year Ended September 30, 2021**

- Health insurance is projected to increase \$1.7 million or 10.4 percent as a result of the increases to the health insurance plan costs. Both the City and employee side of the plan cost will increase.
- Motor vehicle maintenance cost is expected to increase 13.9 percent, or \$906 thousand in FY 2022. The increase is due to the City being proactive in maintaining and repairing the City's fleet.
- The transfer to the capital program totals \$18.3 million in FY 2022 with twenty-nine capital projects totally funded with cash and one with Certificates of Obligation. The only debt funded project is 114<sup>th</sup> Street –Quaker Avenue to Indiana Avenue at an expected \$3.0 million and is to be financed on a 10-year Certificate of Obligation.
- The Water/Wastewater revenue is expected to increase \$1.9 million or 1.3 percent in FY 2022 primarily due to water and wastewater metered sales associated with adopted rate increases of \$0.50 to the water base rate and \$0.05 to the wastewater base rate.

**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, 2021**

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,545,030	\$ 1,077,631	\$ 2,622,661	\$ 11,582,529
Investments	186,033,733	138,092,769	324,126,502	3,279,732
Receivables (net of allowance for uncollectibles)	24,985,226	73,696,764	98,681,990	2,756,231
Internal balances	6,420,740	(6,420,740)	-	-
Due from other governments	5,841,253	5,083,599	10,924,852	1,355,356
Due from others	2,732,230	149,643	2,881,873	-
Inventories	429,905	3,646,563	4,076,468	95,489
Prepaid expenses	-	1,251,992	1,251,992	13,028
Restricted assets:				
Cash and cash equivalents	-	-	-	2,405,568
Investments	96,902,773	206,350,815	303,253,588	-
Leases receivable	273,341	-	273,341	-
Investment in property	-	-	-	187,028
Mortgage receivables	-	-	-	2,267,259
Land Inventory	-	-	-	7,624,625
Capital assets (net of accumulated depreciation):				
Non-depreciable	73,399,964	193,923,279	267,323,243	366,332
Depreciable	466,790,567	1,742,698,867	2,209,489,434	12,480,819
Total assets	<u>865,354,762</u>	<u>2,359,551,182</u>	<u>3,224,905,944</u>	<u>44,413,996</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions	28,259,281	4,659,749	32,919,030	-
Deferred outflow from OPEB	16,359,830	6,156,302	22,516,132	-
Deferred charge on refunding	5,062,165	6,744,745	11,806,910	-
Total deferred outflows of resources	<u>49,681,276</u>	<u>17,560,796</u>	<u>67,242,072</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	16,619,527	50,471,404	67,090,931	2,986,732
Accrued liabilities	8,985,343	4,070,647	13,055,990	132,727
Accrued interest payable	1,716,150	6,263,375	7,979,525	72,828
Customer deposits	-	8,479,129	8,479,129	-
Unearned revenue	34,368,416	170,275	34,538,691	623,240
Noncurrent liabilities due within one year:				
Compensated absences	13,050,873	3,891,306	16,942,179	-
Accrued insurance claims	3,133,768	-	3,133,768	-
Leases payable	-	-	-	1,603,055
Bonds and notes payable	37,656,572	72,560,296	110,216,868	37,000
Noncurrent liabilities due in more than one year:				
Compensated absences	19,080,841	2,410,083	21,490,924	-
Post-employment benefits	122,391,713	50,010,399	172,402,112	-
Net pension liability	133,793,209	24,009,949	157,803,158	-
Accrued insurance claims	2,124,101	-	2,124,101	-
Landfill closure and postclosure care	6,602,927	-	6,602,927	-
Rebatable Arbitrage	-	903,616	903,616	-
Leases payable	-	-	-	4,677,000
Bonds and notes payable	<u>335,494,594</u>	<u>1,060,469,675</u>	<u>1,395,964,269</u>	<u>1,938,000</u>
Total liabilities	<u>735,018,034</u>	<u>1,283,710,154</u>	<u>2,018,728,188</u>	<u>12,070,582</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows from pensions	28,542,352	8,971,468	37,513,820	-
Deferred inflows from OPEB	8,296,253	3,006,267	11,302,520	-
Deferred inflows from refunding	1,915	-	1,915	-
Total deferred inflows of resources	<u>36,840,520</u>	<u>11,977,735</u>	<u>48,818,255</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	253,191,259	931,616,251	1,184,807,510	12,847,151
Restricted for:				
Passenger facility charges	-	5,883,482	5,883,482	-
Debt service	10,949,422	68,471,608	79,421,030	-
Special revenue	16,959,934	-	16,959,934	2,454,287
Primary government agreement	-	-	-	100,000
Unrestricted	<u>(137,923,131)</u>	<u>75,452,748</u>	<u>(62,470,383)</u>	<u>16,941,976</u>
Total net position	<u>\$ 143,177,484</u>	<u>\$ 1,081,424,089</u>	<u>\$ 1,224,601,573</u>	<u>\$ 32,343,414</u>

See accompanying Notes to Basic Financial Statements

**City of Lubbock, Texas**  
**Statement of Activities**  
**For the Year Ended September 30, 2021**

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
<b>Primary government:</b>			
Governmental activities:			
Administrative services and general government	\$ 21,532,871	\$ 33,803	\$ -
Community services	9,315,841	-	7,667,822
Cultural and recreation	17,903,647	986,458	213,267
Economic and business development	20,025,126	1,913,784	-
Fire	60,500,949	163,298	-
Health	10,625,328	828,394	5,070,773
Police	69,069,600	184,732	146,393
Other public safety	16,238,744	8,239,418	9,151,346
Streets and traffic	31,273,463	1,207,187	-
Solid Waste	18,801,094	26,051,133	-
Interest on long-term debt	8,475,848	-	-
Total governmental activities	<u>283,762,511</u>	<u>39,608,207</u>	<u>22,249,601</u>
Business-type activities:			
Electric	266,509,594	273,843,064	-
Water/Wastewater	113,325,126	134,824,670	-
Storm Water	13,771,425	22,423,463	-
Transit	13,529,584	4,438,573	6,077,065
Airport	24,394,222	9,802,801	6,695,649
Civic Centers	3,073,298	396,032	-
Cemetery	549,490	609,490	-
Lake Alan Henry	537,206	716,640	-
Total business-type activities	<u>435,689,945</u>	<u>447,054,733</u>	<u>12,772,714</u>
Total primary government	<u>\$ 719,452,456</u>	<u>\$ 486,662,940</u>	<u>\$ 35,022,315</u>
<b>Component units:</b>			
Urban Renewal Agency (URA)	\$ 667,730	\$ -	\$ -
Civic Lubbock, Inc.	810,011	600,533	254,933
Market Lubbock, Inc.	5,075,471	39,307	217,713
Lubbock Economic Development Alliance	4,844,684	-	-
Vintage Township Public Facilities Corporation	145,656	-	-
Total component units	<u>\$ 11,543,552</u>	<u>\$ 639,840</u>	<u>\$ 472,646</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			

See accompanying Notes to Basic Financial Statements

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

Capital Grants and Contributions	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
\$ -	\$ (21,499,068)	\$ -	\$ (21,499,068)	\$ -
-	(1,648,019)	-	(1,648,019)	-
-	(16,703,922)	-	(16,703,922)	-
-	(18,111,342)	-	(18,111,342)	-
-	(60,337,651)	-	(60,337,651)	-
-	(4,726,161)	-	(4,726,161)	-
399,708	(68,338,767)	-	(68,338,767)	-
-	1,152,020	-	1,152,020	-
13,200,853	(16,865,423)	-	(16,865,423)	-
-	7,250,039	-	7,250,039	-
-	(8,475,848)	-	(8,475,848)	-
<u>13,600,561</u>	<u>(208,304,142)</u>	<u>-</u>	<u>(208,304,142)</u>	<u>-</u>
1,294,119	-	8,627,589	8,627,589	-
14,238,414	-	35,737,958	35,737,958	-
5,740,600	-	14,392,638	14,392,638	-
-	-	(3,013,946)	(3,013,946)	-
11,799,840	-	3,904,068	3,904,068	-
-	-	(2,677,266)	(2,677,266)	-
-	-	60,000	60,000	-
-	-	179,434	179,434	-
<u>33,072,973</u>	<u>-</u>	<u>57,210,475</u>	<u>57,210,475</u>	<u>-</u>
<u>\$ 46,673,534</u>	<u>(208,304,142)</u>	<u>57,210,475</u>	<u>(151,093,667)</u>	<u>-</u>
\$ -	-	-	-	(667,730)
-	-	-	-	45,455
-	-	-	-	(4,818,451)
-	-	-	-	(4,844,684)
178,836	-	-	-	33,180
<u>\$ 178,836</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,252,230)</u>
	105,517,120	-	105,517,120	3,540,897
	89,999,993	-	89,999,993	7,499,999
	7,483,912	-	7,483,912	4,205,913
	1,771,582	-	1,771,582	-
	29,733,044	-	29,733,044	-
	1,080,449	3,238,746	4,319,195	271,137
	19,781,846	1,313,002	21,094,848	6,375,942
	7,085,290	(7,085,290)	-	-
	<u>262,453,236</u>	<u>(2,533,542)</u>	<u>259,919,694</u>	<u>21,893,888</u>
	54,149,094	54,676,933	108,826,027	11,641,658
	89,028,390	1,026,747,156	1,115,775,546	20,701,756
	<u>\$ 143,177,484</u>	<u>\$1,081,424,089</u>	<u>\$ 1,224,601,573</u>	<u>\$ 32,343,414</u>



**City of Lubbock, Texas**  
**Balance Sheet**  
**Governmental Funds**  
**September 30, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 615,131	\$ -	\$ 141,025	\$ 562,333	\$ 1,318,489
Investments	74,066,559	-	16,980,489	67,709,352	158,756,400
Taxes receivable (net)	16,872,731	421,049	-	1,454,986	18,748,766
Accounts receivable (net)	5,951,055	-	13,231	-	5,964,286
Interest receivable	124,018	10,250	-	36,381	170,649
Due from other funds	2,710,865	-	-	-	2,710,865
Due from other governments	-	-	-	5,841,253	5,841,253
Due from others	1,492,126	-	-	1,240,104	2,732,230
Inventory	141,304	-	-	-	141,304
Restricted investments	246,718	6,232,643	74,450,002	14,592,544	95,521,907
Leases receivable	-	-	-	273,341	273,341
<b>Total assets</b>	<b>\$102,220,507</b>	<b>\$ 6,663,942</b>	<b>\$ 91,584,747</b>	<b>\$ 91,710,294</b>	<b>\$ 292,179,490</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,496,205	\$ -	\$ 5,465,160	\$ 5,941,031	\$ 14,902,396
Accrued liabilities	8,459,233	-	5,171	200,983	8,665,387
Due to other funds	-	-	-	1,954,719	1,954,719
Unearned revenue	42,993	-	443,450	33,881,973	34,368,416
<b>Total liabilities</b>	<b>11,998,431</b>	<b>-</b>	<b>5,913,781</b>	<b>41,978,706</b>	<b>59,890,918</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	2,004,962	367,886	-	341,974	2,714,822
<b>Total deferred inflows of resources</b>	<b>2,004,962</b>	<b>367,886</b>	<b>-</b>	<b>341,974</b>	<b>2,714,822</b>
<b>FUND BALANCES</b>					
Nonspendable	141,304	-	-	-	141,304
Restricted	246,718	6,296,056	71,678,735	30,810,841	109,032,350
Committed	-	-	13,992,231	18,579,306	32,571,537
Unassigned	87,829,092	-	-	(533)	87,828,559
<b>Total fund balances</b>	<b>88,217,114</b>	<b>6,296,056</b>	<b>85,670,966</b>	<b>49,389,614</b>	<b>229,573,750</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$102,220,507</b>	<b>\$ 6,663,942</b>	<b>\$ 91,584,747</b>	<b>\$ 91,710,294</b>	<b>\$ 292,179,490</b>

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, 2021**

Total fund balance - governmental funds \$ 229,573,750

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 540,190,531

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	23,848,094
General obligation bonds	13,711,655
Net book value of capital assets	(25,209,242)
Compensated absences	702,301
Post employment benefits	5,785,478
Net pension Liability	2,946,624
Deferred Inflows of Pensions	1,096,330
Deferred Outflows of Pensions	(577,392)
Deferred Inflows of OPEB	358,942
Deferred Outflows from OPEB	(740,443)
Deferred Inflow on Refunding	1,915
Amounts due from business-type ISF's for amounts undercharged	5,664,595

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	(339,016,155)
SIB Loan	(6,474,285)
Closure/Post Closure	(6,602,927)
Compensated absences	(32,131,714)
Post employment benefits	(122,391,713)
Net pension liability	(133,793,209)
Accrued interest on general obligation bonds	(1,660,503)

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 \$27,660,726 and deferred charges on refunding \$5,060,250. (22,600,476)

Deferred Inflows of Pensions	(29,214,975)
Deferred Outflows of Pensions	28,931,904
Deferred Inflows from OPEB	(8,296,253)
Deferred Outflow from OPEB	16,359,830

Revenue earned but unavailable in the funds is deferred. 2,714,822

Net Position of governmental activities \$ 143,177,484

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, 2021**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Taxes	\$157,516,522	\$ 22,126,231	\$ -	\$ 25,417,791	\$ 205,060,544
Franchise taxes	29,115,534	-	-	617,510	29,733,044
Special assessments	-	-	-	1,576,264	1,576,264
Fees and fines	2,285,580	-	-	390,856	2,676,436
Licenses and permits	4,740,527	-	-	-	4,740,527
Intergovernmental	749,047	-	53,814	22,156,773	22,959,634
Charges for services	30,064,774	-	-	308,951	30,373,725
Interest	461,841	38,844	87,506	170,245	758,436
Miscellaneous	12,645,561	-	561,003	6,049,000	19,255,564
Total revenues	<u>237,579,386</u>	<u>22,165,075</u>	<u>702,323</u>	<u>56,687,390</u>	<u>317,134,174</u>
<b>EXPENDITURES</b>					
Current:					
Administrative services and general government	19,429,653	-	323,693	28,998	19,782,344
Community services	-	-	-	9,300,036	9,300,036
Cultural and recreation	14,080,804	-	212,468	49,150	14,342,422
Economic and business development	911,234	-	-	17,888,616	18,799,850
Health	5,119,628	-	-	5,289,734	10,409,362
Fire	54,317,718	-	-	-	54,317,718
Police	66,910,652	-	-	1,985,020	68,895,672
Other public safety	7,386,943	-	-	8,957,978	16,344,921
Streets and traffic	6,792,251	-	513,953	-	7,306,204
Solid waste	15,183,786	-	58,079	-	15,241,865
Intergovernmental	-	-	-	88,429	88,429
Debt service:					
Principal	6,664,965	29,804,976	-	3,666	36,473,607
Interest and other charges	333,419	12,416,348	381,460	173	13,131,400
Capital outlay	521,738	-	38,813,129	7,877,442	47,212,309
Total expenditures	<u>197,652,791</u>	<u>42,221,324</u>	<u>40,302,782</u>	<u>51,469,242</u>	<u>331,646,139</u>
Revenues under expenditures	<u>39,926,595</u>	<u>(20,056,249)</u>	<u>(39,600,459)</u>	<u>5,218,148</u>	<u>(14,511,965)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	1,370,538	27,275,000	30,430,000	-	59,075,538
Bond premium	-	-	5,309,885	-	5,309,885
Payment to the refunded bond escrow agent	-	(26,983,904)	-	-	(26,983,904)
Transfers in	7,027,332	18,624,249	15,709,618	12,468,257	53,829,456
Transfers out	(35,056,309)	(440,306)	(87,505)	(18,252,574)	(53,836,694)
Net other financing sources	<u>(26,658,439)</u>	<u>18,475,039</u>	<u>51,361,998</u>	<u>(5,784,317)</u>	<u>37,394,281</u>
Net change in fund balances	13,268,156	(1,581,210)	11,761,539	(566,169)	22,882,316
Fund balances - beginning of year	74,948,958	7,877,266	73,909,427	49,955,783	206,691,434
Fund balances - end of year	<u>\$ 88,217,114</u>	<u>\$ 6,296,056</u>	<u>\$ 85,670,966</u>	<u>\$ 49,389,614</u>	<u>\$ 229,573,750</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, 2021**

Net change in fund balances - total governmental funds	\$ 22,882,316
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 \$47,212,309 exceeded depreciation of \$38,695,675 in the current period.	8,516,634
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 \$59,075,538 was more than debt repayments of \$34,865,382 and debt defeasance of \$24,810,000.	599,844
Capital lease transactions provide current financial resources to governmental funds and repayment of principal is an expenditure. There were no proceeds and the amount of repayment was \$1,608,225.	1,608,225
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 \$5,309,885 was less than deferred refunding charges of \$2,173,904 and amortization of \$4,907,800.	1,771,819
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	(289,587)
Post retirement benefits	(7,745,700)
Net pension liability	8,169,380
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.	(46,685)
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.	5,051,881
Current Amount overcharged by Internal Service Fund Business Type Activities-Lookback	210,176
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.	34,879
Capital assets transactions include \$12,890,529 developer donated streets plus \$1,032,607 capital asset transfers in from business-type activities and less \$309,538 disposition of assets and use of property.	13,613,598
Landfill closure and postclosure adjustment in FY 21	(187,087)
Capital lease revenue earned, but not available, is deferred in the governmental funds, but recognized in the Statement of Activities. This is the change in capital lease unavailable revenue for the year.	(40,599)
Change in net position of governmental activities	<u>\$ 54,149,094</u>

**City of Lubbock, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2021**

**Enterprise Funds**

	<b>Enterprise Funds</b>		
	<b>LP&amp;L</b>	<b>Water/Waste Water</b>	<b>Storm Water</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 534,262	342,278	\$ 18,448
Investments	64,329,294	41,212,913	10,558,994
Accounts receivable, net	48,163,258	19,523,409	2,918,310
Interest receivable	493,033	514,021	55,996
Due from others	-	-	-
Due from other governments	-	117,713	-
Prepaid expenses	25,000	-	-
Inventories	2,159,591	141,652	-
Total current assets	<u>115,704,438</u>	<u>61,851,986</u>	<u>13,551,748</u>
Noncurrent assets:			
Restricted investments	113,719,465	72,269,174	6,901,235
Prepaid expenses	1,077,775	-	-
	<u>114,797,240</u>	<u>72,269,174</u>	<u>6,901,235</u>
Capital assets:			
Land	-	42,043,375	29,880,792
Electric non-depreciable	46,807,704	-	-
Construction in progress	8,630,661	55,291,307	1,159,459
Buildings	-	165,004,173	-
Improvements other than buildings	-	1,085,252,854	202,991,623
Machinery and equipment	-	123,642,718	5,424,905
Electric depreciable	794,774,731	-	-
Less accumulated depreciation	(278,636,695)	(466,792,930)	(51,214,495)
Total capital assets	<u>571,576,401</u>	<u>1,004,441,497</u>	<u>188,242,284</u>
Total noncurrent assets	<u>686,373,641</u>	<u>1,076,710,671</u>	<u>195,143,519</u>
Total assets	<u>\$ 802,078,079</u>	<u>\$ 1,138,562,657</u>	<u>\$ 208,695,267</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	314,071	4,282,975	1,962,362
Deferred outflows from pensions	2,780,601	1,345,455	122,820
Deferred outflows from OPEB	3,018,731	2,046,408	289,755
Total deferred outflows of resources	<u>6,113,403</u>	<u>7,674,838</u>	<u>2,374,937</u>

See accompanying Notes to Basic Financial Statements

Enterprise Funds

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 171,983	\$ 1,066,971	\$ 237,201
20,708,049	136,809,250	28,560,852
1,970,568	72,575,545	36,601
57,981	1,121,031	65,112
146,603	146,603	3,040
4,965,886	5,083,599	-
149,217	174,217	-
853,042	3,154,285	780,879
<u>29,023,329</u>	<u>220,131,501</u>	<u>29,683,685</u>
13,460,941	206,350,815	1,380,866
-	1,077,775	-
<u>13,460,941</u>	<u>207,428,590</u>	<u>1,380,866</u>
4,815,267	76,739,434	-
-	46,807,704	-
5,294,714	70,376,141	1,088,490
65,554,541	230,558,714	1,691,882
235,843,109	1,524,087,586	6,379,280
62,387,678	191,455,301	42,973,486
-	794,774,731	-
<u>(201,573,894)</u>	<u>(998,218,014)</u>	<u>(26,883,347)</u>
<u>172,321,415</u>	<u>1,936,581,597</u>	<u>25,249,791</u>
<u>185,782,356</u>	<u>2,144,010,187</u>	<u>26,630,657</u>
<u>\$ 214,805,685</u>	<u>\$ 2,364,141,688</u>	<u>\$ 56,314,342</u>
185,337	6,744,745	-
383,346	4,632,222	604,919
<u>734,613</u>	<u>6,089,507</u>	<u>807,238</u>
<u>1,303,296</u>	<u>17,466,474</u>	<u>1,412,157</u>

**City of Lubbock, Texas**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2021**

**Enterprise Funds**

	<u>LP&amp;L</u>	<u>Water/Waste Water</u>	<u>Storm Water</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 33,335,370	11,633,957	\$ 703,474
Accrued liabilities	2,668,137	753,775	70,553
Accrued interest payable	3,554,735	2,183,622	295,077
Due to other funds	-	-	-
Customer deposits	7,971,213	346,803	-
Unearned revenue - other	-	-	-
Compensated absences	2,099,776	994,284	40,545
Accrued insurance claims	-	-	-
Bonds payable	20,275,000	40,706,058	8,777,118
Total current liabilities	<u>69,904,231</u>	<u>56,618,499</u>	<u>9,886,767</u>
Noncurrent liabilities:			
Accrued insurance claims	-	-	-
Compensated absences	1,458,466	690,610	28,161
Post employment benefits	23,551,149	17,690,199	2,648,539
Net pension liability	12,575,715	7,911,428	955,375
Rebatable arbitrage	-	-	903,616
Bonds payable	456,077,107	460,289,768	97,577,358
Total noncurrent liabilities	<u>493,662,437</u>	<u>486,582,005</u>	<u>102,113,049</u>
Total liabilities	<u>563,566,668</u>	<u>543,200,504</u>	<u>111,999,816</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	-	-
Deferred inflows from pensions	5,406,658	2,522,708	292,102
Deferred inflows from OPEB	1,498,135	987,709	120,017
Total deferred inflows of resources	<u>6,904,793</u>	<u>3,510,417</u>	<u>412,119</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	182,574,119	536,338,655	86,057,552
Restricted for:			
Passenger facility charges	-	-	-
Debt service	25,085,607	38,015,777	4,048,930
Unrestricted	30,060,295	25,172,142	8,551,787
Total net position (deficit)	<u>\$ 237,720,021</u>	<u>\$ 599,526,574</u>	<u>\$ 98,658,269</u>

See accompanying Notes to Basic Financial Statements

**Enterprise Funds**

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 4,763,438	\$ 50,436,239	\$ 1,752,296
560,900	4,053,365	337,238
229,925	6,263,359	55,663
756,146	756,146	-
161,113	8,479,129	-
170,275	170,275	-
750,525	3,885,130	291,428
-	-	3,133,768
<u>2,799,262</u>	<u>72,557,438</u>	<u>2,515,364</u>
<u>10,191,584</u>	<u>146,601,081</u>	<u>8,085,757</u>
-	-	2,124,101
228,556	2,405,793	421,339
5,661,897	49,551,784	6,244,093
2,402,299	23,844,817	3,111,756
-	903,616	-
<u>46,513,620</u>	<u>1,060,457,853</u>	<u>11,210,971</u>
<u>54,806,372</u>	<u>1,137,163,863</u>	<u>23,112,260</u>
<u>64,997,956</u>	<u>1,283,764,944</u>	<u>31,198,017</u>
-	-	1,915
713,032	8,934,500	1,133,298
<u>362,839</u>	<u>2,968,700</u>	<u>396,509</u>
<u>1,075,871</u>	<u>11,903,200</u>	<u>1,531,722</u>
126,620,056	931,590,382	12,637,993
5,883,482	5,883,482	-
1,321,294	68,471,608	268,246
<u>16,210,322</u>	<u>79,994,546</u>	<u>12,090,521</u>
<u>\$ 150,035,154</u>	<u>\$ 1,085,940,018</u>	<u>\$ 24,996,760</u>





**City of Lubbock, Texas**  
**Reconciliation of the Statement of Net Position - Proprietary Funds**  
**To the Statement of Net Position**  
**September 30, 2021**

Total net position - proprietary funds \$ 1,085,940,018

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

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

Net position of business-type ISF's 1,148,666

Amounts due to governmental ISF's for amounts overcharged (5,664,595)

Net position of business-type activities \$ 1,081,424,089

**City of Lubbock, Texas**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For The Year Ended September 30, 2021**

	Enterprise Funds		
	LP&L	Water/Waste Water	Storm Water
<b>OPERATING REVENUES</b>			
Charges for services (net)	\$ 273,843,064	\$ 134,824,670	\$ 22,423,463
Total operating revenues	<u>273,843,064</u>	<u>134,824,670</u>	<u>22,423,463</u>
<b>OPERATING EXPENSES</b>			
Personnel services	19,156,150	13,116,650	1,456,346
Insurance and claims	-	-	-
Supplies	1,201,773	3,945,663	109,764
Materials	-	-	-
Maintenance	3,057,183	4,814,377	458,390
Purchase of fuel and power	184,691,789	-	-
Billing office expense	-	3,682,405	1,059,179
Other services and charges	13,804,754	37,587,183	3,728,651
Depreciation and amortization	18,063,182	34,837,083	4,436,130
Total operating expenses	<u>239,974,831</u>	<u>97,983,361</u>	<u>11,248,460</u>
Operating income (loss)	<u>33,868,233</u>	<u>36,841,309</u>	<u>11,175,003</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest earnings	487,744	2,469,860	62,294
Passenger facility charges/Federal grants	-	-	-
Disposition of assets	(1,826,016)	(359,533)	-
Miscellaneous	(17,503,401)	1,126,416	12,523
Interest expense	(7,331,906)	(14,677,461)	(2,445,550)
Net nonoperating revenues (expenses)	<u>(26,173,579)</u>	<u>(11,440,718)</u>	<u>(2,370,733)</u>
Income (loss) before contributions and transfers	7,694,654	25,400,591	8,804,270
Capital contributions/grants	261,513	14,238,414	5,740,600
Transfers in	2,800,113	136,290	-
Transfers out	(2,882,471)	(5,795,905)	(3,412,403)
Change in net position (deficit)	7,873,809	33,979,390	11,132,467
Total net position - beginning of year	<u>229,846,212</u>	<u>565,547,184</u>	<u>87,525,802</u>
Total net position (deficit) - end of year	<u>\$ 237,720,021</u>	<u>\$ 599,526,574</u>	<u>\$ 98,658,269</u>

See accompanying Notes to Basic Financial Statements.

**Enterprise Funds**

<u>Nonmajor Enterprise Funds</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
\$ 15,963,536	\$ 447,054,733	\$ 72,232,405
<u>15,963,536</u>	<u>447,054,733</u>	<u>72,232,405</u>
12,519,177	46,248,323	6,386,713
-	-	41,594,558
1,259,317	6,516,517	290,878
-	-	7,882,554
2,344,265	10,674,215	10,183,119
-	184,691,789	-
-	4,741,584	-
11,365,728	66,486,316	4,004,834
<u>12,906,623</u>	<u>70,243,018</u>	<u>3,878,455</u>
<u>40,395,110</u>	<u>389,601,762</u>	<u>74,221,111</u>
<u>(24,431,574)</u>	<u>57,452,971</u>	<u>(1,988,706)</u>
212,296	3,232,194	328,563
12,772,714	12,772,714	-
34,387	(2,151,162)	452,039
81,883	(16,282,579)	424,393
<u>(1,606,556)</u>	<u>(26,061,473)</u>	<u>(287,569)</u>
<u>11,494,724</u>	<u>(28,490,306)</u>	<u>917,426</u>
(12,936,850)	28,962,665	(1,071,280)
11,799,840	32,040,367	-
5,244,288	8,180,691	6,280,172
<u>(2,142,596)</u>	<u>(14,233,375)</u>	<u>(220,250)</u>
1,964,682	54,950,348	4,988,642
<u>148,070,472</u>	<u>1,030,989,670</u>	<u>20,008,118</u>
<u>\$ 150,035,154</u>	<u>\$ 1,085,940,018</u>	<u>\$ 24,996,760</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, 2021**

Net change in fund net position - total enterprise funds \$ 54,950,348

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.

(273,415)

Change in net position of business-type activities

\$ 54,676,933

**City Of Lubbock, Texas**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended September 30, 2021**

	<u>Enterprise Funds</u>		
	<u>LP&amp;L</u>	<u>Water/ Wastewater</u>	<u>Storm Water</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 239,105,048	\$ 134,140,132	\$ 21,905,398
Receipts from interfund services	-	-	-
Payments to suppliers	(194,783,626)	(39,918,034)	(5,030,204)
Payments to employees	(19,156,150)	(13,870,425)	(1,526,899)
Other receipts (payments)	<u>(41,503,401)</u>	<u>1,126,416</u>	<u>12,523</u>
Net cash provided (used) by operating activities	<u>(16,338,129)</u>	<u>81,478,089</u>	<u>15,360,818</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Transfers in from other funds	2,800,113	136,289	-
Transfers out to other funds	(2,882,471)	(5,795,905)	(3,412,403)
Short-term interfund borrowings	-	-	-
Operating grants	<u>-</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital and related financing activities	<u>(82,358)</u>	<u>(5,659,616)</u>	<u>(3,412,403)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchases of capital assets	(172,949,336)	(60,236,107)	(9,186,943)
Sale of capital assets	-	12,485	-
Principal paid on capital leases	-	(363,505)	-
Principal paid on bonds	(130,915,000)	(40,886,638)	(7,938,583)
Issuance of bonds	313,682,141	10,458,670	158,824
Bond issuance costs	(24,593)	(163,740)	(122,827)
Interest paid on bonds and capital leases	(8,757,006)	(21,709,364)	(2,658,360)
Payment of rebatable arbitrage	-	-	42,261
Capital grants and contributions	<u>261,513</u>	<u>3,161,077</u>	<u>-</u>
Net cash provided (used) by capital and related financing activities	<u>1,297,719</u>	<u>(109,727,122)</u>	<u>(19,705,628)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Proceeds from sales and maturities of investments	60,359,221	61,455,810	12,218,289
Purchase of investments	(48,333,983)	(30,806,400)	(4,739,839)
Interest earnings on cash and investments	<u>350,677</u>	<u>2,470,783</u>	<u>65,048</u>
Net cash provided (used) by investing activities	<u>12,375,915</u>	<u>33,120,193</u>	<u>7,543,498</u>
Net increase (decrease) in cash and cash equivalents	(2,746,853)	(788,456)	(213,715)
Cash and cash equivalents - beginning of year	<u>3,281,115</u>	<u>1,130,734</u>	<u>232,163</u>
Cash and cash equivalents - end of year	<u>\$ 534,262</u>	<u>\$ 342,278</u>	<u>\$ 18,448</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ 33,868,233	\$ 36,841,309	\$ 11,175,003
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation and amortization	18,063,182	34,837,083	4,436,130
Other income (expense)	(41,503,401)	1,126,416	12,523
Change in current assets and liabilities:			
Accounts receivable	(22,230,390)	(684,538)	(518,065)
Inventory	(360,056)	(80,894)	-
Prepaid expenses	-	-	-
Due from other governments	-	2,303	-
Accounts payable	6,540,710	9,762,540	303,062
Deferred revenues	(12,507,626)	-	-
Due to/from other funds	-	(14,716)	-
Other accrued expenses	829,551	72,807	(6,606)
Customer deposits	1,819,601	9,270	-
Change in compensated absences and retirement benefits	<u>(857,933)</u>	<u>(393,491)</u>	<u>(41,229)</u>
Net cash provided (used) by operating activities	<u>\$ (16,338,129)</u>	<u>\$ 81,478,089</u>	<u>\$ 15,360,818</u>
<b>Supplemental cash flow information:</b>			
Noncash capital contributions and other charges	\$ -	\$ 11,395,997	\$ 5,740,600

See accompanying Notes to Basic Financial Statements.

<b>Enterprise Funds</b>		
<b>Nonmajor Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
\$ 15,746,866	\$ 410,897,444	\$ 71,410,426
-	-	2,497,609
(13,261,385)	(252,993,249)	(68,148,025)
(12,735,933)	(47,289,407)	(5,994,421)
174,493	(40,189,969)	424,393
<u>(10,075,959)</u>	<u>70,424,819</u>	<u>189,982</u>
5,244,288	8,180,690	6,280,172
(2,142,596)	(14,233,375)	(220,250)
(2,424,594)	(2,424,594)	-
<u>12,772,714</u>	<u>12,772,714</u>	<u>-</u>
13,449,812	4,295,435	6,059,922
(16,571,893)	(258,944,279)	(7,756,338)
34,387	46,872	452,039
-	(363,505)	(17,226)
(3,344,740)	(183,084,961)	(2,242,100)
119,457	324,419,092	1,319,680
(99,223)	(410,383)	-
(2,099,412)	(35,224,142)	(541,609)
-	42,261	-
<u>11,799,840</u>	<u>15,222,430</u>	<u>-</u>
<u>(10,161,584)</u>	<u>(138,296,615)</u>	<u>(8,785,554)</u>
15,315,550	149,348,870	9,754,007
(9,258,341)	(93,138,563)	(8,137,783)
209,398	3,095,906	334,574
<u>6,266,607</u>	<u>59,306,213</u>	<u>1,950,798</u>
(521,124)	(4,270,148)	(584,852)
693,107	5,337,119	822,053
<u>\$ 171,983</u>	<u>\$ 1,066,971</u>	<u>\$ 237,201</u>
\$ (24,431,574)	\$ 57,452,971	\$ (1,988,706)
12,906,623	70,243,018	3,878,455
81,883	(40,282,579)	424,393
(216,670)	(23,649,663)	(28,058)
27,117	(413,833)	(113,725)
(10,401)	(10,401)	-
485,538	487,841	-
956,551	17,562,863	(1,044,355)
-	(12,507,626)	-
(62,751)	(77,467)	10,551
826	896,578	(680,276)
43,675	1,872,546	-
143,224	(1,149,429)	(268,297)
<u>\$ (10,075,959)</u>	<u>\$ 70,424,819</u>	<u>\$ 189,982</u>
\$ -	\$ 17,136,597	\$ -



**City of Lubbock, Texas**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**September 30, 2021**

	<u>Police Custodial Fund</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 594,940
Receivables:	
Contribution	<u>1,080</u>
Total assets	<u>\$ 596,020</u>
<b>LIABILITIES</b>	
Accounts payable	<u>\$ -</u>
Total liabilities	<u>-</u>
<b>NET POSITION (DEFICIT)</b>	
Restricted for Police Evidence and Found Property	<u>596,020</u>
Total Net Position	<u>\$ 596,020</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, 2021**

	<b>Police Custodial Fund</b>
<b>ADDITIONS</b>	
Police funds received into custody	<u>\$ 476,480</u>
Total additions	<u>476,480</u>
<b>DEDUCTIONS</b>	
Police funds released from custody	<u>260,436</u>
Total deductions	<u>260,436</u>
Change in net position	216,044
Total net position - beginning of year	-
Prior period restatement	<u>379,976</u>
Total net position - beginning of year, as restated	<u>379,976</u>
Total net position (deficit) - end of year	<u>\$ 596,020</u>

See accompanying Notes to Basic Financial Statements

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

**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 136.7 square miles and serves a population approximating 265,531. 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, 2021**

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, 2021**

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, 2021**

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, 2021**

**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, 2021**

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.

**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, Debt Service, 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, and Upland Crossing PID.

Capital budgets and grant budgets 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,



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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 2021, management approved reappropriation of \$1,569,294 in funds as follows: General Fund - \$1,541,454 and Water Fund - \$27,840. 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, 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.

**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

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accounts receivable balances of each fund. Amounts billed are reflected as accounts receivable net of an allowance for uncollectible accounts.

**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.

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 2019, 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 \$1,659,131 related to LP&L, a regulated operation in FY 2021.

**Deferred Outflows/Inflows of Resources** – Deferred outflows of resources represent a consumption of net position 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 position 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 and for other post-employment benefits related to difference in expected and actual experience, and changes in actuarial assumptions.

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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 capital 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 appropriable net position reserve policies, ranging from 10 to 25 percent of operating revenue. The LP&L Fund maintains general reserves equal to three months gross revenue from all retail electric sales as determined by taking the average monthly retail electric sales from the previous 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 discreetly presented component unit.

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**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. 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. 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.

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.

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**I. NEW PRONOUNCEMENTS**

In June 2017, GASB issued Statement No. 87 ("GASB 87"), Leases. GASB 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. GASB 87 is effective for the fiscal period ending September 30, 2022. The City has not determined the impact of this statement.

In December 2019, GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period ("GASB 89"). GASB 89 requires that interest costs incurred before the end of a construction period be recognized as expenses in the period in which the costs are incurred. As a result, the interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The City early implemented GASB 89 in FY 2019, as discussed in Note I. F. Interest Capitalization.

**J. IMPLEMENTATION OF NEW PRONOUNCEMENT/RESTATEMENT OF NET POSITION**

In FY 2021 the City implemented GASB Statement No. 84, *Fiduciary Activities*. This statement enhances consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship.

The City determined that the balance of the City's funds held on behalf of others as a result of law enforcement activities should be included on the financial statements as custodial funds in the Fiduciary Funds based on the definition of this statement.

As a result of this, there has been a restatement of the beginning net position and fund balance of the City to retroactively restate the beginning fund balance to include the September 30, 2020 fund balance. The adjustment to the beginning balances are as follows:

<b>Fiduciary Activities - Police Custodial Funds</b>	
Net Position - beginning of year, as previously stated	\$ -
Restatement due to the inclusion of law enforcement funds	<u>379,976</u>
Net Position - beginning of year, as restated	<u>\$379,976</u>

In FY 2021, the City also early implemented GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

This statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. The statement's introduction of the new term is founded on a commitment to promoting inclusiveness.

**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.

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**B. GENERAL FUND BUDGET COMPARISON**

The General Fund FY 2021 amended budgeted expenditures and transfers out were \$240,019,607, while actual budgetary basis expenditures and transfers out were \$232,709,100; a difference of \$7,310,507.

**NOTE III. DETAIL NOTES ON ALL ACTIVITIES AND FUNDS**

**A. DEPOSITS AND INVESTMENTS**

On September 30, 2021, the bank balance of the City's deposits was \$4,337,618. 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, 2021, 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		3,837,618
		\$ 4,337,618

On September 30, 2021, the City had the following investments and maturities:

<u>Type</u>	<b>September 30, 2021</b>		
	<b>Fair Value</b>	<b>Maturities in Years</b>	
		<b>Less Than 1</b>	<b>1-5</b>
Federal Farm Credit Bank (FFCB)	\$4,740,791	\$1,025,540	\$3,715,251
Farmer Mac (FAMCA)	-	-	-
Federal Home Loan Bank (FHLB)	9,723,358	-	9,723,358
Federal Home Loan Mortgage Corporation (FHLMC)	-	-	-
Federal National Mortgage Association (FNMA)	1,514,545	1,004,880	509,665
Municipal Bonds	215,476,983	78,001,984	137,474,999
Commercial Paper	28,976,028	28,976,028	-
Money Market	27,703,890	27,703,890	-
State Investment Pools *	339,244,495	339,244,495	-
	\$627,380,090	\$475,956,817	\$151,423,273

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

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**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 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

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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 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, 2021, 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, 2021, 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	54.1%	1	AAAm	S&P
Municipal Bonds	34.4%	626	AA/Aa2	S&P/Moody's
Money Market	4.4%	1	AAAm/Aaa-mf	S&P/Moody's
FFCB	0.8%	994	AA+/Aaa	S&P/Moody's
FHLB	1.5%	1171	AA+/Aaa	S&P/Moody's
FNMA	0.2%	213	AA+/Aaa	S&P/Moody's
FHLMC	0.0%	0	AA+/Aaa	S&P/Moody's
Commercial Paper	4.6%	170	A-1+/P-1	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, 2021 (amounts in thousands):

<b>September 30, 2021</b>	<b>Fair Value</b>	<b>Quoted Prices in Active Markets for Identical Assets (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<b>Investments by fair value level</b>				
Federal Farm Credit Bank (FFCB)	\$ 4,740,791	\$ -	\$ 4,740,791	\$ -
Farmer Mac (FAMCA)	-	-	-	-
Federal Home Loan Bank (FHLB)	9,723,358	-	9,723,358	-
Federal Home Loan Mortgage Corporation (FHLMC)	-	-	-	-
Federal National Mortgage Association (FNMA)	1,514,545	-	1,514,545	-
Municipal Bonds	215,476,983	-	215,476,983	-
Commercial Paper	28,976,028	-	28,976,028	-
Total investments by fair value level	<u>\$260,431,705</u>	<u>\$ -</u>	<u>\$260,431,705</u>	<u>\$ -</u>

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**Investments measured at the net asset value**

TexStar	121,170,037
LOGIC	11,168,575
Texas Class	206,454,532
Total investments measured at the NAV	<u>\$338,793,144</u>

**Investments measured at amortized cost**

TexPool	451,351
Money Markets	27,703,890
Investments measured at amortized cost	<u>28,155,241</u>

Total Investments	<u>\$627,380,090</u>
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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, Bank of New York Mellon.

**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, 2021, the City had \$2,710,865 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):

<b>Interfund Payables: (in Thousands)</b>	<b>Interfund Receivables: (in Thousands)</b>			
	<b>Governmental Funds</b>		<b>Proprietary Funds</b>	
	<b>General</b>	<b>Governmental Capital Projects</b>	<b>Nonmajor Enterprise</b>	<b>Totals</b>
<b>Governmental Funds:</b>				
Nonmajor Governmental	\$ 1,955	\$ -	\$ -	\$ 1,955
<b>Proprietary Funds:</b>				
LP&L	-	-	-	-
Nonmajor Enterprise	756	-	-	756
<b>Totals</b>	<b>\$ 2,711</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 2,711</b>

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):

<b>Interfund Transfers Out: (in Thousands)</b>	<b>Interfund Transfers In: (in Thousands)</b>								<b>Totals</b>
	<b>Governmental Funds</b>				<b>Proprietary Funds</b>				
	<b>General</b>	<b>Debt Service</b>	<b>Govt. Capital</b>	<b>Nonmajor Govt.</b>	<b>Electric</b>	<b>Water/Waste- water</b>	<b>Nonmajor Enterprise</b>	<b>Internal Service</b>	
<b>Governmental Funds:</b>									
General Fund	\$ -	\$ 2,102	\$ 15,710	\$ 9,695	\$ 255	\$ -	\$ 2,356	\$ 4,938	\$ 35,056
Debt Service	-	-	-	-	-	-	440	-	440
Govt. Capital Projects	-	-	-	88	-	-	-	-	88
Nonmajor Govt.	-	13,119	-	2,685	-	-	2,448	-	18,252
<b>Proprietary Funds:</b>									
LP&L	1,742	1,140	-	-	-	-	-	-	2,882
Water/Wastewater	2,525	146	-	-	2,290	-	-	835	5,796
Stormwater	588	2,117	-	-	255	-	-	453	3,413
Nonmajor Enterprise	2,003	-	-	-	-	136	-	3	2,142
Internal Service	169	-	-	-	-	-	-	51	220
Totals	<u>\$ 7,027</u>	<u>\$ 18,624</u>	<u>\$ 15,710</u>	<u>\$ 12,468</u>	<u>\$ 2,800</u>	<u>\$ 136</u>	<u>\$ 5,244</u>	<u>\$ 6,280</u>	<u>\$ 68,289</u>

Net transfers on the GWFS amounted to \$7,085,290 from business activities to governmental-type activities.

**C. PREPAID EXPENSES**

The total prepaid expenses (noncurrent assets) of \$1,077,775 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.

**City of Lubbock, Texas**  
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**D. CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2021, was as follows:

**Primary Government:**

**Governmental Activities**

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 37,827,265	\$ 2,291,010	\$ -	\$ 40,118,275
Construction in Progress	16,642,875	54,015,863	37,377,049	33,281,689
Total Capital Assets Not Depreciated	<u>54,470,140</u>	<u>56,306,873</u>	<u>37,377,049</u>	<u>73,399,964</u>
<b>Capital Assets Depreciated:</b>				
Buildings	122,734,675	12,866,124	721,794	134,879,005
Improvements Other than Buildings	703,685,470	26,156,199	1,077,457	728,764,212
Machinery and Equipment	166,090,524	10,977,789	3,859,356	173,208,957
Total Capital Assets Depreciated	<u>992,510,669</u>	<u>50,000,112</u>	<u>5,658,607</u>	<u>1,036,852,174</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	32,442,001	3,066,722	721,794	34,786,929
Improvements Other than Buildings	389,858,402	29,434,727	1,025,636	418,267,493
Machinery and Equipment	110,484,361	10,124,464	3,601,640	117,007,185
Total Accumulated Depreciation	<u>532,784,764</u>	<u>42,625,913</u>	<u>5,349,070</u>	<u>570,061,607</u>
Total Capital Assets Depreciated, Net	<u>459,725,905</u>	<u>7,374,199</u>	<u>309,537</u>	<u>466,790,567</u>
Governmental Activities Capital Assets, Net	<u>\$ 514,196,045</u>	<u>\$ 63,681,072</u>	<u>\$ 37,686,586</u>	<u>\$ 540,190,531</u>

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

Governmental activities:	
Administrative Services and General Government	\$ 1,904,653
Community Services	179,678
Cultural and Recreation Services	3,740,896
Economic and Business Development	1,562,496
Fire	2,555,287
Health	346,961
Other Public Safety	94,337
Police	1,245,708
Streets and Traffic	24,001,585
Solid Waste	3,064,074
Internal Service Funds	<u>3,873,646</u>
Total Depreciation Expense - Governmental Activities	42,569,321
Transfer in of Accumulated Depreciation - Business-Type Activities	<u>56,592</u>
Increase in Accumulated Depreciation - Governmental Activities	<u><u>\$ 42,625,913</u></u>

**City of Lubbock, Texas**  
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**Business Type Activities**

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balances</b>
<b>Capital Assets Not Depreciated:</b>				
Land	\$ 70,045,424	\$ 6,694,010	\$ -	\$ 76,739,434
Construction in Progress	131,452,915	253,228,190	314,304,964	70,376,141
Electric Production Plant	75,410	-	-	75,410
Electric Transmission Plant	2,376,386	26,438,432	-	28,814,818
Electric Distribution Plant	17,320,831	278,692	-	17,599,523
Electric General Plant	317,953	-	-	317,953
Total Capital Assets Not Depreciated	<u>221,588,919</u>	<u>286,639,324</u>	<u>314,304,964</u>	<u>193,923,279</u>
<b>Capital Assets Depreciated:</b>				
Buildings	230,483,824	237,007	-	230,720,831
Improvements Other than Buildings	1,464,796,403	60,008,935	717,752	1,524,087,586
Machinery and Equipment	189,900,286	6,619,570	4,892,078	191,627,778
Electric Production Plant	86,285,297	1,317,374	534,990	87,067,681
Electric Transmission Plant	109,836,057	190,844,908	5,828,635	294,852,330
Electric Distribution Plant	334,506,361	21,342,499	673,155	355,175,705
Electric Regional Trans Mkt Oper Plant	2,767,781	-	-	2,767,781
Electric General Plant	37,788,007	20,387,799	3,264,572	54,911,234
Total Capital Assets Depreciated	<u>2,456,364,016</u>	<u>300,758,092</u>	<u>15,911,182</u>	<u>2,741,210,926</u>
<b>Less Accumulated Depreciation:</b>				
Buildings	84,245,943	5,110,180	-	89,356,123
Improvements Other than Buildings	487,479,640	37,330,224	400,938	524,408,926
Machinery and Equipment	101,202,950	9,744,243	4,836,877	106,110,316
Electric Production Plant	60,365,207	3,035,996	534,990	62,866,213
Electric Transmission Plant	13,627,984	3,495,378	3,847,173	13,276,189
Electric Distribution Plant	167,544,598	7,493,519	488,031	174,550,086
Electric Regional Trans Mkt Oper Plant	1,363,551	546,010	-	1,909,561
Electric General Plant	24,795,607	3,358,946	2,119,908	26,034,645
Total Accumulated Depreciation	<u>940,625,480</u>	<u>70,114,496</u>	<u>12,227,917</u>	<u>998,512,059</u>
Total Capital Assets Depreciated, Net	<u>1,515,738,536</u>	<u>230,643,596</u>	<u>3,683,265</u>	<u>1,742,698,867</u>
Business Type Activities Capital Assets, Net	<u>\$ 1,737,327,455</u>	<u>\$ 517,282,920</u>	<u>\$ 317,988,229</u>	<u>\$ 1,936,622,146</u>

**City of Lubbock, Texas**  
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Depreciation expense was charged to functions/programs of the business-type activities as follows:

Business-Type Activities:	
LP&L	\$ 17,929,848
Water/Wastewater	34,837,085
Storm Water	4,436,130
Airport	10,062,119
Transit	1,834,018
Civic Centers	960,949
Cemetery	46,748
Lake Alan Henry	2,790
Internal Service	4,809
Total Depreciation Expense - Business-Type Activities	<u>70,114,496</u>
Transfer in of Accumulated Depreciation - Governmental Activities	-
Increase in Accumulated Depreciation - Business-Type Activities	<u><u>\$ 70,114,496</u></u>

**Construction Commitments**

The City has active construction projects at fiscal year end.

<b>Projects</b>	<b>Original Commitments</b>	<b>Spent-to-Date</b>	<b>Remaining Commitments</b>
Governmental Capital Projects	\$ 233,580,662	\$ 152,870,440	\$ 80,710,222
TIF Capital Projects	16,609,034	8,198,106	8,410,928
Gateway Street Projects	17,967,011	9,425,794	8,541,217
LP&L	428,174,732	362,837,218	65,337,514
Water/Wastewater	227,961,018	160,447,815	67,513,203
Storm Water	83,535,848	78,482,635	5,053,213
Airport	51,493,719	38,187,901	13,305,818
Civic Center	1,381,755	194,434	1,187,321
Cemetery	80,000	-	80,000
Internal Service Fund	15,277,436	10,873,913	4,403,523
Total	<u>\$ 1,076,061,215</u>	<u>\$ 821,518,256</u>	<u>\$ 254,542,959</u>

LP&L has numerous capital projects that are nearing completion. One of their newer projects involves a \$8.0 million appropriation for the portion of the Fiddlewood to Farmland 345kV transmission line that the City will own.

Water has a \$9.9 million appropriation to replace a structurally damaged 8 million gallon ground storage tank with two 4 million gallon ground storage tanks. The tanks will serve the North Water Treatment Plant.

One of the many ongoing Governmental Capital Projects is a \$7.6 million appropriation to construct a multi-company fire station that will serve South Lubbock area residents. The fire station #20 will be located east of the Lubbock Police Department substation at 141<sup>st</sup> and Indiana.

**City of Lubbock, Texas**  
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**E. CAPITAL LEASES**

In FY 2009, the City constructed a \$23,662,637 conference center that is joined to the Overton Hotel and Conference Center. The City is the lessor of the conference center to the developer of the North Overton Hotel in a sales-type lease agreement in which the conference center has an estimated life of 50 years and was leased for a term of 40 years with two optional 20-year renewals. The City expects the lessee to lease the entire 80-year term; therefore, there is no expected residual value of the conference center to the City. Lease terms include the greater of \$65,000 per year or 15 percent of the excess of the net annual project cash flow, and one percent of the total daily collected net hotel room revenue. In FY 2021, the City received \$71,830 in contingent hotel revenue. For years 2030 through 2050, there will be no lease payments.

The minimum lease payments (included in leases receivable on GWFS) are estimated as follows:

<u>Year</u>	<u>Fixed Lease</u>
2022	39,037
2023	37,536
2024	36,092
2025	34,704
2026-2029	<u>125,972</u>
<b>Total</b>	<b><u>\$273,341</u></b>

**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, 2021 and the pension expense for the year ended is as follows:

	<b>TMRS</b>	<b>LFPF</b>	<b>Total</b>
Net pension liability	\$ 70,502,594	\$87,300,564	\$ 157,803,158
Deferred outflows of resources	14,687,419	18,231,611	32,919,030
Deferred inflows of resources	28,206,434	9,307,386	37,513,820
Pension expense	5,379,301	8,598,185	13,977,486



**City of Lubbock, Texas**  
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Summary of significant data for each retirement plan follows:

**TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**

**Plan Description**

The City participates as one of 895 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 TMRS Act, 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-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](http://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. 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:

	<b>Plan Year 2021</b>
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, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	1,452
Inactive employees entitled to but not yet receiving benefits	896
Active employees	1,821
Total	4,169

**City of Lubbock, Texas**  
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**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 17.57% and 17.47% in calendar years 2020 and 2021, respectively. The City's contributions to TMRS for the year ended September 30, 2021, were \$18,970,523, and were equal to the required contributions.

**Net Pension Liability**

The City's net pension liability (NPL) was measured as of December 31, 2020, 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, 2020 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 the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the gender-distinct 2019 Municipal Retiree of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements subject to the floor.

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

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

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and (2) the geometric mean (conservative) with an adjustment for time (aggressive). The target allocation and best estimates of real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

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

**Discount rate**

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

**Changes in Net Pension Liability**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
<b>Balance at September 30, 2020</b>	<b>\$ 755,877,892</b>	<b>\$ 669,717,034</b>	<b>\$ 86,160,858</b>
Changes for the year			
Service Cost	18,540,809	-	18,540,809
Interest	50,306,547	-	50,306,547
Difference between expected and actual experience	(7,266,289)	-	(7,266,289)
Contributions - employer	-	19,151,231	(19,151,231)
Contributions - employee	-	7,630,862	(7,630,862)
Changes in assumptions	-	-	-
Net investment income	-	50,799,016	(50,799,016)
Benefit payments, including refunds of employee contributions	(39,732,225)	(39,732,225)	-
Administrative expenses	-	(328,945)	328,945
Other Charges	-	(12,833)	12,833
Net changes	<b>\$ 21,848,842</b>	<b>\$ 37,507,106</b>	<b>\$ (15,658,264)</b>
<b>Balance at September 30, 2021</b>	<b>\$ 777,726,734</b>	<b>\$ 707,224,140</b>	<b>\$ 70,502,594</b>

**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:

	<b>1% Decrease in Discount Rate (5.75%)</b>	<b>Discount Rate (6.75%)</b>	<b>1% Increase in Discount Rate (7.75%)</b>
City's net pension liability	\$174,999,803	\$70,502,594	(\$15,559,315)

**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](http://tmrs.com).

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

For the year ended September 30, 2021 the City recognized pension expense of \$5,379,301.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference in expected and actual experience	\$ -	\$ 9,220,820
Difference in assumption changes	884,603	-
Difference between projected and actual investment earnings	-	18,985,614
Contributions subsequent to the measurement date	13,802,816	-
Total	\$ 14,687,419	\$ 28,206,434

\$13,802,816 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending September 30:</b>	
2022	\$ (10,854,304)
2023	(1,944,242)
2024	(13,227,436)
2025	(1,295,849)
Total	\$ (27,321,831)

**City of Lubbock, Texas**  
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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 4223 85<sup>th</sup> Street, Lubbock, Texas 79423. 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, 2020 actuarial valuation, the following numbers of members were covered by the Fund:

Retirees and beneficiaries currently receiving benefits	329
Inactive employees entitled to but not yet receiving benefits	3
Active employees	425
Total	757

**City of Lubbock, Texas**  
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**Funding Policy**

The contribution provisions of the Fund are authorized by TLFFRA. TLFFRA 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 funding policy of the Lubbock Fire Pension Fund requires contributions equal to 14.98% of pay by the members, the rate elected by the members according to TLFFRA effective September 29, 2018. Before that their contribution rate was 12.43% for many years. The City currently contributes according to a long-standing formula. For many years, the city's contribution rate to the Fund has been related to the percentage of payroll that the city contributes to the Texas Municipal Retirement System (TMRS) for other employees each calendar year. The actual city contribution rate was 21.40% in 2020 and 22.31% for the nine months ending September 30, 2021. For the fiscal year beginning October 1, 2021, the rate is 21.77%.

Beginning October 1, 2022, the city has decided to discontinue the formula tied to TMRS and has agreed to contribute 150% of the firefighter contribution rate, but not to exceed 21.75%. Since the firefighter contribution rate is currently 14.98% with no plan to reduce it, the expected city contribution rate beginning October 1, 2022 is 21.75%. The December 31, 2020 actuarial valuation includes the assumption that the new 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, 2020, the money-weighted rate of return on pension plan investments was 9.73%. 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, 2021 were \$8,021,425 and were equal to the statutorily required contributions.

**Net Pension Liability**

The City of Lubbock's net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined based on the actuarial valuation as of December 31, 2020.

Total pension liability	\$	311,770,198
Plan fiduciary net position		<u>224,469,634</u>
City's net pension liability	\$	87,300,564
Plan fiduciary net position as a percentage of the total pension liability		72.0%

**City of Lubbock, Texas**  
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**Actuarial assumptions**

The total pension liability in the December 31, 2020 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 5.13%) 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return (Arithmetic)</b>
Equities		
Domestic total market	25.0%	6.51%
World large cap	30.00%	6.07%
Alternatives		
Real estate	15.00%	4.00%
Private equity	10.00%	6.49%
Fixed income		
Domestic core plus	10.00%	2.08%
Floating rate	10.00%	2.20%
Cash	0.00%	0.30%
Total	100%	
Weighted Average		5.13%

**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, 2020 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 34 years. Because of the 34-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**  
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<b>Changes in the Net Pension Liability</b>	<b>Total Pension Liability (a)</b>	<b>Increase (Decrease) Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>Balance at September 30, 2020</b>	<b>\$ 293,019,871</b>	<b>\$211,548,454</b>	<b>\$ 81,471,417</b>
Changes for the year:			
Service cost	6,968,616	-	6,968,616
Interest	22,472,953	-	22,472,953
Changes of benefit provisions	-	-	-
Difference between expected and actual experience	996,773	-	996,773
Contributions – employer	-	7,661,634	(7,661,634)
Contributions – employee	-	5,363,142	(5,363,142)
Net investment income	-	19,792,987	(19,792,987)
Benefit payments, including refunds of employee contributions	(20,029,797)	(20,029,797)	-
Administrative expense	-	(303,578)	303,578
Assumption changes	8,341,782	-	8,341,782
Other changes	-	436,792	(436,792)
Net changes	<u>\$ 18,750,327</u>	<u>\$ 12,921,180</u>	<u>\$ 5,829,147</u>
<b>Balance at September 30, 2021</b>	<b><u>\$311,770,198</u></b>	<b><u>\$224,469,634</u></b>	<b><u>\$ 87,300,564</u></b>

**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:

	<b>1% Decrease in Discount Rate (6.5%)</b>	<b>Discount Rate (7.5%)</b>	<b>1% Increase in Discount Rate (8.5%)</b>
City's net pension liability	\$125,957,066	\$87,300,564	\$55,081,304

**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. Revenue 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, LFPPF, 4223 85<sup>th</sup> Street, Lubbock, TX 79423 or at [www.lubbockfirepensionfund.com](http://www.lubbockfirepensionfund.com).

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

For the year ended September 30, 2021, the City recognized pension expense of \$8,598,185.



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At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between projected and actual economic experience	\$ -	\$ 7,484,302
Changes in actuarial assumptions	11,168,313	1,823,084
Difference between projected and actual investment earnings	900,476	-
Contributions subsequent to the measurement date	6,162,822	-
<b>Total</b>	<b>\$ 18,231,611</b>	<b>\$ 9,307,386</b>

\$6,162,822 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ending September 30:</b>	
2022	(\$782,552)
2023	1,144,264
2024	(2,280,813)
2025	756,939
2026	1,028,228
Thereafter	2,895,337
<b>Total</b>	<b>\$2,761,403</b>

**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**  
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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, 2019:

Inactive plan members or beneficiaries currently receiving benefits	989
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	2,233
Total	3,222

**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 \$409/\$23 (medical/dental) for single coverage and \$933/\$39 (medical/dental) for family coverage, pre-65.

**Total OPEB Liability**

The City's OPEB liability was measured as of December 31, 2019 and was determined by an actuarial valuation as of that date. Update procedures were used to roll forward the total OPEB liability to the measurement date of December 31, 2020.

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**Actuarial assumptions**

The total OPEB liability in the December 31, 2019 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 7.0% declining to an ultimate rate of 4.15% after 15 years
Discount rate	2.0 as of December 31, 2020
Salary increases	<u>TMRS</u> : 3.5% to 11.5%, including inflation <u>LFPF</u> : 4.0% to 11.28%

Demographic assumptions were updated to reflect the 2019 TMRS Experience Study and the Lubbock Fire Pension Fund valuation as of 12/31/18.

Mortality rates for TMRS: for healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas mortality tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality improvements.

Mortality rates for LFPPF: 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 formal assets, 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 2.00% (based on the daily rate closest to but not later than the measurement date of the Fidelity “20-Year Municipal GO AA Index”).

<b>Changes in the Total OPEB Liability</b>	<b>Total OPEB Liability</b>
<b>Balance at September 30, 2020</b>	<b>\$150,930,890</b>
Changes for the year:	
Service cost	8,633,091
Interest	4,212,162
Difference between expected and actual experience	(761,751)
Changes of assumptions	13,543,540
Benefit Payments	(4,155,820)
Net Changes	<u>\$21,471,222</u>
<b>Balance at September 30, 2021</b>	<b><u>\$172,402,112</u></b>

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**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 2.00%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current rate:

	<b>1% Decrease in Discount Rate (1.00%)</b>	<b>Discount Rate (2.00%)</b>	<b>1% Increase in Discount Rate (3.00%)</b>
City's Total OPEB Liability	\$192,932,963	\$172,402,112	\$154,658,678

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

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 healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>1% Decrease in Healthcare Cost Trend Rate</b>	<b>Current Healthcare Cost Trend Rate Assumption</b>	<b>1% Increase in Healthcare Cost Trend Rate</b>
City's Total OPEB Liability	\$155,998,398	\$172,402,112	\$192,223,130

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

For the year ended September 30, 2021, the City recognized total OPEB expense of \$14,493,042.

At September 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference in expected and actual experience	\$ -	\$ 7,608,410
Changes in assumptions	20,061,000	3,694,110
Contributions subsequent to the measurement date	2,455,132	-
Total	<u>\$ 22,516,132</u>	<u>\$ 11,302,520</u>

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\$2,455,132 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, 2022. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ending September 30:</b>	
2022	\$1,647,789
2023	1,647,789
2024	1,647,789
2025	1,116,517
2026	1,236,137
Thereafter	<u>1,462,459</u>
<b>Total</b>	<b><u><u>\$8,758,480</u></u></b>

**H. DEFERRED COMPENSATION**

The City offers its employees five 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, 2021, 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.

**J. COMMITMENTS**

In anticipation of the full integration to ERCOT, LP&L and SPS approved a Settlement Agreement on May 27, 2021 to terminate the Partial Requirements (PR) Agreement, and identified May 31, 2023 as the estimate of the full ERCOT integration resulting in an early termination of the PR Agreement. Under the terms of the Settlement Agreement, LP&L agreed to pay a lump sum, totaling \$77.5 million, to SPS as compensation for power- and transmission-related shifted costs under the PR Agreement. The negotiated lump sum termination payment of \$77.5 million will be funded with long-term bonds, which will trade an estimated annual capacity

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charge of \$17.0 million per year in SPP with a much lower annual debt service payment, with expected savings exceeding \$12 million per year.

LP&L also agreed to continue paying South Plains Power Pool (SPP) charges that are assessed to SPS under the LP&L Network Integration Transmission Service (“NITS”) Agreement, for up to 24 months, that are attributable to service to LP&L’s load after LP&L departs the SPP system (because SPP uses lagging billing determinants for certain charges). Additionally, LP&L agreed that the Settlement Agreement will not become effective unless and until it is approved or accepted by the Federal Energy Regulatory Commission (FERC) and the PUC. Following the termination date, the contractual relationship between LP&L and SPS will be limited to the Settlement Agreement and certain easements and crossing agreements necessary for the operation of each respective system. For clarity, the existing water use agreement and the existing franchise agreement pertaining to SPS’ retail service territory in Lubbock will continue under the existing terms of each respective agreement.

**K. 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 09/30/21</u>
3.34	04/01/12	02/15/32	12,395,000	605,000
3.43	04/01/12	02/15/32	66,075,000	3,865,000
3.28	04/01/12	02/15/31	15,200,000	1,335,000
2.05	05/21/13	02/15/33	42,075,000	7,475,000
2.80	05/21/13	02/15/33	49,440,000	6,485,000
2.64	05/01/14	02/15/26	44,920,000	30,805,000
3.25	05/01/14	02/15/34	62,900,000	13,485,000
3.11	04/15/15	02/15/35	102,490,000	78,895,000
2.42	04/15/15	02/15/28	129,665,000	78,030,000
3.21	05/01/15	02/15/31	28,305,000	23,890,000
2.41	04/15/16	02/15/34	26,660,000	22,730,000
2.72	04/15/16	02/15/36	101,305,000	79,790,000
2.47	11/01/16	02/15/34	36,780,000	22,730,000
0.00	02/16/17	02/15/37	35,000,000	28,000,000
3.20	04/15/17	02/15/37	23,290,000	18,765,000
2.92	04/04/18	02/15/38	18,535,000	14,555,000
3.86	04/04/18	02/15/38	14,675,000	13,170,000
2.76	04/04/18	02/15/30	96,160,000	76,150,000
3.07	04/04/19	02/15/39	64,550,000	61,290,000
2.13	04/04/19	02/15/30	12,270,000	9,515,000
2.31	10/08/19	02/15/32	44,875,000	42,695,000
2.51	05/13/20	02/15/40	7,045,000	6,880,000
1.57	12/17/20	02/15/34	32,690,000	31,750,000
0.83	02/18/21	02/15/31	6,010,000	6,010,000
1.97	07/28/21	02/15/41	24,420,000	24,420,000
			<u>\$ 1,097,730,000</u>	<u>\$ 703,320,000</u>

(A) Excludes net bond premiums and discounts – (\$31,099,894) business-type and (\$27,660,726) governmental. Additionally, this amount includes \$384,384,436 of bonds used to finance enterprise fund activities.

At September 30, 2021, 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.

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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.

**LP&L REVENUE BONDS**

<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Amount Issued</b>	<b>Balance Outstanding 09/30/2021</b>
1.90	04/15/2013	04/15/2024	16,570,000	3,520,000
3.09	05/01/2014	04/15/2034	16,245,000	9,540,000
3.41	04/15/2015	04/15/2035	11,865,000	9,230,000
3.04	04/15/2016	04/15/2046	7,535,000	5,885,000
3.60	08/15/2017	02/15/2047	17,760,000	16,645,000
3.64	07/12/2018	04/15/2048	93,925,000	84,260,000
2.73	09/09/2021	04/15/2051	266,870,000	266,870,000 *
Total			<u>\$430,770,000</u>	<u>\$395,950,000</u>

\* Balance outstanding excludes (\$60,187,886) 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 \$254.6 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 3.9 times the debt service requirements in FY21.

**WATER/WASTEWATER REVENUE BONDS**

<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Amount Issued</b>	<b>Balance Outstanding 09/30/2021</b>
0.92	04/04/2019	02/15/2039	19,635,000	17,665,000
2.47	04/04/2109	02/15/2039	16,725,000	14,565,000
2.45	10/08/2019	02/15/2034	88,405,000	84,610,000
2.51	05/14/2020	02/15/2040	42,085,000	41,090,000
0.74	12/17/2020	02/15/2030	27,220,000	26,320,000 *
1.71	12/17/2020	02/15/2033	22,135,000	21,515,000
0.86	02/18/2021	02/15/2031	9,630,000	9,630,000
Total			<u>\$225,835,000</u>	<u>\$215,395,000</u>

\* Balance outstanding excludes (\$9,494,294) 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 4.3 times the debt service requirements in FY21.

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**CONTRACT BONDS**

<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Amount Issued</b>	<b>Balance Outstanding 09/30/2021</b>
2.00 to 5.00	01/20/2013	02/15/2025	10,970,000	4,235,833
2.00 to 5.00	12/02/2014	02/15/2027	11,078,489	6,182,664
2.00 to 5.00	10/01/2017	02/15/2029	4,723,042	3,185,753
2.00 to 5.00	11/19/2020	02/15/2031	16,526,365	15,645,607
Total			<u>\$43,297,896</u>	<u>\$29,249,857 *</u>

\*Balance outstanding excludes (\$4,054,197) of bond premiums.

<b>Interest Rate (%)</b>	<b>Issue Date</b>	<b>Final Maturity Date</b>	<b>Amount Issued</b>	<b>Balance Outstanding 09/30/2021</b>
1.78	07/11/2017	02/15/2024	18,220,000	5,165,000
2.50	08/01/2018	02/15/2025	13,290,000	4,155,000
1.99	08/01/2019	02/15/2026	7,130,000	3,965,000
1.11	07/27/2020	02/15/2027	8,705,000	7,010,000
1.11	08/24/2021	02/15/2028	3,000,000	3,000,000
Total			<u>\$50,345,000</u>	<u>\$23,295,000</u>

The annual requirements to amortize all outstanding debt of the City as of September 30, 2021 are as follows:

<b>Fiscal Year</b>	<b>Governmental Activities</b>					
	<b>General Obligation Bonds</b>		<b>Tax Notes</b>		<b>SIB Loan</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 31,545,564	\$ 12,462,946	\$ 5,647,957	\$ 276,263	\$ 463,051	\$ 168,555
2023	31,280,000	10,907,727	5,091,149	184,578	475,725	155,881
2024	30,240,000	9,633,741	4,217,082	106,760	488,745	142,860
2025	28,825,000	8,405,813	2,500,446	52,713	502,122	129,484
2026	26,160,000	7,203,908	1,598,957	22,452	515,864	115,742
2027-2031	96,485,000	22,367,566	1,025,000	7,853	2,798,995	359,033
2032-2036	53,850,000	8,612,028	-	-	1,229,783	33,428
2037-2041	20,550,000	1,387,675	-	-	-	-
Totals	<u>\$ 318,935,564</u>	<u>\$ 80,981,404</u>	<u>\$ 20,080,591</u>	<u>\$ 650,619</u>	<u>\$ 6,474,285</u>	<u>\$ 1,104,983</u>



**City of Lubbock, Texas**  
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<b>Fiscal Year</b>	<b>Business-Type Activities</b>					
	<b>General Obligation Bonds</b>		<b>Tax Notes</b>		<b>Revenue/Contract Bonds</b>	
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>
2022	\$ 38,389,436	\$ 14,595,976	\$ 1,242,043	\$ 47,261	\$ 32,928,817	\$ 20,767,387
2023	37,080,000	12,972,521	978,851	26,494	31,683,703	23,709,841
2024	35,140,000	11,417,653	667,918	11,573	34,469,801	22,415,040
2025	37,345,000	9,842,517	259,554	3,121	31,926,510	21,092,040
2026	35,355,000	8,264,188	66,041	367	34,674,259	19,806,483
2027-2031	130,825,000	22,603,849	-	-	161,781,767	78,808,576
2032-2036	61,175,000	5,775,436	-	-	95,465,000	53,853,105
2037-2041	9,075,000	365,726	-	-	82,540,000	37,081,765
2042-2046	-	-	-	-	82,570,000	25,347,250
2047-2051	-	-	-	-	52,555,000	5,192,250
<b>Totals</b>	<b>\$ 384,384,436</b>	<b>\$ 85,837,866</b>	<b>\$ 3,214,407</b>	<b>\$ 88,816</b>	<b>\$ 640,594,857</b>	<b>\$ 308,073,737</b>

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Long-term obligations for governmental and business-type activities for the year ended September 30, 2021 are as follows:

	Debt Payable 09/30/20	Additions	Deletions	Debt Payable 09/30/21	Due in one year
<b>Governmental activities:</b>					
Tax-Supported -					
Obligation Bonds	\$ 340,102,383	\$ 60,380,539	\$ 61,466,767	\$ 339,016,155	\$ 37,193,521
Bond Premiums	28,717,795	5,309,885	6,366,954	27,660,726	-
SIB Loan	6,925,000	-	450,715	6,474,285	463,051
Capital Leases	1,608,225	-	1,608,225	-	-
Closure/Post Closure	6,415,840	187,087	-	6,602,927	-
Compensated Absences	31,937,176	12,317,969	12,123,431	32,131,714	13,050,873
Total OPEB Liability	106,619,013	19,385,134	3,612,434	122,391,713	-
Net Pension Liability	138,653,161	86,315,613	91,175,565	133,793,209	-
Insurance Claims Payable	5,974,803	41,594,558	42,311,492	5,257,869	3,133,768
<b>Total Governmental activities</b>	<b>\$ 666,953,396</b>	<b>\$ 225,490,785</b>	<b>\$ 219,115,583</b>	<b>\$ 673,328,598</b>	<b>\$ 53,841,213</b>
<b>Business-type activities:</b>					
Self-Supported -					
Obligation Bonds	\$ 487,712,615	\$ 5,739,462	\$ 105,853,234	\$ 387,598,843	\$ 39,631,479
Revenue and Contract Bonds	334,578,215	342,381,365	36,364,723	640,594,857	32,928,817
Bond Premiums	58,780,314	58,437,214	12,381,257	104,836,271	-
Capital Leases	380,731	-	380,731	-	-
Compensated Absences	6,192,738	3,331,908	3,223,257	6,301,389	3,891,306
Total OPEB Liability	44,311,877	7,003,659	1,305,137	50,010,399	-
Net Pension Liability	28,979,114	21,957,223	26,926,388	24,009,949	-
<b>Total Business-type activities</b>	<b>\$ 960,935,604</b>	<b>\$ 438,850,831</b>	<b>\$ 186,434,727</b>	<b>\$ 1,213,351,708</b>	<b>\$ 76,451,602</b>

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 2021, the City had \$903,616 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 capital 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.

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

Long-Term Debt - Governmental Activities	\$ 673,328,598	
Long-Term Debt - Business-Type Activities	1,213,351,708	
Interest	476,737,425	
Total Amount of Debt		\$ 2,363,417,731
Less: Bond Discounts/Premiums	(132,496,997)	
Less: Closure/Post Closure	(6,602,927)	
Less: Compensated Absences	(38,433,103)	
Less: Post Employment Benefits	(172,402,112)	
Less: Net Pension Liability	(157,803,158)	
Less: Insurance Claims Payable	(5,257,869)	
Total Other Debt		(512,996,166)
Total Future Bonded Debt Requirements		\$ 1,850,421,565

**New Bond Issuance**

In February 2021, the City issued \$6,010,000 Combination Tax & Revenue Certificates of Obligation, Series 2021 (Certificates), with interest rates ranging from 3.0 percent to 5.0 percent. The Certificates were issued at a premium of \$1,493,363 and incurred issuance cost of \$98,363. The \$7,503,363 proceeds from the sale of the Certificates will be used for (i) construction, renovation, improvement and extension of City streets and related infrastructure, vehicles and equipment, including sidewalks, street lighting, traffic signals/controllers and traffic signal communication systems, signage, drainage, landscaping, utility improvements, extensions, relocations and acquisition of land and rights-of-way in connection therewith and (ii) payment of professional services of attorneys, financial advisors, engineers and other professionals in connection with the Project and the issuance of the Certificates. The proceeds of the debt are recorded in the various Capital Project Funds.

In February 2021, the City issued \$9,630,000 Water and Wastewater System Revenue Bonds, Series 2021 (Bonds), with interest rates ranging from 2.0 percent to 5.0 percent. The Bonds were issued at a premium of \$1,998,676 and incurred issuance cost of \$128,679. The \$11,628,676 proceeds from the sale of the Bonds will be used for the (i) paying the costs of acquiring, purchasing, constructing, improving, renovating, enlarging and equipping property, buildings, structures, facilities and related infrastructure for the System and (ii) paying the costs associated with the issuance of the Bonds.

In July 2021, the City issued \$24,420,000 Combination Tax & Revenue Certificates of Obligation, Series 2021A (Certificates), with interest rates ranging from 2.0 percent to 5.0 percent. The Certificates were issued at a premium of \$3,816,522 and incurred issuance cost of \$291,522. The \$28,236,522 proceeds from the sale of the Certificates will be used for (i) construction, renovation, improvement and extension of City streets and related infrastructure, vehicles and equipment, including sidewalks, street lighting, traffic signals/controllers and traffic signal communication systems, signage, drainage, landscaping, utility improvements, extensions, relocations and acquisition of land and rights-of-way in connection therewith; (ii) construction, improvement, renovation and equipment of fire department facilities and acquisition of land, buildings and other facilities related thereto, 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. The proceeds of the debt are recorded in the various Capital Project Funds.

In August 2021, the City issued \$1,305,000 Tax Note, Series 2021, with a 1.10 percent interest rate. The Tax Notes incurred issuance cost of \$15,000. The \$1,305,000 proceeds from the sale of Tax Notes will be used for

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the purpose of paying contractual obligations to the incurred for various public improvements and renovations including: (i) the purchase of property consisting of materials, supplies, equipment, and machinery, and (ii) paying the cost of issuance related to the Tax Note.

**Refunding**

In December 2020, the City issued \$32,690,000 GO Refunding Bonds, Series 2020 (Bonds), with interest rates ranging from 0.26 percent to 2.104 percent. The Bonds were issued at par and incurred issuance cost of \$350,253. The \$32,690,000 bond proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunding Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreement between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunding Bonds. The bonds refunded \$29,615,000 of outstanding debt. Because of the refunding, the City decreased total debt service requirements by \$3,004,399, which resulted in a net present value savings of \$2,689,493, or 10.11 percent savings on refunded bonds.

In December 2020, the City issued \$27,220,000 Water and Wastewater System Refunding Bonds, Series 2020B (Bonds), with interest rates ranging from 3.0 percent to 5.0 percent. The Bonds were issued at a premium of \$6,120,807 and incurred issuance cost of \$300,771. The \$33,340,807 bond proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunding Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreement between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunding Bonds. The bonds refunded \$32,695,000 of outstanding debt. Because of the refunding, the City decreased total debt service requirements by \$2,672,750, which resulted in a net present value savings of \$2,589,132, or 7.92 percent savings on refunded bonds.

In December 2020, the City issued \$22,135,000 Water and Wastewater System Refunding Bonds, Series 2020C (Bonds), with interest rates ranging from 0.37 percent to 2.054 percent. The Bonds were issued at par and incurred issuance cost of \$242,225. The \$22,135,000 bond proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunding Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreement between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunding Bonds. The bonds refunded \$19,985,000 of outstanding debt. Because of the refunding, the City decreased total debt service requirements by \$1,652,308, which resulted in a net present value savings of \$1,474,103, or 7.38 percent savings on refunded bonds.

In August 2021, the City issued \$1,695,000 Tax Note, Series 2021, with a 1.10 percent interest rate. The Tax Notes incurred issuance cost of \$21,217. The \$1,695,000 bond proceeds were to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunded Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreements between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refund Bonds. The bonds refunded \$1,695,000 of outstanding debt.

In September 2021, the City issued \$266,870,000 Electric Light and Power System Revenue Bonds, Series 2021 (Bonds), with interest rates ranging from 3.0 percent to 5.0 percent. The Bonds were issued at a premium

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of \$46,784,917 and incurred issuance cost of \$1,296,118. The \$313,654,917 bond proceeds were used to refund a portion of the City's outstanding indebtedness for the purpose of achieving debt service savings. The net proceeds were deposited with the Escrow Agent in an amount necessary to accomplish, on their scheduled redemption date, the discharge and final payment on the Refunding Bonds. These funds will be held by the Escrow Agent in a special escrow fund and used to purchase direct obligations of the United States of America. Under the escrow agreement between the City and the Escrow Agent, the escrow funds are irrevocably pledged to the payment of principal and interest on the Refunding Bonds. The bonds refunded \$245.6 million of outstanding notes from direct borrowings. The refunding was done to provide long-term fixed rate financing for projects that were initially funded by the variable rate short-term note program.

*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, 2021, \$106,500,000 of defeased bonds remain outstanding.

**L. CONDUIT DEBT**

In the past, the City has approved the issuance of Health Facilities Development Corporation Bonds and 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, 2021, there was one series of Lubbock Health Facilities Development Corporation Bonds outstanding with an aggregate principal amount payable of \$36,135,000. The bonds were issued in 2008. Also as of September 30, 2021, there was one series of Lubbock Education Facilities Authority Inc. Bonds outstanding with an aggregate principal amount payable of \$18,140,000. The bonds were issued in 2007 and refunded in FY 2016.

**M. 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 \$2,007,000 outstanding special assessment debt as of September 30, 2021. 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, 2021, \$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.

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**N. FUND BALANCE**

The City classified governmental fund balances as follows:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Governmental Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Fund Balances</b>					
Nonspendable:					
Inventory	\$ 141,304	\$ -	\$ -	\$ -	\$ 141,304
Restricted:					
Debt service	-	6,296,056	-	5,733,384	12,029,440
Tax note purchases	246,718	-	-	-	246,718
Economic and business development	-	-	-	409,818	409,818
Tourism, convention centers, arts	-	-	-	443,121	443,121
Animal assistance	-	-	-	379,551	379,551
Tax improvement financing areas	-	-	-	5,461,097	5,461,097
Public improvement districts	-	-	-	3,084,696	3,084,696
Cable services to community public buildings	-	-	-	3,817,853	3,817,853
Community services grants	-	-	-	198,185	198,185
Health grants	-	-	-	32,339	32,339
Police grants	-	-	-	58,702	58,702
Law enforcement purposes	-	-	-	1,356,875	1,356,875
Court technology	-	-	-	1,200,751	1,200,751
Donations for community services	-	-	-	56,019	56,019
Donations for animal services	-	-	-	54,185	54,185
Donations for museums	-	-	-	227,710	227,710
Donations for parks and recreational	-	-	-	132,248	132,248
Donations for fire services	-	-	-	10,899	10,899
Donations for police services	-	-	-	10,268	10,268
Donations for cultural	-	-	-	19,688	19,688
Donations for other programs	-	-	-	6,462	6,462
Street capital projects	-	-	29,183,671	3,839,201	33,022,872
General facility capital projects	-	-	9,331,359	-	9,331,359
Public safety capital projects	-	-	32,417,294	-	32,417,294
Parks capital projects	-	-	746,411	-	746,411
TIF capital projects	-	-	-	4,277,789	4,277,789
Committed:					
Gateway street capital projects	-	-	-	12,432,455	12,432,455
TIF capital projects	-	-	-	5,632,344	5,632,344
Infrastructure and neighborhood dev	-	-	-	514,507	514,507
Street capital projects	-	-	3,949,385	-	3,949,385
General facility capital projects	-	-	4,396,238	-	4,396,238
Public safety capital projects	-	-	3,122,030	-	3,122,030
Parks capital projects	-	-	2,524,578	-	2,524,578
Unassigned	87,829,092	-	-	(533)	87,828,559
<b>Total Fund Balances</b>	<b>\$ 88,217,114</b>	<b>\$ 6,296,056</b>	<b>\$ 85,670,966</b>	<b>\$ 49,389,614</b>	<b>\$ 229,573,750</b>

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

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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. 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.

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.

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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 active 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 calculation of the claim liability was \$2.22 million at September 30, 2020 for all health coverages including medical, prescription drugs, and dental.

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. The Health Fund paid for employee only dental coverage from January 1, 2013 through October 15, 2015. After October 15, 2015 employee only coverage was charged to departments. 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 2021</u>	<u>FY 2020</u>
Workers' Compensation and Liability Reserves at Beginning of Fiscal Year	\$ 4,101,905	\$ 4,415,370
Claims Expenses	6,382,159	6,504,113
Claims Payments	<u>(7,473,006)</u>	<u>(6,817,578)</u>
Workers' Compensation and Liability Reserves at End of Fiscal Year	<u>3,011,058</u>	<u>4,101,905</u>
Medical and Dental Claims Liability at Beginning of Fiscal Year	1,872,898	1,725,240
Claims Expenses	35,212,399	31,695,489
Claims Payments	<u>(34,838,486)</u>	<u>(31,547,831)</u>
Medical and Dental Claims Liability at End of Fiscal Year	<u>2,246,811</u>	<u>1,872,898</u>
Total Self-Insurance Liability at End of Fiscal Year	<u>\$ 5,257,869</u>	<u>\$ 5,974,803</u>
Total Assets to Pay Claims at End of Fiscal Year	<u>\$ 18,289,233</u>	<u>\$ 21,824,957</u>
Accrued Insurance Claims Payable - Current	\$ 3,133,768	\$ 3,493,463
Accrued Insurance Claims Payable - Noncurrent	<u>2,124,101</u>	<u>2,481,340</u>
Total Accrued Insurance Claims	<u>\$ 5,257,869</u>	<u>\$ 5,974,803</u>



**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

**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 \$6,602,927 included in landfill closure and post closure care liability at September 30, 2021, 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 98.5 percent of the estimated capacity of Landfill 69 has been used, with \$543,572 remaining to be recognized over the remaining closure period. Approximately 8.8 percent of the estimated capacity of Landfill 2252 has been used to date, with \$20,242,546 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 09/30/21
	Court Fines	Consumer Metered	Property Damage	Paving	Misc.	
<b>Governmental Funds:</b>						
General Fund	\$ 7,253,729	\$ 5,195,937	\$ 478,286	\$ 221,417	\$ 278,513	\$ 13,427,882
Capital Projects	-	-	-	-	13,231	13,231
Total	\$ 7,253,729	\$ 5,195,937	\$ 478,286	\$ 221,417	\$ 291,744	\$ 13,441,113

	Accounts Receivable Summary		Balance at 09/30/21
	General Consumer	Misc.	
<b>Proprietary Funds:</b>			
LP&L	\$ 50,970,730	\$ 1,199,510	\$ 52,170,240
Water/Wastewater	21,572,267	481,034	22,053,301
Storm Water	3,234,670	-	3,234,670
Nonmajor	1,861,968	118,110	1,980,078
Total	\$ 77,639,635	\$ 1,798,654	\$ 79,438,289

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

**Allowance for Doubtful Accounts Summary**

	<b>Balance at 09/30/21</b>
<b>Governmental Funds:</b>	
General Fund	\$ 7,476,827
<b>Proprietary Funds:</b>	
LP&L	4,006,982
Water/Wastewater	2,529,892
Storm Water	316,360
Nonmajor	9,510
Total	\$ 14,339,571

**Accounts Payable Summary**

	<b>Vouchers</b>	<b>Accounts</b>	<b>Miscellaneous</b>	<b>Balance at 09/30/21</b>
<b>Governmental Funds:</b>				
General Fund	\$ 1,228,467	\$ 2,267,738	\$ -	\$ 3,496,205
Govt. Capital Projects	3,982,476	78,695	1,403,989	5,465,160
Nonmajor	3,344,406	716,765	1,879,860	5,941,031
<b>Proprietary Funds:</b>				
LP&L	27,857,468	177,161	5,300,741	33,335,370
Water/Wastewater	6,471,865	2,639,936	2,522,156	11,633,957
Storm Water	58,554	644,920	-	703,474
Nonmajor	1,815,098	362,110	2,586,230	4,763,438
Internal Service	725,705	459,989	566,602	1,752,296
Total	\$ 45,484,039	\$ 7,347,314	\$ 14,259,578	\$ 67,090,931

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

**S. DISAGGREGATION OF ACCOUNTS - GOVERNMENT-WIDE**

	<u>Net Receivables</u>				<b>Balance at 09/30/21</b>
	<b>Accounts Receivable</b>	<b>Interest Receivable</b>	<b>Taxes Receivable</b>	<b>Internal Service Receivables</b>	
<b>Governmental Activities</b>	\$ 5,964,286	\$ 170,649	\$ 18,748,766	\$ 101,525	\$ 24,985,226
<b>Business-Type Activities</b>	72,575,545	1,121,031	-	188	73,696,764
<b>Total</b>	<b>\$ 78,539,831</b>	<b>\$ 1,291,680</b>	<b>\$ 18,748,766</b>	<b>\$ 101,713</b>	<b>\$ 98,681,990</b>

	<u>Accounts Payable</u>		
	<b>Accounts Payable</b>	<b>Internal Service Payables</b>	<b>Balance at 09/30/21</b>
<b>Governmental Activities</b>	\$ 14,902,396	\$ 1,717,131	\$ 16,619,527
<b>Business-Type Activities</b>	50,436,239	35,165	50,471,404
<b>Total</b>	<b>\$ 65,338,635</b>	<b>\$ 1,752,296</b>	<b>\$ 67,090,931</b>

**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, 2021, the City has \$1,344,820 reserved on general liability claims, as determined by an actuarial calculation.

The following represents the significant litigation against the City at this time.

**Eligah Williams and Gloria Garcia v. City of Lubbock**

The Plaintiffs were injured in an auto accident with a City Solid Waste truck when the truck was making a turn into the alley. The City is attempting to obtain all medical bills and mediate the dispute.

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

**Kelli and Phillip Pool v. City of Lubbock**

The Plaintiff was injured in an auto accident with a City Animal Control vehicle and claims that as a result surgery was required.

**Chelsea Schumacher v. City of Lubbock**

Plaintiff has filed suit regarding alleged damages related to an alleged vehicle collision. Plaintiff's Original Petition alleges damages in the amount of monetary relief over \$200,000 but not more than \$250,000. The City, acting by and through Lubbock Power & Light ("LP&L"), denies all liability and damages alleged and is defending the claims. On June 22, 2021, LP&L filed a Motion for Summary Judgment and that motion remains pending.

**Claims Related to Winter Storm Uri**

LP&L has received multiple alleged claim letters purportedly related to Winter Storm Uri and the Electric Reliability Council of Texas ("ERCOT") which occurred in February 2021. At this time, no litigation has been filed related to these allegations against LP&L. LP&L denies any liability or damages related to these claims and will defend any such claims.

**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.

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.

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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 \$1 million in Real Property improvements, or \$2 million in new Personal Property, or 25 new permanent jobs if the facility is a new company to Lubbock.
- The project will add at least \$500,000 in Real Property improvements, or \$1 million in new Personal Property, or 15 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.

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

**City of Lubbock, Texas**  
**Notes to Basic Financial Statements**  
**September 30, 2021**

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 31<sup>st</sup> 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 60<sup>th</sup> 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.

No other commitments are included in tax abatement agreements. The gross dollar amount by which the City's tax revenues were reduced, was \$631,550.

<b>Industrial Tax Abatement Program</b>	<b>Amount of Taxes Abated During the Fiscal Year</b>
Monsanto	\$ 572,809
United/Safeway	48,349
X-Fab Texas, Inc.	10,392
	\$ 631,550

**NOTE VI. SUBSEQUENT EVENTS**

On October 14, 2021, the Texas Water Development Board called and redeemed \$10,445,000 in Water and Wastewater revenue bond obligations.

Also on October 14, 2021, the Canadian River Municipal Water Authority Board of Directors called and redeemed \$18,825,000 in Water and Wastewater revenue bond obligations.



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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>							
Service Cost	\$ 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)	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	(7,266,289)	(3,365,549)	(6,213,444)	(709,626)	(116,124)	(2,308,849)	(5,561,662)
Change of assumptions	-	1,696,165	-	-	-	1,083,512	-
Benefit payments, including refunds of employee contributions	<u>(39,732,225)</u>	<u>(36,686,001)</u>	<u>(36,191,022)</u>	<u>(35,336,067)</u>	<u>(32,040,199)</u>	<u>(32,247,421)</u>	<u>(28,915,142)</u>
<b>Net Change in Total Pension Liability</b>	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	<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>	<u>606,684,688</u>
Total Pension Liability - Ending (a)	<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>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 19,151,231	\$ 18,573,283	17,977,519	\$ 17,388,324	\$ 16,727,368	\$ 17,455,926	\$ 16,809,722
Contributions - Employee	7,630,862	7,341,830	6,972,627	6,781,947	6,519,575	6,580,584	6,187,966
Net Investment Income	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	(39,732,225)	(36,686,001)	(36,191,022)	(35,336,067)	(32,040,199)	(32,247,421)	(28,915,142)
Administrative Expense	(328,945)	(515,289)	(358,970)	(398,475)	(403,223)	(481,936)	(306,464)
Other	<u>(12,833)</u>	<u>(15,479)</u>	<u>(18,755)</u>	<u>(20,194)</u>	<u>(21,725)</u>	<u>(23,803)</u>	<u>(25,196)</u>
<b>Net Change in Plan Fiduciary Net Position</b>	37,507,106	79,838,452	(30,185,400)	65,290,660	26,478,033	(7,925,451)	23,102,729
<b>Plan Fiduciary Net Position - Beginning</b>	<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>	<u>513,118,011</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<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>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	\$ 70,502,594	\$ 86,160,858	138,109,970	\$ 86,450,251	\$ 126,048,532	\$ 125,289,287	\$ 91,809,396
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	90.93%	88.60%	81.03%	87.76%	81.49%	80.83%	85.38%
<b>Covered Payroll</b>	108,999,463	104,874,493	99,598,464	96,821,824	93,136,791	93,914,371	88,287,852
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	64.68%	82.16%	138.67%	89.29%	135.34%	133.41%	103.99%

NOTE: The City implemented GASB Statement No. 68 in FY 2015. Information in this table has been determined as of the measurement date (December 31) of the net pension liability. This table is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contribution	\$ 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	18,970,523	19,163,541	18,379,276	17,788,537	17,128,597	16,819,070	16,822,154
Covered payroll	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	17.50%	17.61%	17.80%	18.02%	17.95%	18.12%	18.68%

**Notes to Schedule of Contributions**

Valuation Date: December 31, 2020  
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	25 years
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.5%
Salary Increases	3.5% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

**Other Information**

Notes: There were no benefit changes during the year.

NOTE: The City implemented GASB Statement No. 68 in FY 2015. Information in this table has been determined as of the City's most recent fiscal year-end (September 30). This table is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<b>Total pension liability</b>							
Service Cost	\$ 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)	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	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	(20,029,797)	(16,834,155)	(17,284,513)	(15,841,569)	(15,782,381)	(14,614,970)	(13,429,152)
<b>Net Change in Total Pension Liability</b>	<b>18,750,327</b>	<b>5,625,864</b>	<b>8,187,603</b>	<b>11,189,026</b>	<b>11,388,134</b>	<b>10,266,396</b>	<b>17,865,571</b>
Total Pension Liability - Beginning	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)	<u>\$ 311,770,198</u>	<u>\$ 293,019,871</u>	<u>\$ 287,394,007</u>	<u>\$ 279,206,404</u>	<u>\$ 268,017,378</u>	<u>\$ 256,629,244</u>	<u>\$ 246,362,848</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 7,661,634	\$ 7,555,031	\$ 7,214,819	\$ 6,897,164	\$ 6,598,900	\$ 6,652,094	\$ 6,234,058
Contributions - Employee	5,363,142	5,189,023	4,312,808	3,947,134	3,774,706	3,716,202	3,424,188
Net Investment Income	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	(20,029,797)	(16,834,155)	(17,284,513)	(15,841,569)	(15,782,381)	(14,614,970)	(13,429,152)
Administrative Expense	(303,578)	(316,533)	(351,995)	(290,549)	(322,882)	(244,762)	(205,266)
Other	436,792	225,073	570,341	1,015,473	1,244,040	136,500	53,411
<b>Net Change in Plan Fiduciary Net Position</b>	<b>12,921,180</b>	<b>25,063,919</b>	<b>(8,369,777)</b>	<b>18,837,491</b>	<b>3,180,635</b>	<b>(9,487,986)</b>	<b>(2,930,840)</b>
<b>Plan Fiduciary Net Position - Beginning</b>	<b>211,548,454</b>	<b>186,484,535</b>	<b>194,854,312</b>	<b>176,016,821</b>	<b>172,836,186</b>	<b>182,324,172</b>	<b>185,255,012</b>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u><b>\$ 224,469,634</b></u>	<u><b>\$ 211,548,454</b></u>	<u><b>\$ 186,484,535</b></u>	<u><b>\$ 194,854,312</b></u>	<u><b>\$ 176,016,821</b></u>	<u><b>\$ 172,836,186</b></u>	<u><b>\$ 182,324,172</b></u>
<b>City's Net Pension Liability - Ending (a) - (b)</b>	<b>\$ 87,300,564</b>	<b>\$ 81,471,417</b>	<b>\$ 100,909,472</b>	<b>\$ 84,352,092</b>	<b>\$ 92,000,557</b>	<b>\$ 83,793,058</b>	<b>\$ 64,038,676</b>
<b>Plan Fiduciary Net Position as a Percentage of Total Pension Liability</b>	72.00%	72.20%	64.89%	69.79%	65.67%	67.35%	74.01%
<b>Covered Payroll</b>	35,802,016	34,639,673	33,080,326	31,754,899	30,367,707	29,897,052	27,547,772
<b>City's Net Pension Liability as a Percentage of Covered Payroll</b>	243.84%	235.20%	305.04%	265.63%	302.96%	280.27%	232.46%

NOTE: The City implemented GASB Statement No. 68 in FY 2015. Information in this table has been determined as of the measurement date (December 31) of the net pension liability. This table is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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 (LFPPF)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Statutorily Determined Contribution	\$ 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	8,021,424	7,551,705	7,525,133	7,111,376	7,071,721	6,591,298	6,316,139
Covered payroll	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	22.09%	21.49%	21.81%	21.79%	21.72%	21.87%	22.34%

**Notes to Schedule of Contributions**

Valuation Date: December 31, 2020  
 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	34 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.

NOTE: The City implemented GASB Statement No. 68 in FY 2015. Information in this table has been determined as of the City's most recent fiscal year-end (September 30). This table is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

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

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB liability</b>				
Service Cost	\$ 8,633,091	\$ 8,904,939	\$ 7,851,201	\$ 6,889,393
Interest (on the total OPEB liability)	4,212,162	5,372,294	4,731,705	4,871,975
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	(761,751)	(8,855,483)	(1,162,564)	
Change of assumptions	13,543,540	7,232,469	(6,179,217)	7,332,144
Benefit payments	<u>(4,155,820)</u>	<u>(4,153,211)</u>	<u>(3,674,958)</u>	<u>(5,316,929)</u>
<b>Net Change in Total OPEB Liability</b>	<u>21,471,222</u>	<u>8,501,008</u>	<u>1,566,167</u>	<u>13,776,583</u>
Total OPEB Liability - Beginning	<u>150,930,890</u>	<u>142,429,882</u>	<u>140,863,715</u>	<u>127,087,132</u>
Total OPEB Liability - Ending (a)	<u>172,402,112</u>	<u>\$ 150,930,890</u>	<u>\$ 142,429,882</u>	<u>\$ 140,863,715</u>
<b>Covered Payroll</b>	126,617,473	125,767,169	123,461,642	120,830,434
<b>City's Total OPEB Liability as a Percentage of Covered Payroll</b>	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 2.75% as of December 31, 2019 to 2.00% as of December 31, 2020.

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, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Taxes				
Property Tax	\$ 71,297,353	\$ 71,297,353	\$ 71,996,064	\$ 698,711
Delinquent Taxes	662,750	662,750	1,248,882	586,132
Sales Tax	74,796,435	74,796,435	82,499,994	7,703,559
Mixed Beverage Tax	1,400,000	1,400,000	1,529,424	129,424
Bingo Tax	200,000	200,000	242,158	42,158
Suddenlink	1,489,797	1,489,797	1,638,182	148,385
Xcel	126,110	126,110	224,166	98,056
South Plains Electric Cooperative	1,491,618	1,491,618	1,862,534	370,916
Atmos	2,317,835	2,317,835	3,065,997	748,162
West Texas Gas Company	22,831	22,831	34,627	11,796
Franchise Fee	20,858,228	22,443,638	20,670,980	(1,772,658)
Telecom Right of Way	1,849,883	1,849,883	1,619,048	(230,835)
Development Services	265,534	265,534	370,997	105,463
General Government	161,932	161,932	257,399	95,467
City Secretary	327,386	327,386	437,491	110,105
Public Safety	759,277	758,277	673,365	(84,912)
Public Works	24,577,881	24,579,606	27,352,943	2,773,337
Health	73,747	73,747	30,103	(43,644)
Animal Shelter	82,323	82,323	75,175	(7,148)
Cultural/Recreational	1,000,533	1,000,533	676,721	(323,812)
Museum	331,181	331,181	257,786	(73,395)
Licenses and Permits	3,496,733	3,496,733	4,742,815	1,246,082
Intergovernmental	429,760	429,760	492,537	62,777
Fines and Forfeitures	2,574,584	2,574,584	2,256,118	(318,466)
Interest Earnings	807,458	807,458	461,841	(345,617)
In Lieu of Property Tax	11,064,480	11,381,562	11,027,031	(354,531)
Rental	14,709	14,709	36,912	22,203
Recoveries of Expenditures	753,549	752,824	969,013	216,189
Oil and Gas Royalties	259,894	259,894	304,488	44,594
Other	320,717	320,717	524,595	203,878
Transfers from Electric Fund	1,742,355	1,742,355	1,742,352	(3)
Transfers from Water/Wastewater Fund	2,524,386	2,524,386	2,524,386	-
Transfers from Airport Fund	2,003,289	2,003,289	2,003,289	-
Transfer from Risk Fund	169,300	169,300	169,300	-
Transfers from Stormwater	588,005	588,005	588,005	-
<b>Total Revenue</b>	<b>\$ 230,841,853</b>	<b>\$ 232,744,345</b>	<b>\$ 244,606,718</b>	<b>\$ 11,862,373</b>
<b>EXPENDITURES</b>				
<u>Administrative Services</u>				
City Attorney	\$ 2,241,351	\$ 2,241,351	\$ 2,127,812	\$ 113,539
City Council	629,471	629,471	587,083	42,388
City Manager	1,826,543	1,826,543	1,799,551	26,992
City Secretary	1,454,470	1,854,008	1,770,106	83,902
Facilities Management	3,699,869	6,552,164	5,097,344	1,454,820
Finance	3,019,265	3,019,265	2,837,970	181,295
Human Resources	825,591	825,591	813,816	11,775
Internal Audit	341,453	341,453	254,365	87,088
Non-departmental	1,742,448	1,742,448	4,754,051	(3,011,603)
Communications and Marketing and Call Center	821,638	821,638	760,032	61,606
<b>Total Administrative Services</b>	<b>16,602,099</b>	<b>19,853,932</b>	<b>20,802,130</b>	<b>(948,198)</b>

**City of Lubbock, Texas**  
**Required Supplementary Information**  
**Mandatory Budgetary Comparison Schedule (Continued)**  
**General Fund**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>EXPENDITURES (Continued)</b>				
<u>Development Services*</u>				
Building Safety	\$ 2,537,161	\$ 2,537,161	\$ 2,461,545	\$ 75,616
Codes and Environmental Health	3,527,100	3,527,100	3,369,819	157,281
Planning	974,050	974,050	911,234	62,816
Total Development Services	<u>7,038,311</u>	<u>7,038,311</u>	<u>6,742,598</u>	<u>295,713</u>
<u>Cultural and Recreation Services</u>				
Library	3,841,381	3,841,381	3,706,124	135,257
Cultural Arts	1,219,928	1,219,928	1,040,513	179,415
Parks and Recreation	11,690,628	11,592,628	10,162,801	1,429,827
Total Cultural and Recreation Services	<u>16,751,937</u>	<u>16,653,937</u>	<u>14,909,439</u>	<u>1,744,498</u>
<u>Public Works</u>				
Solid Waste	19,382,607	16,530,649	15,601,183	929,466
Engineering	726,915	909,373	814,004	95,369
Streets	4,963,695	4,781,237	4,238,093	543,144
Traffic	3,835,430	3,835,430	3,669,757	165,673
Total Public Works	<u>28,908,647</u>	<u>26,056,689</u>	<u>24,323,037</u>	<u>1,733,652</u>
<u>Public Safety and Health Services</u>				
Animal Services	2,447,825	2,447,825	2,182,730	265,095
Fire	56,427,035	56,475,048	57,379,823	(904,775)
Municipal Court	1,900,570	1,900,570	1,722,739	177,831
Police	73,505,446	73,480,446	67,415,231	6,065,215
Public Health	1,786,102	1,786,102	2,160,467	(374,365)
Total Public Safety and Health Services	<u>136,066,978</u>	<u>136,089,991</u>	<u>130,860,990</u>	<u>5,229,001</u>
Transfers	25,473,881	34,326,747	35,056,309	(729,562)
Payroll Accrual/Other Adjustments	-	-	14,596	(14,596)
<b>Total Expenditures</b>	<u>\$ 230,841,853</u>	<u>\$ 240,019,607</u>	<u>\$ 232,709,100</u>	<u>\$ 7,310,507</u>
<b>Revenues less expenditures</b>	<u>\$ -</u>	<u>\$ (7,275,262)</u>	<u>\$ 11,897,618</u>	<u>\$ 19,172,880</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, 2021**

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 \$244,606,718

Adjustments:

Proceeds from the issuance of debt are classified as other financing sources for GAAP reporting, but are not included in total revenue on the budget basis 1,370,538

Total general fund revenues and other financing sources as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds \$245,977,256

**Expenditures and Other Financing Uses**

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule \$232,709,100

Adjustments:

Capital outlay that has or will be purchased from tax note proceeds are classified as expenditures for GAAP reporting, but are not included in total expenditures on the budget basis \_\_\_\_\_ -

Total general fund expenditures and other financing uses as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds \$232,709,100

**City of Lubbock, Texas**  
**Budgetary Comparison Schedule**  
**Debt Service Fund**  
**For the Year Ended September 30, 2021**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>	<u>Variance with Final Budget - Positive (Negative)</u>
<b>REVENUES</b>				
Property Tax	\$ 21,780,106	\$ 21,780,106	\$ 22,126,231	\$ 346,125
Interest Earnings	332,369	332,369	38,844	(293,525)
Transfers from Solid Waste	2,102,013	2,102,013	2,102,013	-
Transfers from North Overton TIF	3,132,547	3,132,547	3,132,547	-
Transfers from CBD TIF	961,676	961,676	961,675	(1)
Transfers from Hotel Tax Fund	89,875	89,875	89,875	-
Transfers from Gateway	8,847,226	8,847,226	8,847,226	-
Transfers from LP&L	1,140,119	1,140,119	1,140,119	-
Transfers from Water	146,567	146,567	146,567	-
Transfers from Storm Water	2,116,722	2,116,722	2,116,722	-
Transfers from Capital Projects	-	-	87,505	87,505
<b>Total Revenue</b>	<u>40,649,220</u>	<u>40,649,220</u>	<u>40,789,324</u>	<u>140,104</u>
<b>EXPENDITURES</b>				
Principal	24,068,119	29,054,976	29,804,976	(750,000)
Interest and other charges	18,045,665	13,058,807	12,416,348	642,459
Transfer to Civic Center	440,306	440,306	440,306	-
<b>Total Expenditures</b>	<u>42,554,090</u>	<u>42,554,089</u>	<u>42,661,630</u>	<u>(107,541)</u>
<b>Revenues less expenditures</b>	<u>\$ (1,904,870)</u>	<u>\$ (1,904,869)</u>	<u>\$ (1,872,306)</u>	<u>\$ 247,645</u>



**City of Lubbock, Texas**  
**Budget Comparison Schedule (Continued)**  
**Debt Service Fund**  
**For the Year Ended September 30, 2021**

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	\$40,789,324
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Adjustments:

Proceeds from the issuance of debt are classified as other financing sources for GAAP reporting, but are not included in total revenue on the budget basis	<u>27,275,000</u>
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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>\$68,064,324</u>
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**Expenditures and Other Financing Uses**

Actual amounts (budgetary basis) "Total Expenditures" from the Budget Comparison Schedule	\$42,661,630
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Adjustments:

Refunded debt and related deferred charges are classified as expenditures for GAAP reporting, but are not included in total expenditures on the budget basis	<u>26,983,904</u>
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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>\$69,645,534</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)

**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 87<sup>th</sup> 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.

**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.

**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 funds received from the Texas Department of State Health Services and the United States Department of Health and Human Services.

**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.

## **CITY OF LUBBOCK, TEXAS**

### **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, 2021**

	<u>Special Revenue Funds</u>			
	<u>Criminal Investigation</u>	<u>Municipal Court</u>	<u>Abandoned Motor Vehicle</u>	<u>Economic Development Incentive</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 3,193	\$ 9,876	\$ 10,066	\$ 3,635
Investments	384,450	1,189,129	1,212,062	437,705
Taxes receivable (net)	-	-	-	78,551
Interest receivable	-	1,996	2,033	-
Due from other governments	-	-	-	-
Due from others	-	-	-	-
Restricted investments	-	-	-	-
Leases receivable	-	-	-	-
Total assets	<u>\$ 387,643</u>	<u>\$ 1,201,001</u>	<u>\$ 1,224,161</u>	<u>\$ 519,891</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 250	\$ 206,100	\$ 31,410
Accrued liabilities	-	-	-	10,030
Due to other funds	-	-	-	-
Unearned revenue - other	-	-	48,829	-
Total liabilities	<u>-</u>	<u>250</u>	<u>254,929</u>	<u>41,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	68,633
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,633</u>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	387,643	1,200,751	969,232	409,818
Committed	-	-	-	-
Unassigned	-	-	-	-
Total fund balances (deficit)	<u>387,643</u>	<u>1,200,751</u>	<u>969,232</u>	<u>409,818</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 387,643</u>	<u>\$ 1,201,001</u>	<u>\$ 1,224,161</u>	<u>\$ 519,891</u>

**Special Revenue Funds**

<b>Donations</b>	<b>Hotel/Motel Tax</b>	<b>Animal Assistance Program</b>	<b>Lubbock Economic Development Alliance</b>	<b>North Overton TIF</b>	<b>Central Business District TIF</b>	<b>Lubbock Business Park TIF</b>
\$ 4,275	\$ 5,693	\$ 3,237	\$ 226	\$ 38,770	\$ 695	\$ 5,530
514,789	685,436	389,767	27,271	4,668,256	83,704	665,822
-	-	-	1,376,435	-	-	-
861	-	658	46	-	720	1,116
-	-	-	-	-	-	-
-	810,793	-	-	-	-	-
-	-	-	-	1,517,807	346,693	-
-	-	-	-	273,341	-	-
<b>\$ 519,925</b>	<b>\$ 1,501,922</b>	<b>\$ 393,662</b>	<b>\$ 1,403,978</b>	<b>\$ 6,498,174</b>	<b>\$ 431,812</b>	<b>\$ 672,468</b>
\$ 2,446	\$ 1,058,801	\$ 14,111	\$ 1,403,978	\$ -	\$ -	\$ -
-	-	-	-	445	2,493	578
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>2,446</b>	<b>1,058,801</b>	<b>14,111</b>	<b>1,403,978</b>	<b>445</b>	<b>2,493</b>	<b>578</b>
-	-	-	-	273,341	-	-
-	-	-	-	273,341	-	-
517,479	443,121	379,551	-	6,224,388	429,319	671,890
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<b>517,479</b>	<b>443,121</b>	<b>379,551</b>	<b>-</b>	<b>6,224,388</b>	<b>429,319</b>	<b>671,890</b>
<b>\$ 519,925</b>	<b>\$ 1,501,922</b>	<b>\$ 393,662</b>	<b>\$ 1,403,978</b>	<b>\$ 6,498,174</b>	<b>\$ 431,812</b>	<b>\$ 672,468</b>

**City of Lubbock, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2021**

	<u>Special Revenue Funds</u>				
	<u>North Overton PID</u>	<u>North Point PID</u>	<u>Vintage Township PID</u>	<u>Quincy Park PID</u>	<u>Valencia PID</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 14,745	\$ 6,787	\$ 36	\$ 2,705	\$ 807
Investments	1,775,464	817,250	4,384	325,665	97,185
Taxes receivable (net)	-	-	-	-	-
Interest receivable	2,982	1,372	-	547	163
Due from other governments	-	-	-	-	-
Due from others	345	623	10,512	576	346
Restricted investments	-	-	124,610	-	-
Leases receivable	-	-	-	-	-
Total assets	<u>\$ 1,793,536</u>	<u>\$ 826,032</u>	<u>\$ 139,542</u>	<u>\$ 329,493</u>	<u>\$ 98,501</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 88,815	\$ 6,650	\$ -	\$ 50,000	\$ 1,999
Accrued liabilities	613	391	-	391	260
Due to other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>89,428</u>	<u>7,041</u>	<u>-</u>	<u>50,391</u>	<u>2,259</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	1,704,108	818,991	139,542	279,102	96,242
Committed	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficit)	<u>1,704,108</u>	<u>818,991</u>	<u>139,542</u>	<u>279,102</u>	<u>96,242</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 1,793,536</u>	<u>\$ 826,032</u>	<u>\$ 139,542</u>	<u>\$ 329,493</u>	<u>\$ 98,501</u>

**Special Revenue Funds**

<b>Bell Farms PID</b>	<b>Upland Crossing PID</b>	<b>Gateway Streets</b>	<b>Cable Services</b>	<b>North and East Lubbock Neighborhood and Infrastructure</b>	<b>Community Development</b>	<b>Community Services</b>	<b>Health</b>
\$ 1,451	\$ -	\$ 57,002	\$ 30,589	\$ 4,408	\$ 14,897	\$ 443	\$ -
174,664	-	6,863,484	3,683,125	530,732	1,793,747	53,333	-
-	-	-	-	-	-	-	-
-	-	16,817	6,183	887	-	-	-
-	-	-	-	-	1,098,156	955,795	2,153,173
435	346	-	99,899	-	-	-	70,697
-	-	3,744,274	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 176,550</u>	<u>\$ 346</u>	<u>\$ 10,681,577</u>	<u>\$ 3,819,796</u>	<u>\$ 536,027</u>	<u>\$ 2,906,800</u>	<u>\$ 1,009,571</u>	<u>\$2,223,870</u>
\$ 4,838	\$ -	\$ -	\$ 1,943	\$ 21,520	\$ 487,071	\$ 1,002,780	\$ 142,374
391	26	-	-	-	19,299	6,791	88,900
-	853	-	-	-	-	-	1,938,299
-	-	-	-	-	2,376,012	-	21,958
<u>5,229</u>	<u>879</u>	<u>-</u>	<u>1,943</u>	<u>21,520</u>	<u>2,882,382</u>	<u>1,009,571</u>	<u>2,191,531</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
171,321	-	3,744,274	3,817,853	-	24,418	-	32,339
-	-	6,937,303	-	514,507	-	-	-
-	(533)	-	-	-	-	-	-
<u>171,321</u>	<u>(533)</u>	<u>10,681,577</u>	<u>3,817,853</u>	<u>514,507</u>	<u>24,418</u>	<u>-</u>	<u>32,339</u>
<u>\$ 176,550</u>	<u>\$ 346</u>	<u>\$ 10,681,577</u>	<u>\$ 3,819,796</u>	<u>\$ 536,027</u>	<u>\$ 2,906,800</u>	<u>\$ 1,009,571</u>	<u>\$2,223,870</u>



**City of Lubbock, Texas**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**September 30, 2021**

	<u>Special Revenue Funds</u>			
	<u>Library</u>	<u>Police</u>	<u>Other Grants</u>	<u>Total Special Revenue Funds</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ -	\$ 1,050	\$ 249,890	\$ 470,006
Investments	-	126,432	30,088,640	56,592,496
Taxes receivable (net)	-	-	-	1,454,986
Interest receivable	-	-	-	36,381
Due from other governments	15,507	76,168	1,542,454	5,841,253
Due from others	-	-	-	994,572
Restricted investments	-	-	-	5,733,384
Leases receivable	-	-	-	273,341
	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,341</u>
Total assets	<u>\$ 15,507</u>	<u>\$ 203,650</u>	<u>\$ 31,880,984</u>	<u>\$ 71,396,419</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 29,141	\$ 330,713	\$ 4,884,940
Accrued liabilities	-	-	57,077	187,685
Due to other funds	15,507	-	60	1,954,719
Unearned revenue - other	-	115,807	31,319,367	33,881,973
	<u>-</u>	<u>115,807</u>	<u>31,319,367</u>	<u>33,881,973</u>
Total liabilities	<u>15,507</u>	<u>144,948</u>	<u>31,707,217</u>	<u>40,909,317</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue	-	-	-	341,974
	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,974</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>341,974</u>
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	-	58,702	173,767	22,693,851
Committed	-	-	-	7,451,810
Unassigned	-	-	-	(533)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(533)</u>
Total fund balances (deficit)	<u>-</u>	<u>58,702</u>	<u>173,767</u>	<u>30,145,128</u>
Total liabilities, deferred inflows of resources, and fund balances (deficit)	<u>\$ 15,507</u>	<u>\$ 203,650</u>	<u>\$ 31,880,984</u>	<u>\$ 71,396,419</u>

**Capital Projects Funds**

<b>TIF Capital Projects</b>	<b>Gateway Streets Projects</b>	<b>Total Capital Projects Funds</b>	<b>Total Nonmajor Governmental Funds</b>
\$ 48,894	\$ 43,433	\$ 92,327	\$ 562,333
5,887,227	5,229,629	11,116,856	67,709,352
-	-	-	1,454,986
-	-	-	36,381
-	-	-	5,841,253
20,747	224,785	245,532	1,240,104
4,330,272	4,528,888	8,859,160	14,592,544
-	-	-	273,341
<b>\$ 10,287,140</b>	<b>\$ 10,026,735</b>	<b>\$ 20,313,875</b>	<b>\$ 91,710,294</b>
\$ 367,212	\$ 688,879	\$ 1,056,091	\$ 5,941,031
9,795	3,503	13,298	200,983
-	-	-	1,954,719
-	-	-	33,881,973
<b>377,007</b>	<b>692,382</b>	<b>1,069,389</b>	<b>41,978,706</b>
-	-	-	341,974
-	-	-	341,974
4,277,789	3,839,201	8,116,990	30,810,841
5,632,344	5,495,152	11,127,496	18,579,306
-	-	-	(533)
<b>9,910,133</b>	<b>9,334,353</b>	<b>19,244,486</b>	<b>49,389,614</b>
<b>\$ 10,287,140</b>	<b>\$ 10,026,735</b>	<b>\$ 20,313,875</b>	<b>\$ 91,710,294</b>

**City of Lubbock, Texas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<u>Special Revenue Funds</u>			
	<u>Criminal Investigation</u>	<u>Municipal Court</u>	<u>Abandoned Motor Vehicle</u>	<u>Economic Development Incentive</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 4,127,873
Sales taxes	-	-	-	-
Occupancy taxes	-	-	-	-
Franchise taxes	-	-	-	-
Special assessments	-	-	-	-
Fees and fines	-	390,856	-	-
Intergovernmental	-	-	-	-
Charges for services	-	-	-	-
Interest	1,466	5,119	4,317	-
Miscellaneous	238,765	-	1,748,915	-
Total revenues	<u>240,231</u>	<u>395,975</u>	<u>1,753,232</u>	<u>4,127,873</u>
<b>EXPENDITURES</b>				
Current:				
Administrative services and general government	-	-	-	-
Community services	-	-	-	-
Cultural and recreation	-	-	-	-
Economic and business development	-	-	-	3,701,575
Health	-	-	-	-
Police	90,174	-	1,615,838	-
Other public safety	-	244,212	-	-
Streets and traffic	-	-	-	-
Intergovernmental	-	-	-	-
Debt Service:				
Principal	-	-	-	-
Interest and other charges	-	-	-	-
Capital outlay	-	-	-	-
Total expenditures	<u>90,174</u>	<u>244,212</u>	<u>1,615,838</u>	<u>3,701,575</u>
Excess (deficiency) of revenues over (under) expenditures	<u>150,057</u>	<u>151,763</u>	<u>137,394</u>	<u>426,298</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	-	-	62,000
Transfers out	-	-	-	(400,000)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(338,000)</u>
Net change in fund balances (deficit)	150,057	151,763	137,394	88,298
Fund balances (deficit) - beginning of year	237,586	1,048,988	831,838	321,520
Fund balances (deficit) - end of year	<u>\$ 387,643</u>	<u>\$1,200,751</u>	<u>\$ 969,232</u>	<u>\$ 409,818</u>

**Special Revenue Funds**

<b>Donations</b>	<b>Hotel/Motel Tax</b>	<b>Animal Assistance Program</b>	<b>Lubbock Economic Development Alliance</b>	<b>North Overton TIF</b>	<b>Central Business District TIF</b>	<b>Lubbock Business Park TIF</b>
\$ -	\$ -	\$ -	\$ -	\$ 4,455,982	\$ 1,233,836	\$ 616,189
-	-	-	7,499,999	-	-	-
-	7,483,912	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	308,951	-	-	-	-
4,659	1,986	1,763	-	58,323	3,662	1,654
123,060	-	-	-	136,830	-	-
<u>127,719</u>	<u>7,485,898</u>	<u>310,714</u>	<u>7,499,999</u>	<u>4,651,135</u>	<u>1,237,498</u>	<u>617,843</u>
6,801	-	-	-	-	-	-
-	-	-	-	-	-	-
26,198	-	-	-	-	-	-
-	4,827,525	-	7,499,999	14,633	272,147	14,425
87,274	-	309,228	-	-	-	-
1,575	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
43,659	-	-	-	-	-	-
<u>165,507</u>	<u>4,827,525</u>	<u>309,228</u>	<u>7,499,999</u>	<u>14,633</u>	<u>272,147</u>	<u>14,425</u>
<u>(37,788)</u>	<u>2,658,373</u>	<u>1,486</u>	<u>-</u>	<u>4,636,502</u>	<u>965,351</u>	<u>603,418</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	666,320	-	-
-	(2,804,626)	-	-	(4,632,547)	(1,467,747)	-
-	(2,804,626)	-	-	(3,966,227)	(1,467,747)	-
(37,788)	(146,253)	1,486	-	670,275	(502,396)	603,418
555,267	589,374	378,065	-	5,554,113	931,715	68,472
<u>\$ 517,479</u>	<u>\$ 443,121</u>	<u>\$ 379,551</u>	<u>\$ -</u>	<u>\$ 6,224,388</u>	<u>\$ 429,319</u>	<u>\$ 671,890</u>

**City of Lubbock, Texas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<u>Special Revenue Funds</u>				
	<u>North Overton PID</u>	<u>North Point PID</u>	<u>Vintage Township PID</u>	<u>Quincy Park PID</u>	<u>Valencia PID</u>
<b>REVENUES</b>					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales taxes	-	-	-	-	-
Occupancy taxes	-	-	-	-	-
Franchise taxes	-	-	-	-	-
Special assessments	733,367	259,141	194,950	192,383	50,290
Fees and fines	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest	8,372	3,757	20	1,525	989
Miscellaneous	-	-	-	-	-
Total revenues	<u>741,739</u>	<u>262,898</u>	<u>194,970</u>	<u>193,908</u>	<u>51,279</u>
<b>EXPENDITURES</b>					
Current:					
Administrative services and general government	-	-	-	-	-
Community services	-	-	-	-	-
Cultural and recreation	-	-	-	-	-
Economic and business development	613,714	78,312	188,202	132,037	41,020
Health	-	-	-	-	-
Police	-	-	-	-	-
Other public safety	-	-	-	-	-
Streets and traffic	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Debt Service:					
Principal	-	-	-	-	-
Interest and other charges	-	-	-	-	-
Capital outlay	-	54,950	-	24,050	-
Total expenditures	<u>613,714</u>	<u>133,262</u>	<u>188,202</u>	<u>156,087</u>	<u>41,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,025</u>	<u>129,636</u>	<u>6,768</u>	<u>37,821</u>	<u>10,259</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	-	-	-	-	-
Bond premium	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	128,025	129,636	6,768	37,821	10,259
Fund balances (deficit) - beginning of year	1,576,083	689,355	132,774	241,281	85,983
Fund balances (deficit) - end of year	<u>\$ 1,704,108</u>	<u>\$ 818,991</u>	<u>\$ 139,542</u>	<u>\$ 279,102</u>	<u>\$ 96,242</u>

**Special Revenue Funds**

<b>Bell Farms PID</b>	<b>Upland Crossing PID</b>	<b>Gateway Streets</b>	<b>Cable Services</b>	<b>North and East Lubbock Neighborhood and Infrastructure</b>	<b>Community Development</b>	<b>Community Services</b>	<b>Health</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	617,510	-	-	-	-
140,771	5,362	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	4,546,863	3,120,959	4,693,919
-	-	-	-	-	-	-	-
798	34	43,492	15,564	-	-	-	-
-	-	-	-	-	1,113,453	-	50,622
<u>141,569</u>	<u>5,396</u>	<u>43,492</u>	<u>633,074</u>	<u>-</u>	<u>5,660,316</u>	<u>3,120,959</u>	<u>4,744,541</u>
-	-	-	22,197	-	-	-	-
-	-	-	-	-	5,746,455	3,120,959	-
-	-	-	-	-	-	-	-
50,487	5,807	-	-	273,365	-	-	-
-	-	-	-	-	-	-	4,663,836
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	3,666	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	101,348
<u>50,487</u>	<u>5,807</u>	<u>-</u>	<u>22,197</u>	<u>273,365</u>	<u>5,750,121</u>	<u>3,120,959</u>	<u>4,765,184</u>
<u>91,082</u>	<u>(411)</u>	<u>43,492</u>	<u>610,877</u>	<u>(273,365)</u>	<u>(89,805)</u>	<u>-</u>	<u>(20,643)</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	9,357,689	-	274,039	-	-	-
-	-	(8,943,775)	-	-	-	-	-
-	-	<u>413,914</u>	<u>-</u>	<u>274,039</u>	<u>-</u>	<u>-</u>	<u>-</u>
91,082	(411)	457,406	610,877	674	(89,805)	-	(20,643)
80,239	(122)	10,224,171	3,206,976	513,833	114,223	-	52,982
<u>\$ 171,321</u>	<u>\$ (533)</u>	<u>\$ 10,681,577</u>	<u>\$ 3,817,853</u>	<u>\$ 514,507</u>	<u>\$ 24,418</u>	<u>\$ -</u>	<u>\$ 32,339</u>

**City of Lubbock, Texas**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended September 30, 2021**

	<u>Special Revenue Funds</u>			
	<u>Library</u>	<u>Police</u>	<u>Other Grants</u>	<u>Total Special Revenue Funds</u>
<b>REVENUES</b>				
Property taxes	\$ -	\$ -	\$ -	\$ 10,433,880
Sales taxes	-	-	-	7,499,999
Occupancy taxes	-	-	-	7,483,912
Franchise taxes	-	-	-	617,510
Special assessments	-	-	-	1,576,264
Fees and fines	-	-	-	390,856
Intergovernmental	15,507	402,452	9,377,073	22,156,773
Charges for services	-	-	-	308,951
Interest	-	272	8,594	166,366
Miscellaneous	-	-	24,629	3,436,274
Total revenues	<u>15,507</u>	<u>402,724</u>	<u>9,410,296</u>	<u>54,070,785</u>
<b>EXPENDITURES</b>				
Current:				
Administrative services and general government	-	-	-	28,998
Community services	-	-	432,622	9,300,036
Cultural and recreation	15,507	-	7,445	49,150
Economic and business development	-	-	-	17,713,248
Health	-	-	229,396	5,289,734
Police	-	277,433	-	1,985,020
Other public safety	-	-	8,713,766	8,957,978
Streets and traffic	-	-	-	-
Intergovernmental	-	88,429	-	88,429
Debt Service:				
Principal	-	-	-	3,666
Interest and other charges	-	-	-	-
Capital outlay	-	38,300	5,558	267,865
Total expenditures	<u>15,507</u>	<u>404,162</u>	<u>9,388,787</u>	<u>43,684,124</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(1,438)</u>	<u>21,509</u>	<u>10,386,661</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	-	-	-
Bond premium	-	-	-	-
Transfers in	-	1,709	-	10,361,757
Transfers out	-	-	-	(18,248,695)
Net other financing sources (uses)	<u>-</u>	<u>1,709</u>	<u>-</u>	<u>(7,886,938)</u>
Net change in fund balances (deficit)	-	271	21,509	2,499,723
Fund balances (deficit) - beginning of year	-	58,431	152,258	27,645,405
Fund balances (deficit) - end of year	<u>\$ -</u>	<u>\$ 58,702</u>	<u>\$ 173,767</u>	<u>\$ 30,145,128</u>

Capital Projects Funds

<u>TIF Capital Projects</u>	<u>Gateway Streets Projects</u>	<u>Total Capital Projects Funds</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ -	\$ -	\$ 10,433,880
-	-	-	7,499,999
-	-	-	7,483,912
-	-	-	617,510
-	-	-	1,576,264
-	-	-	390,856
-	-	-	22,156,773
-	-	-	308,951
428	3,451	3,879	170,245
<u>35,073</u>	<u>2,577,653</u>	<u>2,612,726</u>	<u>6,049,000</u>
<u>35,501</u>	<u>2,581,104</u>	<u>2,616,605</u>	<u>56,687,390</u>
-	-	-	28,998
-	-	-	9,300,036
-	-	-	49,150
175,368	-	175,368	17,888,616
-	-	-	5,289,734
-	-	-	1,985,020
-	-	-	8,957,978
-	-	-	-
-	-	-	88,429
-	-	-	3,666
-	173	173	173
<u>2,510,584</u>	<u>5,098,993</u>	<u>7,609,577</u>	<u>7,877,442</u>
<u>2,685,952</u>	<u>5,099,166</u>	<u>7,785,118</u>	<u>51,469,242</u>
<u>(2,650,451)</u>	<u>(2,518,062)</u>	<u>(5,168,513)</u>	<u>5,218,148</u>
-	-	-	-
-	-	-	-
2,006,500	100,000	2,106,500	12,468,257
(428)	(3,451)	(3,879)	(18,252,574)
<u>2,006,072</u>	<u>96,549</u>	<u>2,102,621</u>	<u>(5,784,317)</u>
(644,379)	(2,421,513)	(3,065,892)	(566,169)
<u>10,554,512</u>	<u>11,755,866</u>	<u>22,310,378</u>	<u>49,955,783</u>
<u>\$ 9,910,133</u>	<u>\$ 9,334,353</u>	<u>\$ 19,244,486</u>	<u>\$ 49,389,614</u>



**City of Lubbock, Texas**  
**Budgetary Comparison Schedule**  
**Special Revenue Funds**  
**For the Year Ended September 30, 2021**

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
Abandoned Motor Vehicle		
Revenues and transfers in	809,262	1,753,231
Utilization of fund balance	456,838	-
Expenditures and transfers out	(1,266,100)	(1,615,838)
Animal Assistance		
Revenues and transfers in	240,607	310,714
Utilization of fund balance	77,172	-
Expenditures and transfers out	(317,779)	(309,228)
Bell Farms PID		
Revenues and transfers in	132,303	141,569
Expenditures and transfers out	(70,949)	(50,487)
Cable Services		
Revenues and transfers in	535,536	633,074
Expenditures and transfers out	(57,033)	(22,197)
Central Business District TIF		
Revenues and transfers in	1,377,868	1,237,498
Expenditures and transfers out	(1,771,139)	(1,739,894)
Community Development Grant		
Revenues and transfers in	6,444,946	5,660,316
Expenditures and transfers out	(6,444,946)	(5,750,121)
Criminal Investigation		
Revenues and transfers in	108,929	240,231
Expenditures and transfers out	(96,816)	(90,174)
Department of Justice Asset Sharing		
Revenues and transfers in	321	237
Expenditures and transfers out	(20,000)	-
Economic Development Incentive		
Revenues and transfers in	4,120,641	4,189,873
Expenditures and transfers out	(4,120,641)	(4,101,575)

**City of Lubbock, Texas**  
**Budgetary Comparison Schedule (Continued)**  
**Special Revenue Funds**  
**For the Year Ended September 30, 2021**

	<b><u>Final Budget</u></b>	<b><u>Actual Amounts</u></b> <b><u>Budgetary Basis</u></b>
Gateway Streets		
Revenues and transfers in	8,908,273	9,401,181
Expenditures and transfers out	(8,947,226)	(8,943,775)
Hotel Motel Tax		
Revenues and transfers in	5,600,000	7,485,898
Expenditures and transfers out	(5,955,783)	(7,632,151)
Lubbock Business Park TIF		
Revenues and transfers in	701,177	617,843
Expenditures and transfers out	(15,951)	(14,425)
Lubbock Economic Development Alliance		
Revenues and transfers in	6,799,676	7,499,999
Expenditures and transfers out	(6,799,676)	(7,499,999)
Municipal Court		
Revenues and transfers in	339,473	395,975
Utilization of fund balance	(121,218)	-
Expenditures and transfers out	(218,255)	(244,212)
North and East Lubbock Neighborhood and Infrastructure Fund		
Revenues and transfers in	233,905	274,039
Expenditures and transfers out	(233,905)	(273,365)
North Overton PID		
Revenues and transfers in	827,250	741,739
Utilization of fund balance	(50,040)	-
Expenditures and transfers out	(777,210)	(613,714)
North Overton District TIF		
Revenues and transfers in	5,455,523	5,317,455
Utilization of fund balance	(800,895)	-
Expenditures and transfers out	(4,654,628)	(4,647,180)

**City of Lubbock, Texas**  
**Budgetary Comparison Schedule (Continued)**  
**Special Revenue Funds**  
**For the Year Ended September 30, 2021**

	<u>Final Budget</u>	<u>Actual Amounts Budgetary Basis</u>
North Point PID		
Revenues and transfers in	239,218	262,898
Utilization of fund balance	4,769	-
Expenditures and transfers out	(243,987)	(133,262)
Quincy Park PID		
Revenues and transfers in	191,365	193,908
Utilization of fund balance	6,395	-
Expenditures and transfers out	(197,760)	(156,087)
Upland Crossing PID	1,080	5,396
Revenues and transfers in	(1,080)	(5,807)
Expenditures and transfers out		
Valencia PID		
Revenues and transfers in	46,898	51,279
Utilization of fund balance	7,798	-
Expenditures and transfers out	(54,696)	(41,020)
Vintage Township PID		
Revenues and transfers in	197,650	194,970
Expenditures and transfers out	(197,650)	(188,202)

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, Library, 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, 2021**

<b>ASSETS</b>	<b>Airport</b>	<b>Transit</b>	<b>Cemetery</b>
Current assets:			
Cash and cash equivalents	\$ 129,930	\$ 2,366	\$ 7,260
Investments	15,644,602	284,862	874,127
Accounts receivable, net	657,432	1,206,442	77,986
Interest receivable	42,138	-	1,412
Due from others	146,603	-	-
Due from other governments	4,124,330	841,556	-
Prepaid expenses	-	149,217	-
Inventories	-	853,042	-
Total current assets	<u>20,745,035</u>	<u>3,337,485</u>	<u>960,785</u>
Noncurrent assets:			
Restricted investments	<u>13,373,257</u>	<u>63,871</u>	<u>23,813</u>
	<u>13,373,257</u>	<u>63,871</u>	<u>23,813</u>
Capital assets:			
Land	3,608,781	318,539	14,097
Construction in progress	5,294,714	-	-
Buildings	44,384,544	4,389,056	846,652
Improvements other than buildings	225,421,564	3,956,935	125,686
Machinery and equipment	30,367,040	25,585,372	566,960
Less accumulated depreciation	<u>(159,491,141)</u>	<u>(22,254,611)</u>	<u>(656,861)</u>
Total capital assets	<u>149,585,502</u>	<u>11,995,291</u>	<u>896,534</u>
Total noncurrent assets	<u>162,958,759</u>	<u>12,059,162</u>	<u>920,347</u>
Total assets	<u>\$183,703,794</u>	<u>\$ 15,396,647</u>	<u>\$ 1,881,132</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	122,922	-	8,950
Deferred outflows from pensions	265,419	-	22,533
Deferred outflows from OPEB	<u>468,024</u>	<u>-</u>	<u>53,911</u>
Total deferred outflows of resources	<u>856,365</u>	<u>-</u>	<u>85,394</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 28,660	\$ 3,767	\$ 171,983
3,450,922	453,536	20,708,049
23,654	5,054	1,970,568
13,670	761	57,981
-	-	146,603
-	-	4,965,886
-	-	149,217
-	-	853,042
<u>3,516,906</u>	<u>463,118</u>	<u>29,023,329</u>
-	-	13,460,941
-	-	13,460,941
873,850	-	4,815,267
-	-	5,294,714
15,934,289	-	65,554,541
6,338,924	-	235,843,109
5,732,510	135,796	62,387,678
<u>(19,042,693)</u>	<u>(128,588)</u>	<u>(201,573,894)</u>
<u>9,836,880</u>	<u>7,208</u>	<u>172,321,415</u>
<u>9,836,880</u>	<u>7,208</u>	<u>185,782,356</u>
<u>\$ 13,353,786</u>	<u>\$ 470,326</u>	<u>\$ 214,805,685</u>
53,465	-	185,337
77,542	17,852	383,346
<u>194,734</u>	<u>17,944</u>	<u>734,613</u>
<u>325,741</u>	<u>35,796</u>	<u>1,303,296</u>

**City of Lubbock, Texas**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
**September 30, 2021**

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 3,835,061	\$ 913,335	\$ 1,158
Accrued liabilities	174,341	298,168	16,734
Accrued interest payable	207,245	2,898	1,401
Due to other funds	-	756,146	-
Customer deposits	-	-	-
Unearned revenue - other	167,055	-	3,220
Compensated absences	190,350	421,469	8,393
Bonds payable	<u>2,049,974</u>	<u>381,629</u>	<u>64,532</u>
Total current liabilities	<u>6,624,026</u>	<u>2,773,645</u>	<u>95,438</u>
Noncurrent liabilities:			
Compensated absences	132,213	-	5,830
Post employment benefits	3,599,169	-	436,620
Net pension liability	1,417,076	-	234,937
Bonds payable	<u>42,105,711</u>	<u>924,546</u>	<u>225,612</u>
Total noncurrent liabilities	<u>47,254,169</u>	<u>924,546</u>	<u>902,999</u>
Total liabilities	<u>53,878,195</u>	<u>3,698,191</u>	<u>998,437</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows from pensions	497,998	-	27,796
Deferred inflows from OPEB	<u>212,883</u>	<u>-</u>	<u>29,197</u>
Total deferred inflows of resources	<u>710,881</u>	<u>-</u>	<u>56,993</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	108,915,054	10,752,987	615,340
Restricted for passenger facility charges	5,883,482	-	-
Restricted for debt service	1,297,481	-	23,813
Unrestricted	<u>13,875,066</u>	<u>945,469</u>	<u>271,943</u>
Total net position (deficit)	<u>\$129,971,083</u>	<u>\$ 11,698,456</u>	<u>\$ 911,096</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 6,530	\$ 7,354	\$ 4,763,438
61,292	10,365	560,900
18,381	-	229,925
-	-	756,146
161,113	-	161,113
-	-	170,275
107,284	23,029	750,525
<u>303,127</u>	<u>-</u>	<u>2,799,262</u>
<u>657,727</u>	<u>40,748</u>	<u>10,191,584</u>
74,518	15,995	228,556
1,536,138	89,970	5,661,897
698,126	52,160	2,402,299
<u>3,257,751</u>	<u>-</u>	<u>46,513,620</u>
<u>5,566,533</u>	<u>158,125</u>	<u>54,806,372</u>
<u>6,224,260</u>	<u>198,873</u>	<u>64,997,956</u>
150,334	36,904	713,032
<u>110,268</u>	<u>10,491</u>	<u>362,839</u>
<u>260,602</u>	<u>47,395</u>	<u>1,075,871</u>
6,329,468	7,207	126,620,056
-	-	5,883,482
-	-	1,321,294
<u>865,197</u>	<u>252,647</u>	<u>16,210,322</u>
<u>\$ 7,194,665</u>	<u>\$ 259,854</u>	<u>\$ 150,035,154</u>



**City of Lubbock, Texas**  
**Combining Statement of Revenues, Expenses and**  
**Changes in Fund Net Position**  
**Nonmajor Enterprise Funds**  
**For Fiscal Year Ended September 30, 2021**

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>
<b>OPERATING REVENUES</b>			
Charges for services (net)	\$ 9,802,801	\$ 4,438,573	\$ 609,490
Total operating revenues	<u>9,802,801</u>	<u>4,438,573</u>	<u>609,490</u>
<b>OPERATING EXPENSES</b>			
Personnel services	3,098,550	7,984,184	296,707
Supplies	204,260	968,270	30,677
Maintenance	1,082,155	908,087	44,138
Other services and charges	8,463,241	1,736,457	109,387
Depreciation and amortization	10,062,119	1,834,018	46,748
Total operating expenses	<u>22,910,325</u>	<u>13,431,016</u>	<u>527,657</u>
Operating income (loss)	<u>(13,107,524)</u>	<u>(8,992,443)</u>	<u>81,833</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Interest earnings	192,997	63	5,912
Passenger facility charges/Federal grants	6,695,649	6,077,065	-
Disposition of assets	10,119	24,268	-
Miscellaneous	168,772	(92,610)	-
Interest expense	(1,460,379)	(30,226)	(11,185)
Net nonoperating revenues (expenses)	<u>5,607,158</u>	<u>5,978,560</u>	<u>(5,273)</u>
Income (loss) before contributions and transfers	(7,500,366)	(3,013,883)	76,560
Capital contributions/grants	11,799,840	-	-
Transfers in	-	2,029,237	416,289
Transfers out	(2,003,289)	-	-
Change in net position (deficit)	<u>2,296,185</u>	<u>(984,646)</u>	<u>492,849</u>
Total net position - beginning of year, as restated	<u>127,674,898</u>	<u>12,683,102</u>	<u>418,247</u>
Total net position (deficit) - ending	<u>\$ 129,971,083</u>	<u>\$ 11,698,456</u>	<u>\$ 911,096</u>

<u>Civic Centers</u>	<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 396,032	\$ 716,640	\$ 15,963,536
<u>396,032</u>	<u>716,640</u>	<u>15,963,536</u>
889,503	250,233	12,519,177
45,478	10,632	1,259,317
269,299	40,586	2,344,265
825,899	230,744	11,365,728
960,949	2,789	12,906,623
<u>2,991,128</u>	<u>534,984</u>	<u>40,395,110</u>
<u>(2,595,096)</u>	<u>181,656</u>	<u>(24,431,574)</u>
11,619	1,705	212,296
-	-	12,772,714
-	-	34,387
5,721	-	81,883
<u>(104,726)</u>	<u>(40)</u>	<u>(1,606,556)</u>
<u>(87,386)</u>	<u>1,665</u>	<u>11,494,724</u>
(2,682,482)	183,321	(12,936,850)
-	-	11,799,840
2,798,762	-	5,244,288
<u>(3,017)</u>	<u>(136,290)</u>	<u>(2,142,596)</u>
113,263	47,031	1,964,682
<u>7,081,402</u>	<u>212,823</u>	<u>148,070,472</u>
<u>\$ 7,194,665</u>	<u>\$ 259,854</u>	<u>\$ 150,035,154</u>

**City Of Lubbock, Texas**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended September 30, 2021**

	<u>Airport</u>	<u>Transit</u>	<u>Cemetery</u>	<u>Civic Centers</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 10,130,919	\$ 3,845,233	\$ 589,245	\$ 460,184
Payments to suppliers	(11,723,182)	(55,091)	(175,228)	(1,008,635)
Payments to employees	(3,254,019)	(7,984,184)	(296,707)	(950,790)
Other receipts (payments)	168,772	-	-	5,721
Net cash provided (used) by operating activities	<u>(4,677,510)</u>	<u>(4,194,042)</u>	<u>117,310</u>	<u>(1,493,520)</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	2,029,237	416,289	2,798,762
Transfers out to other funds	(2,003,289)	-	-	(3,017)
Short-term interfund borrowings	-	(2,424,594)	-	-
Operating grants	6,695,649	6,077,065	-	-
Net cash provided (used) by noncapital and related financing activities	<u>4,692,360</u>	<u>5,681,708</u>	<u>416,289</u>	<u>2,795,745</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(15,555,674)	(999,526)	-	(16,693)
Sale of capital assets	10,119	24,268	-	-
Principal paid on bonds	(2,565,802)	(423,161)	(64,164)	(287,897)
Issuance of bonds	119,457	-	-	-
Bond issuance costs	(99,223)	-	-	-
Interest paid on bonds and capital leases	(1,817,734)	(96,097)	(13,650)	(171,891)
Capital grants and contributions	11,799,840	-	-	-
Net cash provided (used) by capital and related financing activities	<u>(8,109,017)</u>	<u>(1,494,516)</u>	<u>(77,814)</u>	<u>(476,481)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	15,307,855	80,448	(219,971)	64,852
Purchase of investments	(7,877,329)	(77,330)	(243,759)	(936,804)
Interest earnings on cash and investments	192,471	63	5,126	10,092
Net cash provided (used) by investing activities	<u>7,622,997</u>	<u>3,181</u>	<u>(458,604)</u>	<u>(861,860)</u>
Net increase (decrease) in cash and cash equivalents	(471,170)	(3,669)	(2,819)	(36,116)
Cash and cash equivalents - beginning of year	601,100	6,035	10,079	64,776
Cash and cash equivalents - end of year	<u>\$ 129,930</u>	<u>\$ 2,366</u>	<u>\$ 7,260</u>	<u>\$ 28,660</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (13,107,524)	\$ (8,992,443)	\$ 81,833	\$ (2,595,096)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	10,062,119	1,834,018	46,748	960,949
Other income (expense)	168,772	(92,610)	-	5,721
Change in current assets and liabilities:				
Accounts receivable	328,118	(593,340)	(20,245)	64,152
Inventory	-	27,117	-	-
Prepaid expenses	-	(10,401)	-	-
Due from other governments	(3,067,692)	3,553,230	-	-
Accounts payable	873,899	92,414	380	(10,832)
Other accrued expenses	23,343	(14,887)	4,408	(291)
Due to/from other funds	(62,751)	-	-	-
Customer deposits	-	-	-	43,675
Change in compensated absences and retirement benefits	104,206	2,860	4,186	38,202
Net cash provided (used) by operating activities	<u>\$ (4,677,510)</u>	<u>\$ (4,194,042)</u>	<u>\$ 117,310</u>	<u>\$ (1,493,520)</u>
<b>Supplemental cash flow information:</b>				
Noncash capital contributions and other charges	\$ -	\$ -	\$ -	\$ -

<u>Lake Alan Henry</u>	<u>Total Nonmajor Enterprise Funds</u>
\$ 721,285	\$ 15,746,866
(299,249)	(13,261,385)
(250,233)	(12,735,933)
-	174,493
<u>171,803</u>	<u>(10,075,959)</u>
-	5,244,288
(136,290)	(2,142,596)
-	(2,424,594)
-	12,772,714
<u>(136,290)</u>	<u>13,449,812</u>
-	(16,571,893)
-	34,387
(3,716)	(3,344,740)
-	119,457
-	(99,223)
(40)	(2,099,412)
-	11,799,840
<u>(3,756)</u>	<u>(10,161,584)</u>
82,366	15,315,550
(123,119)	(9,258,341)
1,646	209,398
<u>(39,107)</u>	<u>6,266,607</u>
(7,350)	(521,124)
11,117	693,107
<u>\$ 3,767</u>	<u>\$ 171,983</u>
\$ 181,656	\$ (24,431,574)
2,789	12,906,623
-	81,883
4,645	(216,670)
-	27,117
-	(10,401)
-	485,538
690	956,551
(11,747)	826
-	(62,751)
-	43,675
(6,230)	143,224
<u>\$ 171,803</u>	<u>\$ (10,075,959)</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, 2021**

	<u>Business-type Activities</u>		<u>Governmental Activities</u>	
	<u>Print Shop and Warehouse</u>	<u>Total Business-type Activities</u>	<u>Risk Management</u>	<u>Fleet Maintenance</u>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 10,660	\$ 10,660	\$ 104,287	\$ 9,363
Investments	1,283,519	1,283,519	12,556,965	1,127,397
Accounts receivable (net)	-	-	28,058	-
Interest receivable	188	188	21,080	7,321
Due from others	3,040	3,040	-	-
Inventories	492,278	492,278	-	275,866
Total current assets	<u>1,789,685</u>	<u>1,789,685</u>	<u>12,710,390</u>	<u>1,419,947</u>
Noncurrent assets:				
Restricted investments	-	-	-	1,099,599
Capital assets:				
Construction in Progress	-	-	-	80
Buildings	162,117	162,117	-	1,469,765
Improvements other than buildings	-	-	-	1,331,653
Machinery and equipment	172,477	172,477	57,472	22,255,885
Less accumulated depreciation	<u>(294,045)</u>	<u>(294,045)</u>	<u>(33,443)</u>	<u>(6,849,487)</u>
Total capital assets	<u>40,549</u>	<u>40,549</u>	<u>24,029</u>	<u>18,207,896</u>
Total noncurrent assets	<u>40,549</u>	<u>40,549</u>	<u>24,029</u>	<u>19,307,495</u>
Total assets	<u>\$ 1,830,234</u>	<u>\$ 1,830,234</u>	<u>\$ 12,734,419</u>	<u>\$ 20,727,442</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows from pensions	27,527	27,527	57,666	132,647
Deferred outflows from OPEB	66,795	66,795	58,737	212,889
Total deferred outflows of resources	<u>94,322</u>	<u>94,322</u>	<u>116,403</u>	<u>345,536</u>

**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>
\$ 66,250	\$ 45,899	\$ 742	\$ 226,541	\$ 237,201
7,977,055	5,526,616	89,300	27,277,333	28,560,852
8,543	-	-	36,601	36,601
30,195	6,328	-	64,924	65,112
-	-	-	-	3,040
12,735	-	-	288,601	780,879
<u>8,094,778</u>	<u>5,578,843</u>	<u>90,042</u>	<u>27,894,000</u>	<u>29,683,685</u>
<u>281,267</u>	<u>-</u>	<u>-</u>	<u>1,380,866</u>	<u>1,380,866</u>
1,088,410	-	-	1,088,490	1,088,490
60,000	-	-	1,529,765	1,691,882
5,047,627	-	-	6,379,280	6,379,280
20,487,652	-	-	42,801,009	42,973,486
(19,706,372)	-	-	(26,589,302)	(26,883,347)
<u>6,977,317</u>	<u>-</u>	<u>-</u>	<u>25,209,242</u>	<u>25,249,791</u>
<u>7,258,584</u>	<u>-</u>	<u>-</u>	<u>26,590,108</u>	<u>26,630,657</u>
<u>\$ 15,353,362</u>	<u>\$ 5,578,843</u>	<u>\$ 90,042</u>	<u>\$ 54,484,108</u>	<u>\$ 56,314,342</u>
346,321	32,578	8,180	577,392	604,919
427,495	41,322	-	740,443	807,238
<u>773,816</u>	<u>73,900</u>	<u>8,180</u>	<u>1,317,835</u>	<u>1,412,157</u>



**City of Lubbock, Texas**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**September 30, 2021**

	<u>Business-type Activities</u>		<u>Governmental Activities</u>	
	<u>Print Shop and Warehouse</u>	<u>Total Business-type Activities</u>	<u>Risk Management</u>	<u>Fleet Maintenance</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	\$ 35,165	\$ 35,165	\$ 29,358	\$ 385,212
Accrued liabilities	17,282	17,282	36,722	73,752
Accrued interest payable	15	15	4	10,865
Compensated absences	6,176	6,176	30,308	20,358
Accrued insurance claims	-	-	1,109,364	-
Bonds payable	2,858	2,858	3,670	743,664
Total current liabilities	<u>61,496</u>	<u>61,496</u>	<u>1,209,426</u>	<u>1,233,851</u>
Noncurrent liabilities:				
Accrued insurance claims	-	-	1,901,694	-
Compensated absences	4,290	4,290	44,312	29,765
Post employment benefits	458,615	458,615	614,971	1,454,827
Net pension liability	165,132	165,132	367,263	471,366
Bonds payable	11,822	11,822	-	3,913,870
Total noncurrent liabilities	<u>639,859</u>	<u>639,859</u>	<u>2,928,240</u>	<u>5,869,828</u>
Total liabilities	<u>701,355</u>	<u>701,355</u>	<u>4,137,666</u>	<u>7,103,679</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	-	-	1,915
Deferred inflows from pensions	36,968	36,968	92,966	237,454
Deferred inflows from OPEB	37,567	37,567	32,091	101,235
Total deferred inflows of resources	<u>\$ 74,535</u>	<u>74,535</u>	<u>125,057</u>	<u>\$ 340,604</u>
<b>NET POSITION (DEFICIT)</b>				
Net investment in capital assets	25,869	25,869	20,359	14,651,876
Restricted for debt service	-	-	-	-
Unrestricted	1,122,797	1,122,797	8,567,740	(1,023,181)
Total net position (deficit)	<u>\$ 1,148,666</u>	<u>\$ 1,148,666</u>	<u>\$ 8,588,099</u>	<u>\$ 13,628,695</u>

**Governmental Activities**

<b>Information Technology</b>	<b>Health Benefits</b>	<b>Investment Pool</b>	<b>Total Governmental Activities</b>	<b>Total Internal Service Funds</b>
\$ 821,883	\$ 465,091	\$ 15,587	\$ 1,717,131	\$ 1,752,296
184,509	19,933	5,040	319,956	337,238
44,779	-	-	55,648	55,663
214,332	20,254	-	285,252	291,428
-	2,024,404	-	3,133,768	3,133,768
<u>1,765,172</u>	<u>-</u>	<u>-</u>	<u>2,512,506</u>	<u>2,515,364</u>
<u>3,030,675</u>	<u>2,529,682</u>	<u>20,627</u>	<u>8,024,261</u>	<u>8,085,757</u>
-	222,407	-	2,124,101	2,124,101
313,361	29,611	-	417,049	421,339
3,415,190	300,490	-	5,785,478	6,244,093
1,982,130	69,651	56,214	2,946,624	3,111,756
<u>7,285,279</u>	<u>-</u>	<u>-</u>	<u>11,199,149</u>	<u>11,210,971</u>
<u>12,995,960</u>	<u>622,159</u>	<u>56,214</u>	<u>22,472,401</u>	<u>23,112,260</u>
<u>16,026,635</u>	<u>3,151,841</u>	<u>76,841</u>	<u>30,496,662</u>	<u>31,198,017</u>
-	-	-	1,915	1,915
670,680	83,849	11,381	1,096,330	1,133,298
<u>204,634</u>	<u>20,982</u>	<u>-</u>	<u>358,942</u>	<u>396,509</u>
<u>875,314</u>	<u>104,831</u>	<u>11,381</u>	<u>1,457,187</u>	<u>1,531,722</u>
(2,060,111)	-	-	12,612,124	12,637,993
268,246	-	-	268,246	268,246
<u>1,017,094</u>	<u>2,396,071</u>	<u>10,000</u>	<u>10,967,724</u>	<u>12,090,521</u>
<u>\$ (774,771)</u>	<u>\$ 2,396,071</u>	<u>\$ 10,000</u>	<u>\$ 23,848,094</u>	<u>\$ 24,996,760</u>

**City of Lubbock, Texas**  
**Combining Statement of Revenues, Expenses**  
**And Changes in Net Position**  
**Internal Service Funds**  
**For The Year Ended September 30, 2021**

	<u>Business-type Activities</u>		<u>Governmental Activities</u>	
	<u>Print Shop and Warehouse</u>	<u>Total Business-type Activities</u>	<u>Risk Management</u>	<u>Fleet Maintenance</u>
<b>OPERATING REVENUES</b>				
Charges for services (net)	\$ 4,663,760	\$ 4,663,760	\$ 8,921,368	\$ 11,416,771
Total operating revenues	<u>4,663,760</u>	<u>4,663,760</u>	<u>8,921,368</u>	<u>11,416,771</u>
<b>OPERATING EXPENSES</b>				
Personnel services	305,734	305,734	635,128	1,424,066
Insurance and claims	-	-	6,382,159	-
Supplies	136,810	136,810	44,990	64,807
Materials	4,135,997	4,135,997	-	3,678,531
Maintenance	16,413	16,413	5,608	5,680,771
Other services and charges	133,359	133,359	440,115	268,434
Depreciation and amortization	4,809	4,809	6,566	2,040,827
Total operating expenses	<u>4,733,122</u>	<u>4,733,122</u>	<u>7,514,566</u>	<u>13,157,436</u>
Operating income (loss)	<u>(69,362)</u>	<u>(69,362)</u>	<u>1,406,802</u>	<u>(1,740,665)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest earnings	6,552	6,552	47,377	560
Disposition of assets	-	-	-	444,007
Miscellaneous	13	13	402,692	1,470
Interest expense	<u>(442)</u>	<u>(442)</u>	<u>(84)</u>	<u>(89,028)</u>
Net nonoperating revenues (expenses)	<u>6,123</u>	<u>6,123</u>	<u>449,985</u>	<u>357,009</u>
Income (loss) before contributions and transfers	(63,239)	(63,239)	1,856,787	(1,383,656)
Transfers in	-	-	-	6,221,672
Transfers out	<u>-</u>	<u>-</u>	<u>(169,300)</u>	<u>(19,200)</u>
Change in net position (deficit)	(63,239)	(63,239)	1,687,487	4,818,816
Total net position (deficit) - beginning of year,	<u>1,211,905</u>	<u>1,211,905</u>	<u>6,900,612</u>	<u>8,809,879</u>
Total net position (deficit) - end of year	<u>\$ 1,148,666</u>	<u>\$ 1,148,666</u>	<u>\$ 8,588,099</u>	<u>\$ 13,628,695</u>

**Governmental Activities**

<b>Information Technology</b>	<b>Health Benefits</b>	<b>Investment Pool</b>	<b>Total Governmental Activities</b>	<b>Total Internal Service Funds</b>
\$15,055,239	\$ 32,175,267	\$ -	\$ 67,568,645	\$ 72,232,405
<u>15,055,239</u>	<u>32,175,267</u>	<u>-</u>	<u>67,568,645</u>	<u>72,232,405</u>
3,590,373	347,265	84,147	6,080,979	6,386,713
-	35,212,399	-	41,594,558	41,594,558
40,761	2,869	641	154,068	290,878
68,026	-	-	3,746,557	7,882,554
4,480,327	-	-	10,166,706	10,183,119
2,775,458	261,356	126,112	3,871,475	4,004,834
1,826,253	-	-	3,873,646	3,878,455
<u>12,781,198</u>	<u>35,823,889</u>	<u>210,900</u>	<u>69,487,989</u>	<u>74,221,111</u>
<u>2,274,041</u>	<u>(3,648,622)</u>	<u>(210,900)</u>	<u>(1,919,344)</u>	<u>(1,988,706)</u>
28,765	34,409	210,900	322,011	328,563
8,032	-	-	452,039	452,039
664	19,554	-	424,380	424,393
<u>(198,015)</u>	<u>-</u>	<u>-</u>	<u>(287,127)</u>	<u>(287,569)</u>
<u>(160,554)</u>	<u>53,963</u>	<u>210,900</u>	<u>911,303</u>	<u>917,426</u>
2,113,487	(3,594,659)	-	(1,008,041)	(1,071,280)
58,500	-	-	6,280,172	6,280,172
<u>(31,750)</u>	<u>-</u>	<u>-</u>	<u>(220,250)</u>	<u>(220,250)</u>
2,140,237	(3,594,659)	-	5,051,881	4,988,642
<u>(2,915,008)</u>	<u>5,990,730</u>	<u>10,000</u>	<u>18,796,213</u>	<u>20,008,118</u>
<u>\$ (774,771)</u>	<u>\$ 2,396,071</u>	<u>\$ 10,000</u>	<u>\$ 23,848,094</u>	<u>\$ 24,996,760</u>

**City of Lubbock, Texas**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended September 30, 2021**

	Business-type Activities		Governmental Activities	
	Print Shop and Warehouse	Total Business-type Activities	Risk Management	Fleet Maintenance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 4,331,885	\$ 4,331,885	\$ 8,893,310	\$ 11,416,771
Receipts from interfund services	331,875	331,875	-	-
Payments to suppliers	(4,530,363)	(4,530,363)	(8,760,463)	(9,804,242)
Payments to employees	(271,671)	(271,671)	(610,625)	(1,315,039)
Other receipts	13	13	402,692	1,470
Net cash provided (used) by operating activities	<u>(138,261)</u>	<u>(138,261)</u>	<u>(75,086)</u>	<u>298,960</u>
<b>CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Transfers in from other funds	-	-	-	6,221,672
Transfers out to other funds	-	-	(169,300)	(19,200)
Net cash provided (used) by noncapital and related financing activities	<u>-</u>	<u>-</u>	<u>(169,300)</u>	<u>6,202,472</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(18,436)	(18,436)	-	(7,210,160)
Sale of capital assets	-	-	-	444,007
Principal paid on capital leases	(17,226)	(17,226)	-	-
Principal paid on bonds	-	-	(3,581)	(554,626)
Issuance of bonds	14,680	14,680	-	1,305,000
Interest paid on bonds and capital leases	(465)	(465)	(91)	(102,931)
Net cash provided (used) by capital and related financing activities	<u>(21,447)</u>	<u>(21,447)</u>	<u>(3,672)</u>	<u>(6,118,710)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Proceeds from sales and maturities of investments	474,605	474,605	3,379,426	193,513
Purchase of investments	(348,759)	(348,759)	(3,411,983)	(607,129)
Interest earnings on cash and investments	6,564	6,564	47,586	-
Net cash provided (used) by investing activities	<u>132,410</u>	<u>132,410</u>	<u>15,029</u>	<u>(413,616)</u>
Net increase (decrease) in cash and cash equivalents	<u>(27,298)</u>	<u>(27,298)</u>	<u>(233,029)</u>	<u>(30,894)</u>
Cash and cash equivalents - beginning of year	37,958	37,958	337,316	40,257
Cash and cash equivalents - end of year	<u>\$ 10,660</u>	<u>\$ 10,660</u>	<u>\$ 104,287</u>	<u>\$ 9,363</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>				
Operating income (loss)	\$ (69,362)	\$ (69,362)	\$ 1,406,802	\$ (1,740,665)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation and amortization	4,809	4,809	6,566	2,040,827
Other income	13	13	402,692	1,470
Change in current assets and liabilities:				
Accounts receivable	-	-	(28,058)	-
Inventory	(69,131)	(69,131)	-	(49,693)
Accounts payable	(12,109)	(12,109)	(752,430)	109,213
Due from other funds	(1,372)	(1,372)	-	-
Other accrued expenses	1,447	1,447	(1,083,466)	4,317
Change in compensated absences and retirement benefits	7,444	7,444	(27,192)	(66,509)
Net cash provided (used) by operating activities	<u>\$ (138,261)</u>	<u>\$ (138,261)</u>	<u>\$ (75,086)</u>	<u>\$ 298,960</u>

**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>
\$ 12,889,505	\$ 33,878,955	\$ -	\$ 67,078,541	\$ 71,410,426
2,165,734	-	-	2,165,734	2,497,609
(7,964,137)	(36,969,522)	(119,298)	(63,617,662)	(68,148,025)
(3,386,442)	(326,497)	(84,147)	(5,722,750)	(5,994,421)
664	19,554	-	424,380	424,393
<u>3,705,324</u>	<u>(3,397,510)</u>	<u>(203,445)</u>	<u>328,243</u>	<u>189,982</u>
58,500	-	-	6,280,172	6,280,172
<u>(31,750)</u>	<u>-</u>	<u>-</u>	<u>(220,250)</u>	<u>(220,250)</u>
<u>26,750</u>	<u>-</u>	<u>-</u>	<u>6,059,922</u>	<u>6,059,922</u>
(527,742)	-	-	(7,737,902)	(7,756,338)
8,032	-	-	452,039	452,039
-	-	-	-	(17,226)
(1,683,893)	-	-	(2,242,100)	(2,242,100)
-	-	-	1,305,000	1,319,680
<u>(438,122)</u>	<u>-</u>	<u>-</u>	<u>(541,144)</u>	<u>(541,609)</u>
<u>(2,641,725)</u>	<u>-</u>	<u>-</u>	<u>(8,764,107)</u>	<u>(8,785,554)</u>
1,022,962	4,668,115	15,386	9,279,402	9,754,007
(2,243,953)	(1,501,694)	(24,265)	(7,789,024)	(8,137,783)
26,663	42,861	210,900	328,010	334,574
<u>(1,194,328)</u>	<u>3,209,282</u>	<u>202,021</u>	<u>1,818,388</u>	<u>1,950,798</u>
(103,979)	(188,228)	(1,424)	(557,554)	(584,852)
170,229	234,127	2,166	784,095	822,053
<u>\$ 66,250</u>	<u>\$ 45,899</u>	<u>\$ 742</u>	<u>\$ 226,541</u>	<u>\$ 237,201</u>
\$ 2,274,041	\$ (3,648,622)	\$ (210,900)	\$ (1,919,344)	\$ (1,988,706)
1,826,253	-	-	3,873,646	3,878,455
664	19,554	-	424,380	424,393
-	-	-	(28,058)	(28,058)
5,099	-	-	(44,594)	(113,725)
(264,228)	(140,388)	15,587	(1,032,246)	(1,044,355)
11,923	-	-	11,923	10,551
17,768	379,227	431	(681,723)	(680,276)
<u>(166,196)</u>	<u>(7,281)</u>	<u>(8,563)</u>	<u>(275,741)</u>	<u>(268,297)</u>
<u>\$ 3,705,324</u>	<u>\$ (3,397,510)</u>	<u>\$ (203,445)</u>	<u>\$ 328,243</u>	<u>\$ 189,982</u>



## **CITY OF LUBBOCK, TEXAS**

### **Nonmajor Component Units**

The following Component Units, which are legally separate entities, are included in the reporting entity because the City is financially accountable and is able to impose its will.

**Urban Renewal Agency (URA)** – Accounts for housing rehabilitation, housing acquisition, and land disposition. The URA is governed by a board appointed by the City Council.

**Civic Lubbock, Inc.** was organized to foster and promote the presentation of wholesome educational and cultural programs, attractions and entertainment for the general moral, intellectual, physical improvement, and welfare of the people of the City of Lubbock and surrounding area.

**Market Lubbock Economic Development Corporation, dba Market Lubbock, Inc.** was formed to create, manage, operate, and supervise programs and activities that assist and enhance economic development within and around the City.

**Lubbock Economic Development Alliance** was formed to create, manage and supervise programs and activities to promote, assist, and enhance economic development within and around the City.

**Vintage Township Public Facilities Corporation** was formed to assist the City in financing, refinancing, providing or otherwise assisting in the acquisition, construction and maintenance of certain public facilities benefiting the Vintage Township.



**City of Lubbock, Texas**  
**Combining Statement of Net Position**  
**Nonmajor Component Units**  
**September 30, 2021**

	<b>Urban Renewal Agency (URA)</b>	<b>Civic Lubbock, Inc.</b>	<b>Market Lubbock, Inc.</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ -	\$ 858,371	\$ 4,970,557
Investments	-	-	1,727,415
Accounts receivable, net	-	40,583	611,800
Interest receivable	-	-	-
Due from other governments	-	-	1,355,356
Inventories	-	22,555	72,934
Prepaid expenses	-	13,028	-
Restricted assets:			
Cash and cash equivalents	-	2,405,568	-
Investment in property	187,028	-	-
Mortgage receivables	2,267,259	-	-
Land inventory	-	-	-
Capital assets (net of accumulated depreciation):			
Non-depreciable	-	366,332	-
Depreciable	-	3,697	2,736
Total assets	<u>2,454,287</u>	<u>3,710,134</u>	<u>8,740,798</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	-	2,208,753	85,009
Accrued liabilities	-	-	48,195
Accrued interest payable	-	-	-
Unearned revenues	-	623,240	-
Noncurrent liabilities due within one year:			
Contracts and leases payable	-	-	696,255
Bonds	-	-	-
Noncurrent liabilities due in more than one year:			
Contracts and leases payable	-	-	-
Bonds payable	-	-	-
Total liabilities	<u>-</u>	<u>2,831,993</u>	<u>829,459</u>
<b>NET POSITION (DEFICIT)</b>			
Net investment in capital assets	-	370,029	2,736
Restricted for:			
Primary government agreement	-	100,000	-
Special revenue	2,454,287	-	-
Unrestricted	-	408,112	7,908,603
Total net position (deficit)	<u>\$ 2,454,287</u>	<u>\$ 878,141</u>	<u>\$ 7,911,339</u>

<b>Lubbock Economic Development Alliance</b>	<b>Vintage Township Public Facilities Corporation</b>	<b>Total Nonmajor Component Units</b>
\$ 5,753,601	\$ -	\$ 11,582,529
1,552,317	-	3,279,732
1,704,046	-	2,356,429
399,802	-	399,802
-	-	1,355,356
-	-	95,489
-	-	13,028
-	-	2,405,568
-	-	187,028
-	-	2,267,259
7,624,625	-	7,624,625
-	-	366,332
<u>12,474,386</u>	<u>-</u>	<u>12,480,819</u>
<u>29,508,777</u>	<u>-</u>	<u>44,413,996</u>
692,970	-	2,986,732
84,532	-	132,727
-	72,828	72,828
-	-	623,240
906,800	-	1,603,055
-	37,000	37,000
4,677,000	-	4,677,000
-	1,938,000	1,938,000
<u>6,361,302</u>	<u>2,047,828</u>	<u>12,070,582</u>
12,474,386	-	12,847,151
-	-	100,000
-	-	2,454,287
<u>10,673,089</u>	<u>(2,047,828)</u>	<u>16,941,976</u>
<u>\$ 23,147,475</u>	<u>\$ (2,047,828)</u>	<u>\$ 32,343,414</u>

**City of Lubbock, Texas**  
**Combining Statement of Activities**  
**Nonmajor Component Units**  
**For the Year Ended September 30, 2021**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
<b>Urban Renewal Agency (URA)</b>				
Community services	\$ 667,730	\$ -	\$ -	\$ -
<b>Civic Lubbock, Inc.</b>				
Cultural and recreation	810,011	600,533	254,933	-
<b>Market Lubbock, Inc.</b>				
Economic and business development	5,075,471	39,307	217,713	-
<b>Lubbock Economic Development Alliance</b>				
Economic and business development	4,844,684	-	-	-
<b>Vintage Township Public Facilities Corporation</b>				
Interest on long-term debt	145,656	-	-	178,836
Total component units	<u>\$ 11,543,552</u>	<u>\$ 639,840</u>	<u>\$ 472,646</u>	<u>\$ 178,836</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**

<b>Urban Renewal Agency (URA)</b>	<b>Civic Lubbock, Inc.</b>	<b>Market Lubbock, Inc.</b>	<b>Lubbock Economic Development Alliance</b>	<b>Vintage Township Public Facilities Corporation</b>	<b>Total</b>
\$ (667,730)	\$ -	\$ -	\$ -	\$ -	\$ (667,730)
-	45,455	-	-	-	45,455
-	-	(4,818,451)	-	-	(4,818,451)
-	-	-	(4,844,684)	-	(4,844,684)
-	-	-	-	33,180	33,180
<u>(667,730)</u>	<u>45,455</u>	<u>(4,818,451)</u>	<u>(4,844,684)</u>	<u>33,180</u>	<u>(10,252,230)</u>
-	-	3,540,897	-	-	3,540,897
-	-	-	7,499,999	-	7,499,999
-	-	4,205,913	-	-	4,205,913
72,381	3,149	39,185	156,422	-	271,137
2,096	75,000	275,049	6,023,797	-	6,375,942
<u>74,477</u>	<u>78,149</u>	<u>8,061,044</u>	<u>13,680,218</u>	<u>-</u>	<u>21,893,888</u>
(593,253)	123,604	3,242,593	8,835,534	33,180	11,641,658
3,047,540	754,537	4,668,746	14,311,941	(2,081,008)	20,701,756
<u>\$ 2,454,287</u>	<u>\$ 878,141</u>	<u>\$ 7,911,339</u>	<u>\$ 23,147,475</u>	<u>\$ (2,047,828)</u>	<u>\$ 32,343,414</u>

**City of Lubbock, Texas**  
**Statement of Net Position**  
**Discretely Presented Component Unit**  
**Urban Renewal Agency (URA)**  
**September 30, 2021**

<b>ASSETS</b>	
Restricted assets:	
Investment in Property	\$ 187,028
Mortgage receivables	<u>2,267,259</u>
Total assets	<u><u>\$ 2,454,287</u></u>
<b>LIABILITIES</b>	
Total liabilities	<u>\$ -</u>
<b>NET POSITION</b>	
Restricted for:	
Special revenue	<u>2,454,287</u>
Total net position	<u><u>\$ 2,454,287</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, 2021**

<b>OPERATING REVENUES</b>	
Other services and charges	\$ 2,096
Interest income	<u>72,381</u>
Total operating revenues	<u>74,477</u>
<b>OPERATING EXPENSES</b>	
Other services and charges	<u>667,730</u>
Total operating expenses	<u>667,730</u>
Operating loss	<u>(593,253)</u>
Change in net position	(593,253)
Total net position - beginning	<u>3,047,540</u>
Total net position - ending	<u><u>\$ 2,454,287</u></u>

**City Of Lubbock, Texas**  
**Statement of Cash Flows**  
**Urban Renewal Agency**  
**For the Year Ended September 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 595,349
Payments to suppliers	(667,730)
Payments to employees	-
Other receipts (payments)	-
Net cash provided (used) by operating activities	<u>(72,381)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Proceeds from sales and maturities of investments	-
Purchase of investments	-
Interest earnings on cash and investments	72,381
Net cash provided by (used for) investing activities	<u>72,381</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>

**Reconciliation of operating income (loss) to net cash provided  
(used) by operating activities:**

Operating income (loss)	(665,634)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Other income (expense)	-
Change in current assets and liabilities:	
Mortgage receivable	593,253
Net cash provided (used) by operating activities	<u>(72,381)</u>

**Supplemental cash flow information:**

Noncash capital improvements and other changes	\$ <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, 2021**

<b>ASSETS</b>	
Total assets	<u>\$ -</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accrued interest payable	\$ 72,828
Bonds payable	<u>37,000</u>
Total current liabilities	<u>109,828</u>
Noncurrent liabilities:	
Bonds payable	<u>1,938,000</u>
Total noncurrent liabilities	<u>1,938,000</u>
Total liabilities	<u>2,047,828</u>
<b>NET POSITION (DEFICIT)</b>	
Unrestricted	<u>(2,047,828)</u>
Total net position (deficit)	<u>\$ (2,047,828)</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, 2021**

<b>NONOPERATING REVENUES (EXPENSES)</b>	
Grants	\$ 178,836
Interest expense	<u>(145,656)</u>
Net nonoperating revenues (expenses)	<u>33,180</u>
Change in net position	33,180
Total net position (deficit) - beginning	<u>(2,081,008)</u>
Total net position (deficit) - ending	<u><u>\$ (2,047,828)</u></u>

**City Of Lubbock, Texas**  
**Statement of Cash Flows**  
**Vintage Township Public Facilities Corporation**  
**For the Year Ended September 30, 2021**

**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>178,836</u>
Net cash provided (used) by noncapital and related financing activities		<u>178,836</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Principal paid on bonds		(32,000)
Interest paid on bonds		<u>(146,836)</u>
Net cash provided (used) for capital and related financing activities		<u>(178,836)</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>
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**City of Lubbock, Texas**  
**Statistical Section**  
**(Unaudited – for Analytical Purposes Only)**  
**September 30, 2021**

The following portion of the City of Lubbock Comprehensive Annual 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 Comprehensive Annual 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)

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities</b>										
Net investment in capital assets	\$ 253,191	\$ 221,288	\$ 186,559	\$ 152,999	\$ 126,549	\$ 107,639	\$ 94,271	\$ 89,047	\$ 77,399	\$ 55,235
Restricted	27,909	27,866	26,958	22,597	20,190	17,194	15,158	26,791	11,035	9,996
Unrestricted	(137,923)	(160,126)	(166,772)	(160,028)	(120,441)	(97,536)	(76,919)	(14,099)	(1,718)	(2,049)
Total governmental activities net position	143,177	89,028	46,745	15,568	26,298	27,297	32,510	101,739	86,716	63,182
<b>Business-type activities</b>										
Net investment in capital assets	931,616	870,350	810,898	764,280	730,908	676,613	614,404	574,512	561,354	542,640
Restricted	74,355	63,638	50,997	32,147	39,889	38,728	40,576	39,069	35,740	33,035
Unrestricted	75,453	92,759	99,196	121,879	99,534	100,079	97,774	121,430	115,333	108,667
Total business-type activities net position	1,081,424	1,026,747	961,091	918,306	870,331	815,420	752,754	735,011	712,427	684,342
<b>Primary Government</b>										
Net investment in capital assets	1,184,807	1,091,638	997,457	917,279	857,457	784,252	708,675	663,559	638,753	597,875
Restricted	102,264	91,504	77,955	54,744	60,079	55,922	55,734	65,860	46,775	43,031
Unrestricted	(62,470)	(67,367)	(67,576)	(38,149)	(20,907)	2,543	20,855	107,331	113,615	106,618
Total Primary government net position	\$ 1,224,601	\$ 1,115,775	\$ 1,007,836	\$ 933,874	\$ 896,629	\$ 842,717	\$ 785,264	\$ 836,750	\$ 799,143	\$ 747,524

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)**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>EXPENSES</b>										
Governmental activities:										
Administrative services and general government	\$ 21,532,871	\$ 18,499,321	\$ 16,151,468	\$ 14,854,781	\$ 14,598,216	\$ 14,944,792	\$ 12,678,745	\$ 13,842,443	\$ 13,287,438	\$ 11,564,122
Community services	9,315,841	7,099,445	6,257,498	5,064,842	6,219,680	5,254,214	5,518,501	5,904,999	6,983,062	5,493,264
Cultural and recreation	17,903,647	18,630,068	19,543,417	18,894,418	20,145,662	19,132,813	17,538,405	17,548,024	17,581,835	16,968,404
Economic and business development	20,025,126	18,534,771	20,174,850	18,938,568	17,207,379	16,833,858	16,349,405	15,737,748	16,258,386	15,100,595
Fire	60,500,949	47,665,316	67,973,842	61,089,454	61,435,103	56,337,294	50,954,425	45,293,942	42,646,239	41,335,751
Health	10,625,328	7,120,460	6,717,959	5,790,308	5,905,200	5,702,354	5,222,280	4,918,230	4,409,889	5,437,035
Police	69,069,600	76,433,464	73,600,529	67,835,367	69,597,467	69,246,130	62,607,334	61,580,048	59,261,383	58,549,406
Other public safety	16,238,744	21,922,781	8,136,634	8,014,293	7,991,003	9,573,985	7,052,342	6,484,824	6,803,117	6,881,024
Streets and traffic	31,273,463	32,943,125	35,768,130	30,656,165	28,674,025	28,459,651	28,143,677	25,346,304	22,366,616	26,411,247
Solid Waste	18,801,094	19,575,283	19,604,313	16,820,311	-	-	-	-	-	-
Interest on long-term debt	8,475,848	10,569,582	11,326,682	11,857,748	12,348,553	12,566,751	11,887,688	12,006,271	13,058,063	13,653,174
Total governmental activities	283,762,511	278,993,616	285,255,322	259,816,255	244,122,288	238,051,842	217,952,802	208,662,833	202,656,028	201,394,022
Business-type activities:										
Electric	266,509,594	199,682,842	193,325,242	217,957,566	224,783,283	206,965,251	213,356,425	216,615,556	202,250,921	187,682,253
Water/Wastewater	113,325,126	111,443,296	101,952,908	94,690,532	84,788,838	87,463,378	82,860,997	83,791,332	81,561,871	82,552,925
Solid Waste	-	-	-	-	19,276,982	18,085,516	17,810,415	18,590,913	18,066,734	16,761,293
Storm Water	13,771,425	14,367,473	12,676,579	11,658,461	11,900,754	11,482,663	11,195,526	11,155,160	11,251,520	10,881,637
Transit	13,529,584	13,636,366	14,184,242	13,613,841	13,293,179	12,721,209	13,494,416	13,379,227	12,904,611	12,810,078
Airport	24,394,222	17,823,376	18,544,972	17,864,799	16,719,986	15,882,259	15,188,492	13,671,449	14,111,055	11,738,776
Civic Centers	3,073,298	3,885,956	4,364,240	4,147,240	4,344,371	4,865,583	5,053,790	4,448,109	3,961,490	3,876,483
Cemetery	549,490	622,854	604,329	606,304	760,032	752,734	718,990	654,949	667,863	726,256
Lake Alan Henry	537,206	535,390	462,046	390,539	382,614	359,639	367,216	420,804	514,491	509,291
Total business-type activities	435,689,945	361,997,553	346,114,558	360,929,282	376,250,039	358,578,232	360,046,267	362,727,499	345,290,556	327,538,992
Total primary government expenses	\$ 719,452,456	\$ 640,991,169	\$ 631,369,880	\$ 620,745,537	\$ 620,372,327	\$ 596,630,074	\$ 577,999,069	\$ 571,390,332	\$ 547,946,584	\$ 528,933,014
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
Cultural and recreation	\$ 986,458	\$ 611,111	\$ 1,324,648	\$ 1,344,698	\$ 1,358,711	\$ 1,394,377	\$ 1,400,867	\$ 1,310,187	\$ 1,283,204	\$ 1,307,978
Other public safety	8,239,418	7,413,943	8,236,256	7,111,784	7,193,605	7,369,011	7,381,112	6,936,464	7,358,641	6,646,970
Other activities	4,331,198	3,310,544	2,902,347	2,377,728	2,354,065	2,240,458	2,087,636	2,015,819	1,893,433	1,745,560
Solid Waste	26,051,133	24,018,777	24,084,828	22,656,887	-	-	-	-	-	-
Operating grants and contributions	22,249,601	22,554,192	7,410,775	6,447,093	7,240,734	6,362,542	6,212,820	6,862,991	7,220,886	12,094,607
Capital grants and contributions	13,600,561	17,387,769	20,668,740	15,152,177	10,831,852	12,889,721	12,841,939	12,024,981	21,259,390	8,961,808
Total governmental activities program revenues	75,458,369	75,296,336	64,627,594	55,090,367	28,978,967	30,256,109	29,924,374	29,150,442	39,015,554	30,756,923
Business-type activities:										
Charges for services:										
Electric	273,843,064	213,061,262	215,456,633	246,862,911	252,069,677	230,349,802	228,310,467	234,136,509	220,111,810	195,765,095
Water/Wastewater	134,824,670	136,392,723	124,756,503	134,393,703	122,897,934	118,514,604	111,728,950	111,731,060	114,477,673	104,639,943
Solid Waste	22,423,463	22,226,051	25,797,905	26,401,167	20,738,031	20,483,239	20,662,231	19,716,606	19,538,678	19,483,045
Storm Water	4,438,573	3,988,367	5,901,555	5,872,405	5,732,262	5,638,145	5,926,672	5,763,642	5,921,604	5,211,423
Transit	9,802,801	9,940,756	12,498,983	11,640,261	25,538,337	24,970,570	23,119,087	19,606,904	19,285,819	19,043,611
Airport	396,032	308,267	534,064	819,382	834,156	9,335,596	9,082,072	8,471,833	7,780,680	7,677,538
Civic Centers	609,490	450,789	370,796	370,857	363,327	728,652	698,421	691,871	701,855	663,415
Cemetery	716,640	975,011	609,164	615,979	571,513	600,320	506,207	434,993	476,437	490,211
Lake Alan Henry	12,772,714	10,844,975	8,691,337	8,297,344	7,902,035	8,054,492	7,724,257	8,407,207	8,242,942	8,399,969
Operating grants and contributions	33,072,973	26,341,054	17,576,344	16,465,762	15,325,835	31,914,754	29,158,083	13,287,745	16,324,187	28,428,061
Capital grants and contributions	492,900,420	424,529,255	412,133,284	451,739,771	461,392,511	450,992,654	437,392,591	422,729,987	413,296,678	390,212,915
Total business-type activities program revenues										

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total primary government program revenues	\$ 568,358,789	\$ 499,825,591	\$ 476,760,878	\$ 506,830,138	\$ 490,371,478	\$ 481,248,763	\$ 467,316,965	\$ 451,880,429	\$ 452,312,232	\$ 420,969,838
<b>NET (EXPENSES) AND PROGRAM REVENUES</b>										
Governmental activities	\$ (208,304,142)	\$ (203,697,280)	\$ (220,627,728)	\$ (204,725,888)	\$ (215,143,321)	\$ (207,795,733)	\$ (188,028,428)	\$ (179,512,391)	\$ (163,640,474)	\$ (170,637,099)
Business-type activities	57,210,475	62,531,702	66,018,726	90,810,489	85,142,472	92,414,422	77,346,324	60,002,488	68,006,122	62,673,923
Total net (expenses) and program revenues	\$ (151,093,667)	\$ (141,165,578)	\$ (154,609,002)	\$ (113,915,399)	\$ (130,000,849)	\$ (115,381,311)	\$ (110,682,104)	\$ (119,509,903)	\$ (95,634,352)	\$ (107,963,176)
<b>GENERAL REVENUE, SPECIAL ITEMS, AND TRANSFERS</b>										
Governmental activities:										
Property taxes	105,517,120	103,521,290	97,439,994	89,644,354	86,301,543	80,613,271	74,227,519	69,083,591	65,361,484	60,935,080
Sales taxes	89,999,993	80,703,622	78,160,193	73,571,504	70,417,997	67,978,112	68,037,340	64,650,937	62,250,140	57,303,792
Occupancy taxes	7,483,912	5,931,465	7,855,116	7,355,293	7,025,004	6,852,082	6,769,286	6,252,188	6,147,539	5,209,971
Other taxes	1,771,582	1,471,037	1,743,275	1,662,833	1,603,945	1,562,933	1,562,665	1,494,361	1,266,378	1,160,654
Franchise taxes	29,733,044	26,325,804	9,617,200	9,332,330	9,073,332	9,279,073	10,841,411	9,270,352	9,126,818	9,727,782
Investment earnings	1,080,449	4,817,702	6,923,972	2,674,797	1,371,387	1,068,978	754,439	346,953	204,991	345,626
Miscellaneous	19,781,846	16,874,646	7,753,533	4,255,168	3,362,347	3,413,969	2,760,695	3,745,458	5,843,077	9,686,138
Transfers, net	7,085,290	6,334,943	42,311,185	38,479,748	34,989,088	31,814,641	36,189,998	39,692,321	36,973,388	25,571,122
Total governmental activities	\$ 262,453,236	\$ 245,980,509	\$ 251,804,468	\$ 226,976,027	\$ 214,144,643	\$ 202,583,059	\$ 201,143,353	\$ 194,536,161	\$ 187,173,815	\$ 169,940,165
Business-type activities:										
Investment earnings	3,238,746	9,952,776	16,333,948	8,241,483	2,841,137	1,873,424	1,412,364	720,378	229,354	485,569
Miscellaneous	1,313,002	575,131	2,742,846	1,302,592	1,916,621	192,436	1,744,209	1,552,742	1,774,039	3,507,720
Transfers, net	(7,085,290)	(6,334,943)	(42,311,185)	(38,479,748)	(34,989,088)	(31,814,641)	(36,189,998)	(39,692,321)	(36,973,388)	(25,571,122)
Total business-type activities	\$ (2,533,542)	\$ 4,192,964	\$ (23,234,391)	\$ (28,935,673)	\$ (30,231,330)	\$ (29,748,781)	\$ (33,033,425)	\$ (37,419,201)	\$ (34,969,995)	\$ (21,577,833)
Total primary government	\$ 259,919,694	\$ 250,173,473	\$ 228,570,077	\$ 198,040,354	\$ 183,913,313	\$ 172,834,278	\$ 168,109,928	\$ 157,116,960	\$ 152,203,820	\$ 148,362,332
<b>CHANGES IN NET POSITION</b>										
Governmental activities	\$ 54,149,094	\$ 42,283,229	\$ 31,176,740	\$ 22,250,139	\$ (998,678)	\$ (5,212,674)	\$ 13,114,925	\$ 15,023,770	\$ 23,533,341	\$ (696,934)
Business-type activities	54,676,933	66,724,666	42,784,335	61,874,816	54,911,142	62,665,641	44,312,899	22,583,287	33,036,127	41,096,090
Total primary government	\$ 108,826,027	\$ 109,007,895	\$ 73,961,075	\$ 84,124,955	\$ 53,912,464	\$ 57,452,967	\$ 57,427,824	\$ 37,607,057	\$ 56,569,468	\$ 40,399,156

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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
General Fund										
Nonspendable	\$ 141,304	\$ 158,566	\$ 154,233	\$ 121,578	\$ 119,300	\$ 107,770	\$ 118,303	\$ 127,283	\$ 115,585	\$ 105,079
Restricted	246,718	3,235,247	206,655	5,007,610	1,966,885	-	-	-	-	-
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	1,232,042	-	-
Unassigned	87,829,092	71,555,145	55,265,460	47,963,825	37,543,346	35,565,756	39,072,190	29,251,491	33,721,048	28,056,366
Total general fund	\$ 88,217,114	\$ 74,948,958	\$ 55,626,348	\$ 53,093,013	\$ 39,629,531	\$ 35,673,526	\$ 39,190,493	\$ 30,610,816	\$ 33,836,633	\$ 28,161,445
All other governmental funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	108,785,632	105,250,786	118,168,350	88,910,538	94,749,432	105,010,204	64,688,760	47,613,171	52,018,973	59,977,760
Committed	32,571,537	26,491,812	26,916,895	22,680,630	18,313,066	20,737,501	18,127,157	17,820,561	11,923,822	13,255,916
Assigned	-	-	-	-	-	-	-	-	-	-
Unassigned	(533)	(122)	-	-	(621,125)	(2,469,447)	(1,988,475)	(2,759,378)	(3,405,424)	(3,420,029)
Total all other governmental funds	\$ 141,356,636	\$ 131,742,476	\$ 145,085,245	\$ 111,591,168	\$ 112,441,373	\$ 123,278,258	\$ 80,827,442	\$ 62,674,354	\$ 60,537,371	\$ 69,813,647



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

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>REVENUES</b>										
Taxes	\$ 205,060,544	\$ 191,327,688	\$ 185,073,679	\$ 172,268,079	\$ 165,214,167	\$ 156,881,965	\$ 150,651,856	\$ 141,477,923	\$ 135,096,438	\$ 124,533,946
Franchise taxes	29,733,044	26,325,804	9,617,200	9,332,330	9,073,332	9,279,072	10,841,411	9,270,352	9,126,818	9,727,782
Spectral assessments	1,576,264	1,542,553	1,427,669	1,186,366	1,196,666	972,073	932,227	885,509	834,233	763,467
Fees and fines	2,676,436	2,438,784	3,206,853	3,385,607	2,970,915	3,154,394	3,657,410	3,355,397	4,000,374	3,746,075
Licenses and permits	4,740,527	4,549,345	4,176,891	2,746,803	3,274,043	3,568,885	3,004,539	2,821,135	2,625,478	2,396,476
Intergovernmental	22,959,634	23,365,257	9,533,067	7,056,331	7,630,355	6,879,827	6,982,323	7,498,343	7,982,061	13,568,745
Charges for services	30,373,725	26,936,207	27,693,602	25,945,159	3,261,092	3,369,472	3,283,699	3,185,206	3,237,358	3,077,199
Interest	758,436	3,918,903	5,813,270	2,249,228	1,121,782	837,193	471,663	201,945	59,537	218,949
IRS Build America Bond subsidy	-	-	-	306,422	427,246	427,694	425,399	425,858	439,395	459,377
Miscellaneous	19,255,564	18,442,818	7,589,653	3,991,826	3,105,525	3,111,861	3,982,473	3,600,811	6,472,860	6,377,161
Total revenues	317,134,174	298,847,359	254,131,884	228,468,151	197,275,150	188,482,436	184,233,000	172,722,479	169,874,352	164,869,177
<b>EXPENDITURES</b>										
Current:										
Administrative services and general government	19,782,344	16,147,334	14,630,983	13,938,352	13,068,496	12,567,136	11,602,733	12,605,166	12,041,031	10,383,779
Community services	9,300,036	6,680,349	5,736,399	4,828,621	5,674,147	4,529,775	5,157,325	5,449,045	6,473,828	5,055,939
Cultural and recreation	14,342,422	13,965,338	14,755,806	14,699,119	15,153,618	13,740,289	13,781,678	13,560,730	13,624,228	13,113,048
Economic and business development	18,799,850	16,198,335	17,176,903	16,499,599	15,123,557	14,847,901	14,486,273	13,918,302	14,448,168	13,350,288
Fire	54,317,718	43,053,910	51,843,242	49,141,306	48,371,296	46,749,381	44,678,736	42,577,899	40,155,876	37,491,054
Health	10,409,362	6,424,095	5,947,787	5,286,487	5,160,284	4,792,986	4,708,040	4,424,436	3,953,392	4,717,731
Police	68,895,672	71,047,654	67,028,966	64,186,346	62,152,361	59,349,562	58,715,559	56,433,835	54,990,627	53,222,559
Other public safety	16,344,921	21,351,751	7,520,203	7,415,365	7,389,499	8,595,231	6,676,285	6,031,998	6,422,086	6,320,537
Streets and traffic	7,306,204	8,838,268	11,561,871	7,590,003	7,165,545	7,301,215	7,602,508	7,230,024	7,339,900	10,804,451
Solid Waste	15,241,865	14,610,714	14,227,434	13,132,441	-	-	-	-	-	-
Intergovernmental	88,429	107,386	194,959	28,067	90,482	69,671	85,493	80,292	84,547	99,423
Debt services:										
Principal	36,473,607	37,769,203	39,007,406	43,248,742	31,871,125	26,293,733	25,150,914	24,498,506	21,866,286	18,994,553
Interest and other charges	13,131,400	15,088,704	14,524,848	14,869,630	15,203,216	13,661,955	12,964,382	13,107,141	13,882,409	14,211,356
Capital outlay	47,212,309	41,847,523	42,057,859	38,712,531	33,945,200	45,440,546	24,805,107	28,179,762	37,012,362	34,503,433
Total expenditures	331,646,139	313,130,564	306,214,666	293,576,609	260,368,826	257,939,381	230,415,033	228,097,136	232,294,740	222,268,151
Deficiency of revenues under expenditures	(14,511,965)	(14,283,205)	(52,082,782)	(65,108,458)	(63,093,676)	(69,456,945)	(46,182,033)	(55,374,657)	(62,420,188)	(57,398,974)
<b>OTHER FINANCING SOURCES (USES)</b>										
Long-term debt issued	59,075,538	38,026,000	59,243,627	41,718,979	33,336,596	75,465,000	69,145,000	32,715,000	43,695,000	31,841,471
Payment of refunded debt to escrow agent	(26,983,904)	(20,600,990)	(7,856,803)	(20,510,547)	(14,745,470)	(17,872,864)	(45,972,814)	(20,768,374)	(30,465,061)	(9,703,645)
Bond premium (discount)	5,309,885	1,194,216	7,240,311	4,084,766	2,560,230	10,646,353	9,344,831	5,319,643	5,990,123	1,847,580
Capital leases issued	-	-	-	-	-	6,591,692	4,555,298	5,842,667	5,778,891	5,537,998
Transfers in	53,829,456	51,520,962	78,989,966	96,370,476	60,402,576	63,706,307	58,318,909	56,926,661	53,679,599	47,625,755
Transfers out	(53,836,694)	(49,877,142)	(49,506,907)	(43,941,939)	(25,341,136)	(30,145,694)	(22,476,426)	(25,749,774)	(19,859,452)	(20,038,143)
Net other financing sources (uses)	37,394,281	20,263,046	88,110,194	77,721,735	56,212,796	108,390,794	72,914,798	54,285,823	58,819,100	57,111,016
Net change in fund balances	\$ 22,882,316	\$ 5,979,841	\$ 36,027,412	\$ 12,613,277	\$ (6,880,880)	\$ 38,933,849	\$ 26,732,765	\$ (1,088,834)	\$ (3,601,088)	\$ (287,958)
Debt service as a percentage of non-capital expenditures	17.44%	19.48%	20.27%	22.80%	20.79%	18.80%	18.54%	18.81%	18.31%	17.68%

**CITY OF LUBBOCK, TEXAS**  
**Table E - Tax Revenues by Source**  
**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Property Tax</b>		<b>Sales Tax</b>		<b>Hotel and Motel Tax</b>		<b>Other Tax</b>		<b>Total Tax Revenues <sup>(3)</sup></b>
	<b>Revenues <sup>(1)</sup></b>	<b>Revenues <sup>(1)</sup></b>	<b>Revenues</b>	<b>Revenues</b>	<b>Revenues</b>	<b>Revenues <sup>(2)</sup></b>	<b>Revenues <sup>(2)</sup></b>		
2012	60,859,529	60,859,529	57,303,792	57,303,792	5,209,971	1,160,654	1,160,654	124,533,946	
2013	65,432,381	65,432,381	62,250,140	62,250,140	6,147,539	1,266,378	1,266,378	135,096,438	
2014	69,080,437	69,080,437	64,650,937	64,650,937	6,252,188	1,494,361	1,494,361	141,477,923	
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	
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	
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	
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	
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	
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	
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	

Notes:

(1) Includes General, Special Revenue, and Debt Service Funds.

(2) Includes bingo tax and mixed beverage tax.

(3) Excludes Franchise Fees

**CITY OF LUBBOCK, TEXAS**  
**Table F - Assessed and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

Fiscal Year Ending	Real Property		Personal Property		Exemptions		Total		Ratio of total assessed value to total estimated actual value	Total Direct Rate
	Assessed value	Estimated actual value	Assessed value	Estimated actual value	All Property	Assessed value	Estimated actual value			
2012	11,006,904,078	11,464,577,135	1,622,705,187	1,665,501,335	500,469,205	12,629,609,265	13,130,078,470	96.2%	0.474000	
2013	11,377,170,895	11,815,025,106	1,723,036,203	1,770,854,435	485,672,443	13,100,207,098	13,585,879,541	96.4%	0.492110	
2014	11,802,709,058	12,238,826,319	1,732,964,199	1,797,878,859	501,031,921	13,535,673,257	14,036,705,178	96.4%	0.504410	
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	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%	0.541573	

Source: Lubbock Central Appraisal District

Note: FY 2016 has been restated to correct an error.

**CITY OF LUBBOCK, TEXAS**  
**Table G - Principal Taxpayers**  
**Current Year and Nine Years Ago**

	FYE 2021				FYE 2012			
	Name of Taxpayer	Type of Business	Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation	Taxable Assessed Valuation	Rank	% of Total Taxable Assessed Valuation
Macerich Lubbock LTD Prrshp	Regional Shopping Mall	\$ 135,244,553	1	0.65%	\$ 120,571,839	1	0.98%	
United Supermarket LLC	Food Wholesale	125,006,484	2	0.60%	57,270,781	2	0.47%	
Energas/Atmos Corp	Natural Gas Utility	110,066,179	3	0.53%	38,853,520	8	0.32%	
Wal Mart Stores Inc	Discount Retail Store	83,917,043	4	0.40%	39,429,338	7	0.32%	
CBC Centre Suites LLC	Student Housing	58,411,209	5	0.28%				
ACC OP LLC	Student Housing	54,245,726	6	0.26%				
Southwestern Public Service	Electric Utility	50,565,255	7	0.24%				
Westwind Realty LP	Student Housing	44,534,079	8	0.21%				
CCC-Lubbock LLC	Apartments	42,632,425	9	0.20%				
Suddenlink Communications	Cable Utility	39,417,750	10	0.19%	44,873,388	5	0.37%	
Southwestern Public Service	Electric Utility				50,680,387	3	0.41%	
Southwestern Bell Telephone LP	Telephone Utility				48,275,640	4	0.39%	
Plains Co-op Oil Mill, Inc.	Agricultural Processing				41,413,068	6	0.34%	
1859 Management PTRS LP	Hotel				30,780,090	9	0.25%	
Tyco Fire Products LP	Fire Suppression Manufacturer				30,105,912	10	0.24%	
		<u>\$ 744,040,703</u>		<u>3.54%</u>	<u>\$ 502,253,963</u>		<u>4.10%</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
2012	59,220,369	(203,600)	59,016,769	58,284,680	98.4%	654,644	58,939,324	99.9%
2013	63,279,229	(168,804)	63,110,425	62,375,516	98.6%	614,763	62,990,279	99.8%
2014	66,684,667	(142,586)	66,542,081	65,871,343	98.8%	582,110	66,453,453	99.9%
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	99,230,875	98.8%
2021	101,459,830	810,862	102,270,692	101,255,741	99.8%	157,059	100,255,741	99.0%

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)	
2012	0.34200	0.03000	0.10200	0.47400	1.23500	0.32946	0.00776	0.12072	
2013	0.35683	0.02937	0.10591	0.49211	1.23500	0.34648	0.00754	0.11919	
2014	0.36080	0.02705	0.11656	0.50441	1.23500	0.34531	0.00810	0.11844	
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	

Source: Lubbock Central Appraisal District

**CITY OF LUBBOCK, TEXAS**  
**Table J - Ratio of Outstanding Debt By Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental					Percentage of Estimated Actual Taxable Value of Property	Per Capita
	General Obligation Bonds <sup>(1)</sup>	Tax Note	Capital Leases	Total			
2012	294,238,000	-	20,237,786	314,475,786	2.49%	1,346	
2013	301,188,957	-	21,698,987	322,887,944	2.46%	1,366	
2014	301,142,375	-	23,327,397	324,469,772	2.40%	1,359	
2015	317,369,524	-	23,073,398	340,442,922	2.40%	1,411	
2016	365,513,797	-	25,549,907	391,063,704	2.45%	1,604	
2017	348,248,886	10,791,284	15,614,548	374,654,718	2.22%	1,484	
2018	355,747,110	20,249,968	12,077,164	388,074,242	2.18%	1,482	
2019	372,335,270	19,752,852	6,310,604	398,398,726	2.14%	1,507	
2020	345,815,260	23,004,918	1,608,225	370,428,403	1.93%	1,388	
2021	346,596,290	20,080,591	-	366,676,881	1.78%	1,381	

Fiscal Year	Business-type					Percentage of Personal Income	Per Capita	
	General Obligation Bonds <sup>(2)</sup>	Tax Note	Revenue Bonds <sup>(3)</sup>	Capital Leases	Notes Payable			Total
2012	718,563,390	-	137,153,954	16,970,843	-	872,688,187	8.97%	3,735
2013	723,897,798	-	142,207,974	21,461,977	-	887,567,749	8.27%	3,755
2014	732,210,640	-	147,699,694	20,139,670	-	900,050,004	8.09%	3,771
2015	771,109,866	-	147,305,321	19,700,974	3,750,000	941,866,161	8.18%	3,904
2016	767,552,642	-	140,885,848	23,449,316	2,500,000	934,387,806	8.09%	3,834
2017	761,858,677	7,428,716	144,117,529	14,321,325	1,250,000	928,976,247	7.91%	3,679
2018	704,228,328	5,545,032	233,205,483	2,798,295	-	945,777,138	7.48%	3,611
2019	657,941,592	4,867,145	249,516,120	1,412,717	-	913,737,574	6.98%	3,456
2020	518,175,998	4,275,080	358,620,066	380,731	-	881,451,876	6.41%	3,303
2021	421,298,232	3,214,407	708,517,332	-	-	1,133,029,971	7.74%	4,266

\* Includes HUD 108 Debt

**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 <sup>(1)</sup>	Debt Service Monies Available <sup>(2)</sup>	Debt Payable from Other Government Revenues <sup>(3)</sup>	Debt Payable from Enterprise Revenues <sup>(4)</sup>	Net Bonded Debt <sup>(5)</sup>	Ratio of Net	
								Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2012	233,651	12,629,609	1,012,801,390	5,274,783	95,402,075	696,661,487	215,463,045	1.71%	922
2013	236,362	13,100,207	1,025,086,755	5,716,130	94,061,709	689,773,914	235,535,002	1.80%	997
2014	238,706	13,535,673	1,033,353,015	6,223,988	91,933,011	691,330,969	243,865,047	1.80%	1,022
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	16,841,610	1,128,327,563	8,912,516	74,179,187	706,181,391	339,054,469	2.01%	1,343
2018	261,946	17,793,732	1,085,770,438	10,427,738	55,526,409	656,626,491	363,189,800	2.04%	1,387
2019	264,388	18,655,937	1,054,896,859	13,845,408	56,061,646	614,021,089	372,904,272	2.00%	1,410
2020	266,859	19,233,335	891,271,256	14,176,331	53,138,620	487,712,615	336,243,690	1.75%	1,260
2021	265,531	20,656,948	791,189,520	12,297,686	44,707,903	387,598,843	346,585,088	1.68%	1,305

\*Sources: City of Lubbock Business Development estimates, 2010 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.



**CITY OF LUBBOCK, TEXAS**  
**Table L - Computation of Legal Debt Margin**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017
Total Taxable Property Value	20,656,947,725	19,233,335,385	18,655,937,242	17,793,732,000	16,841,610,145
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	309,854,216	288,500,031	279,839,059	266,905,980	252,624,152
General Obligation & Certificate Obligation principal payments	(78,040,000)	(77,765,000)	(78,165,000)	(78,365,000)	(72,370,000)
Capital lease principal payments	(317,136)	(1,378,148)	(2,458,087)	(6,550,200)	(12,374,232)
Margin of Indebtedness Available	<b>\$ 231,497,080</b>	<b>\$ 209,356,883</b>	<b>\$ 199,215,972</b>	<b>\$ 181,990,780</b>	<b>\$ 167,879,920</b>

	2016	2015	2014	2013	2012
Total Taxable Property Value	15,947,987,520	\$ 14,183,510,930	\$ 13,535,673,257	\$ 13,100,207,098	\$ 12,629,609,265
Total Debt Margin Available (\$1.50 per \$100 Assessed Valuation)*	239,219,813	212,752,664	203,035,099	196,503,106	189,444,139
General Obligation & Certificate Obligation principal payments	(66,210,000)	(64,864,113)	(61,700,000)	(39,665,000)	(50,335,000)
Capital lease principal payments	(10,341,126)	(10,640,995)	(10,571,409)	(9,908,108)	(10,588,477)
Margin of Indebtedness Available	<b>\$ 162,668,687</b>	<b>\$ 137,247,556</b>	<b>\$ 130,763,690</b>	<b>\$ 146,929,998</b>	<b>\$ 128,520,662</b>

\*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.

\*\* Capital Lease Principal Payments corrected for FY 18 and FY 17 In FY 19

**CITY OF LUBBOCK, TEXAS**  
**Table M - Revenue Bond Coverage - LP&L and Water Bonds**  
**Last Ten Fiscal Years**

ELECTRIC BONDS:				Net Revenue Available for Debt Service			Debt Service Requirements		
Fiscal Year	Net Revenue <sup>(1)</sup>	Direct Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage		
2012	189,208,522	154,396,274	34,812,248	6,600,000	3,176,315	9,776,315	3.56		
2013	212,656,108	169,615,904	43,040,204	6,845,000	2,804,445	9,649,445	4.46		
2014	227,244,632	186,020,860	41,223,772	8,250,000	2,890,312	11,140,312	3.70		
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		

WATER BONDS:				Net Revenue Available for Debt Service			Debt Service Requirements		
Fiscal Year <sup>(1)</sup>	Net Revenue <sup>(2)</sup>	Direct Operating Expenses <sup>(3)</sup>	Net Revenue Available for Debt Service	Principal	Interest	Total	Coverage		
2012	73,013,404	24,767,762	48,245,642	2,427,367	2,984,031	5,411,398	8.92		
2013	80,899,076	27,824,918	53,074,158	14,579,520	2,807,990	17,387,510	3.05		
2014	78,027,115	27,116,338	50,910,777	3,017,055	2,926,363	5,943,418	8.57		
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	2,183,941	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	9,410,878	7,430,041	16,840,919	4.26		

(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. For Water, it includes CRMWA debt payment in years 2006-2007, 2007-2008, 2008-2009 AND 2009-2010.

**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	Interest	Total Debt Service <sup>(1)</sup>	
2012	9,727,011	6,759,287	16,486,298	8.7%
2013	8,368,806	5,885,847	14,254,653	7.1%
2014	13,435,702	6,435,703	19,871,405	9.7%
2015	13,665,060	6,375,646	20,040,706	9.6%
2016	14,912,306	7,118,493	22,030,799	10.1%
2017	15,941,391	9,327,776	25,269,167	11.0%
2018	17,941,952	9,138,451	27,080,403	10.5%
2019	18,216,211	8,001,825	26,218,036	9.9%
2020	18,564,111	9,414,837	27,978,948	10.2%
2021	18,565,981	7,619,617	26,185,598	9.3%
			<b>Total General Expenditures<sup>(2)</sup></b>	
			189,604,352	
			200,012,330	
			205,386,853	
			208,586,280	
			219,106,422	
			229,677,979	
			258,698,453	
			264,483,190	
			273,258,641	
			280,176,897	

<sup>(1)</sup> Includes debt service requirements on General Obligation and Certificate of Obligation bonds. Excludes bonds issued in TIF, Gateway, Hotel Tax Supported, and HUD funds.

<sup>(2)</sup> Includes General, Special Revenue, and Debt Service Funds.

**CITY OF LUBBOCK, TEXAS**

**Table O - Computation of Direct and Overlapping Bonded Debt  
General Obligation Bonds in Governmental Activities**

	Funded Debt Outstanding at 09/30/2021	Percentage Applicable to City of Lubbock	Amount Applicable to City of Lubbock
City of Lubbock	\$ 339,016,155 <sup>(1)</sup>	100.00%	\$ 339,016,155
Subtotal Directs	<u>339,016,155</u>		<u>339,016,155</u>
Lubbock County	(2) 56,985,000	82.68%	47,115,198
Lubbock Independent School District	(2) 306,365,475	98.61%	302,106,995
Lubbock- Cooper Independent School District	378,717,892	72.67%	275,214,292
Freanship Independent School District	(2) 474,011,539	78.74%	373,236,686
Idalou Independent School District	(2) 10,710,000	10.29%	1,102,059
Roosevelt Independent School District	(2) 7,360,000	3.46%	254,656
Subtotal Overlapping	<u>1,234,149,906</u>		<u>999,029,885</u>
Total	<u>\$ 1,573,166,061</u>		<u>\$ 1,338,046,040</u>

<sup>(1)</sup> General purpose funded debt payable from ad valorem taxes in governmental activities. Also, includes all self-supporting debt and capital lease balances - governmental activities.

<sup>(2)</sup> "Texas Municipal Reports" published by the Municipal Advisory Council of Texas.

**CITY OF LUBBOCK, TEXAS**  
**Table P - Demographic Statistics**  
**Last Ten Years**

Year	Population (1)	Personal Income (in thousands) (2)	Per Capita Income* (3)	Median Age (1)	Education Level in Years of Formal Schooling			Unemployment Rate (1)
					Completed (1)	School Enrollment (6)	Rate (7)	
2012	233,651	9,725,542	34,654	30.3	12.8	29,226	5.60%	
2013	236,362	10,290,498	36,422	29.7	13.0	29,287 (6)	5.20% (8)	
2014	238,706	11,084,148	37,399	29.9	13.4	29,253 (6)	4.00% (8)	
2015	241,322	11,066,436	38,467	30.0	13.4	29,265 (6)	3.40% (8)	
2016	243,736	11,546,015	39,404	31.0	14.7	28,921	3.50%	
2017	254,565	11,748,703	39,579	30.6	14.9	28,519	3.40%	
2018	261,946	12,646,303	40,813	30.9	14.7	28,026	3.10%	
2019	264,388	13,086,192	42,854	31.3	14.4	(5) 27,759	2.70%	
2020	266,859	13,761,558	44,169	31.4	14.5	(5) 27,348	6.00% (7)	
2021	265,609	14,637,393	46,502	31.7	14.4	(5) 26,454	3.90% (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. 1.5.21

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

<b>Employer</b>	<b>2021</b>			<b>2012</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
Texas Tech University	5,253	1	3.38%	4,994	1	3.56%
Covenant Health System	4,831	2	3.11%	4,900	2	3.49%
United Supermarkets (Corporate)	4,000	3	2.58%	2,873	5	2.05%
Lubbock Independent School District	3,987	4	2.57%	3,268	4	2.33%
University Medical Center	3,684	5	2.37%	2,816	6	2.01%
TTU Health Sciences Center	3,442	6	2.22%	3,656	3	2.60%
City of Lubbock	2,365	7	1.52%	2,221	7	1.58%
Frenship ISD	1,258	8	0.81%			
Lubbock County	1,194	9	0.77%	1,062	9	0.76%
Lubbock State Supported Living Center	866	10	0.56%			
G Boren Services				2,012	8	1.43%
Convergys Corporation				1,050	10	0.75%
<b>Total</b>	<b>30,880</b>		<b>19.89%</b>	<b>28,852</b>		<b>20.55%</b>

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	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Governmental activities:</b>										
Administrative services and general government	109	108	103	102	99	97	97	83	80	79
Community development	12	12	12	13	13	14	14	16	16	18
Cultural and recreation	127	126	124	124	125	125	125	124	124	128
Economic and business development	11	10	8	7	7	7	7	5	7	7
Fire	439	438	435	434	429	429	429	414	398	375
Health	67	65	49	48	47	47	44	43	43	48
Police	578	577	565	555	544	545	545	545	540	536
Other public safety	91	91	90	87	83	80	83	83	81	82
Streets and traffic	131	131	131	101	89	90	90	89	89	90
Solid Waste*	96	96	96	94	-	-	-	-	-	-
Internal service	86	85	83	72	52	48	48	56	56	54
<b>Total governmental activities</b>	<b>1,747</b>	<b>1,739</b>	<b>1,696</b>	<b>1,637</b>	<b>1,488</b>	<b>1,482</b>	<b>1,482</b>	<b>1,458</b>	<b>1,434</b>	<b>1,417</b>
<b>Business-type activities:</b>										
Electric	336	335	329	324	303	303	303	303	289	288
Water/Wastewater**	224	224	219	249	171	170	170	168	167	166
Sewer***	-	-	-	-	79	76	76	74	74	71
Solid waste	-	-	-	-	113	113	112	112	111	110
Storm water	33	33	33	38	38	38	38	37	36	35
Transit	169	178	177	171	170	169	168	165	166	153
Airport	50	50	50	49	48	48	48	48	48	48
Cemetery	6	6	6	6	7	7	7	7	7	7
Civic Centers	16	16	16	21	27	27	27	27	27	27
Lake Alan Henry	2	2	2	1	1	1	1	1	1	1
Internal service	6	6	6	15	31	29	30	28	28	28
<b>Total business-type activities</b>	<b>842</b>	<b>850</b>	<b>838</b>	<b>874</b>	<b>988</b>	<b>981</b>	<b>980</b>	<b>970</b>	<b>954</b>	<b>934</b>
<b>Total</b>	<b>2,589</b>	<b>2,589</b>	<b>2,534</b>	<b>2,511</b>	<b>2,476</b>	<b>2,463</b>	<b>2,462</b>	<b>2,428</b>	<b>2,388</b>	<b>2,351</b>

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**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Cultural and Recreation Services</b>										
Civic Center number of events with greater than 500 attendees	44	67	149	220	226	195	195	185	132	139
Library Visits	223,473	278,057	466,094	453,736	466,606	467,939	447,593	475,372	513,555	538,119
Softball Team Registrations	132	114	155	254	254	314	332	320	379	377
Community Center Attendance	47,749	79,510	157,018	180,490	166,153	169,401	214,652	153,526	133,312	134,802
Senior Center Attendance	46,432	82,272	132,805	133,527	138,245	142,061	112,028	108,843	111,794	106,109
Garden and Arts Attendance	11,820	7,713	21,334	27,008	37,726	28,916	31,519	53,761	50,433	58,473
<b>Other Public Safety</b>										
Construction Permits	6,399	8,719	8,273	7,784	3,714	3,522	3,493	2,611	3,893	2,737
Building Department Inspections	65,548	59,822	46,724	49,050	65,056	60,334	45,607	23,039	40,232	33,370
<b>Police</b>										
Police Reports Processed	92,545	89,390	90,007	85,139	91,524	82,472	82,075	65,306	77,106	79,920
Police Crime/Incident Reports	44,457	44,381	47,223	44,930	36,479	49,693	49,950	39,813	36,535	37,059
Police Calls	704,151	696,728	586,776	565,324	563,881	382,746	412,962	389,669	363,293	363,297
<b>Fire</b>										
Public Fire Safety Education Presentations	415	0	950	923	940	1,042	177	215	194	174
Fire/Arson Investigations Conducted	234	246	220	179	173	156	136	189	178	170
Inspection Activities Performed	4,129	6,733	2,640	1,749	2,464	2,145	2,358	1,961	1,976	2,206
<b>LP&amp;L</b>										
Average daily consumption (kwh)	7,049,552	7,095,924	7,105,898	7,175,924	7,309,335	7,331,135	7,532,819	7,056,681	7,503,996	7,089,327
<b>Water</b>										
Average daily consumption (gal)	34,457,140	35,264,249	31,621,312	34,559,677	32,353,126	33,178,203	31,667,400	35,214,103	37,130,000	36,550,000
<b>Airport</b>										
Number of airline passengers enplaned (annual projection)	366,837	333,981*	537,394*	493,997*	471,565	463,621	462,257	467,236	470,570	492,073
Daily average of airplane departures and landings	252	226*	251*	234*	208	199	201	230	217	188
Number of major airlines	3	3	3	3	3	3	3	3	3	3
Number of scheduled daily flights	19	14	21	20	18	18	18	18	19	22

Source: City of Lubbock Departments \*\*Note: FY 2018-20 updated to reflect actuals.



**CITY OF LUBBOCK, TEXAS**  
**Table T - Capital Assets Statistics by Function/Program**  
**Last Ten Fiscal Years**

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
<b>Streets and Traffic Engineering</b>										
Miles of Streets Paved	1,277	1,208	1,195	1,192	1,178	1,127**	1,095	1,095	1,095	1,090
Miles of Streets Unpaved	58	59	61	63	57	62	57	57	57	57
<b>Fire</b>										
Number of stations	19	19	19	19	19	19	19	18	18	17
Number of fire fighters and officers (civil service)	406	406	404	404	404	404	404	389	389	336
<b>Police</b>										
Number of stations	4	1	1	1	1	1	1	1	1	1
Number of authorized police officers	440	465	465	443	433	433	477	477	433	423
<b>Culture and Recreation Services</b>										
Number of parks and playgrounds	138	138	137	137	141	141	140	140	140	140
Number of dog parks	2	2	2	2	-	-	-	-	-	-
Number of recreation centers	9	9	9	9	9	9	9	9	9	9
Number of golf courses	1	1	2	2	2	2	2	2	2	2
Number of swimming pools	4	4	4	4	4	4	4	4	4	4
Number of auditoriums/coliseums	0	0	1	2	2	2	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
<b>LP&amp;L</b>										
Number of meters	108,557	107,899	107,240	106,555	105,788	104,103	103,475	102,079	101,637	100,462
Number of sub-stations	41	38	38	37	37	37	37	37	36	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	4,526	4,393	4,324	4,312	4,322	4,831	4,879	4,879	2,202	2,202
Miles of transmission lines	174	89	112	105	105	105	105	105	105	96
<b>Water</b>										
Number of meters	95,701	92,291	90,046	88,834	87,370	85,761	84,332	83,260	82,231	81,021
Miles of distribution lines	2,011	1,901	1,859	1,780	1,747	1,727	1,777	1,732	1,625	1,595
Number of fire hydrants	7,403	7,133	6,874	6,670	6,491	6,359	6,134	5,885	5,710	5,527
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*	9,057	7,849***	7,849***	9,056***	7,982
<b>Sewer</b>										
Miles of sanitary sewer lines	1,275	1,242	1,212	1,203	1,181	1,152	1,167	1,145	1,119	1,103

\*\*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, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
<b><u>U. S. DEPARTMENT OF HOUSING &amp; URBAN DEVELOPMENT</u></b>				
<b>Direct Programs:</b>				
COVID-19 Community Development Block Grant - CARES Act 2020	14.218	B-20-MW-48-0022	\$ 461,638	\$ 2,085,024
Community Development Block Grant 20-21	14.218	B-20-MC-48-0022	-	402,831
Community Development Block Grant 19-20	14.218	B-19-MC-48-0022	827	205,118
Community Development Block Grant 18-19	14.218	B-18-MC-48-0022	-	199,653
Community Development Block Grant 17-18	14.218	B-17-MC-48-0022	-	3,169
Total CDBG Entitlement Grants Cluster			<u>462,465</u>	<u>2,895,795</u>
COVID-19 Emergency Solutions Grant - CARES Act 2020	14.231	E-20-MW-48-0022	435,840	441,867
Emergency Solutions Grant 20-21	14.231	E-20-MC-48-0022	171,157	179,623
Emergency Solutions Grant 19-20	14.231	E-19-MC-48-0022	68,744	70,135
Total Assistance Listing Number 14.231			<u>675,741</u>	<u>691,625</u>
HOME Program 20-21	14.239	M-20-MC-48-0205	-	102,840
HOME Program 18-19	14.239	M-18-MC-48-0205	427,389	476,557
HOME Program 17-18	14.239	M-17-MC-48-0205	-	61,271
HOME Program 16-17	14.239	M-16-MC-48-0205	40,636	40,636
Total Assistance Listing Number 14.239			<u>468,025</u>	<u>681,304</u>
<b>Passed through Texas Department of Housing &amp; Comm. Affairs:</b>				
Texas Emergency Rental Assistance Program - CDBG-CV 2021	14.228	B-20-DW-48-0001	-	476,859
Total Assistance Listing Number 14.228			<u>-</u>	<u>476,859</u>
<b>Total U. S. Department of Housing &amp; Urban Development</b>			<b><u>1,606,231</u></b>	<b><u>4,745,583</u></b>
<b><u>U. S. DEPARTMENT OF JUSTICE</u></b>				
<b>Passed through Texas Office of Justice Programs:</b>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	2020-VD-BX-0173	-	71,845
Total Assistance Listing Number 16.034			<u>-</u>	<u>71,845</u>
COPS Office Law Enforcement Mental Health and Wellness Act	16.710	2020MHWXK017	-	11,007
Total Assistance Listing Number 16.710			<u>-</u>	<u>11,007</u>
Byrne Memorial (JAG 20)	16.738	2020-DJ-BX-0480	88,428	174,723
Byrne Memorial (JAG 19)	16.738	2019-DJ-BX-0239	-	48,568
Byrne Memorial (JAG 18)	16.738	2018-DJ-BX-0890	-	24,967
Total Assistance Listing Number 16.738			<u>88,428</u>	<u>248,258</u>
Justice and Mental Health Collaborative Program (JMHP)	16.745	2019-MO-BX-0030	-	34,218
Total Assistance Listing Number 16.745			<u>-</u>	<u>34,218</u>
Internet Crimes Against Children Task Force 20-21	16.800	2019-MC-FX-K056	-	25,175
Total Assistance Listing Number 16.800			<u>-</u>	<u>25,175</u>
<b>Total U. S. Department of Justice</b>			<b><u>88,428</u></b>	<b><u>390,503</u></b>
<b><u>U. S. DEPARTMENT OF TRANSPORTATION</u></b>				
<b>Direct Programs:</b>				
<b>Federal Aviation Administration:</b>				
Terminal Apron Rehabilitation 2021	20.106	3-48-0138-047-2021	-	2,985,221
Seal Runway Pavement Surface/Pavement Joints 2020	20.106	3-48-0138-046-2020	-	1,052,969
COVID-19 CRRSA - Airport Coronavirus Relief Grant Program 2021	20.106	3-48-0138-050-2021	-	3,001,375
COVID-19 FAA CARES Act Funding	20.106	3-48-0138-045-2020	-	1,556,313
Terminal Building Modification Construction 2019	20.106	3-48-0138-043-2019	-	6,649,579
Terminal Building Modification Construction 2016	20.106	3-48-0138-041-2016	-	648,038
Total Assistance Listing Number 20.106			<u>-</u>	<u>15,893,495</u>
<b>Federal Transit Administration:</b>				
5339 Funds Buses & Bus Facilities 19-20	20.526	TX-2020-160-00	-	29,312
COVID-19 5307 Funds - CARES Act Operating and Equipment 2020	20.507	TX-2020-165-00	-	1,130,106
5307 Funds - Capital, Operating and Planning 20-21	20.507	N/A	-	2,588,892
5307 Funds - Capital, Operating and Planning 19-20	20.507	TX-2020-168-00	-	435,523
5339 Funds Buses & Bus Facilities 15-16	20.526	TX-2017-072-01	-	309,500
5307 Funds - Capital, Operating and Planning 16-17	20.507	TX-2018-063-00	-	18,354
5307 Funds - Capital, Operating and Planning 15-16	20.507	TX-2016-075-00	-	77,605
Total Federal Transit Cluster			<u>\$ -</u>	<u>\$ 4,589,292</u>

City of Lubbock, Texas  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
<b>Federal Highway Administration:</b>				
<b>Passed through Texas Department of Transportation:</b>				
<b>Under the Unified Planning Work Program:</b>				
Upland Avenue Corridor Construction	20.205	0905-06-095-05-LBB	\$ -	\$ 224,785
Lubbock Metropolitan Planning Organization 19-20	20.205	50-20XF0005	-	432,622
Total Highway Planning and Construction Cluster			-	657,407
<b>Passed through Texas Department of Transportation:</b>				
5304 Federal Planning 20-21	20.505	PLN-2020-LUBBOCK-00027	-	91,353
5304 Federal Planning 18-19	20.505	MGA-2017-2021-LUBBOCK-074	-	1,258
Total Assistance Listing Number 20.505			-	92,611
<b>Passed through Texas Department of Transportation:</b>				
COVID-19 5310 Funds - CRRSA Enhanced Mobility of Seniors & Individuals with Disabilities	20.513	TX-2021-106-00	-	33,739
5310 Funds - FED CAP & NF 20-21	20.521	N/A	-	97,948
5310 Funds - FED CAP & NF 19-20	20.521	TX-2020-139-00	-	375,275
5310 Funds - FED CAP & NF 16-17	20.521	TX-2017-077-00	-	118,410
Transit Services Program Cluster			-	625,372
<b>Passed through Texas Department of Transportation:</b>				
Safety City Providing Education Today for a Safer Tomorrow 20-21	20.600	2021-LubbockP-G-1YG-0174	-	6,985
STEP Click It or Ticket 20-21	20.616	2021-Lubbock PD-CIOT-THA-00005	-	2,744
Total Highway Safety Cluster			-	9,729
<b>Total U. S. Department of Transportation</b>				
			-	21,867,906
<b>U.S. Department of the Treasury</b>				
<b>Direct Programs:</b>				
COVID-19 U.S. Department of Treasury Emergency Rental Assistance	21.023	ERA-2101080940	-	7,257,628
Total Assistance Listing Number 21.023			-	7,257,628
COVID-19 Coronavirus State & Local Fiscal Recovery Funds	21.027	N/A	-	16,950
Total Assistance Listing Number 21.027			-	16,950
<b>Passed through Texas Division of Emergency Management:</b>				
COVID-19 Coronavirus Relief Fund 2020	21.019	2020-CF-21019	-	259,279
Total Assistance Listing Number 21.019			-	259,279
<b>Total U.S. Department of the Treasury</b>				
			-	7,533,857
<b>U.S. INSTITUTE OF MUSEUM AND LIBRARY SERVICES</b>				
<b>Passed through Texas State Library and Archives Commission:</b>				
Interlibrary Loan Lending Reimbursement Program 20-21	45.310	LS-246193-OLS-20	-	15,507
Total Assistance Listing Number 45.310			-	15,507
<b>Total U.S. Institute of Museum and Library Services</b>				
			-	15,507
<b>U.S. ENVIRONMENTAL PROTECTION AGENCY</b>				
<b>Passed through Texas Water Development Board:</b>				
Principle Forgiveness Agreement - CWSRF	66.458	LF1000940	-	1,299,270
Clean Water State Revolving Fund	66.458	L1000549	-	7,937,188
Total Clean Water State Revolving Fund Cluster			-	9,236,458
<b>Total U.S. Environmental Protection Agency</b>				
			-	9,236,458
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>				
<b>Passed through South Plains Association of Governments:</b>				
Special Program for the Aging Title III B 20-21	93.044	83124-17-A100	-	1,771
Special Program for the Aging Title III C 20-21	93.045	83124-17-A100	-	159,246
Special Program for the Aging Title III C - COVID 20-21	93.045	83124-17-A100	-	64,710
Total Aging Cluster			\$ -	\$ 225,727

City of Lubbock, Texas  
Schedule of Expenditures of Federal Awards  
For the Year Ended September 30, 2021

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	Federal Awards Expended
<b>Passed through Texas Department of State Health Services:</b>				
Public Health Emergency Preparedness 21-22	93.069	537-18-0127-00001	\$ -	\$ 56,120
Public Health Emergency Preparedness 20-21	93.069	537-18-0127-00001	-	210,515
Total Assistance Listing Number 93.069			-	266,635
COVID-19 Immunizations Vaccine Capacity Immunization / Locals 21-22	93.268	HHS001019500024	-	1,498,092
Immunization / Locals 20-21	93.268	HHS000109800001	-	27,475
	93.268	HHS000109800001	-	80,233
Total Assistance Listing Number 93.268			-	1,605,800
COVID-19 IDCU - COVID Cares/Expansion Grant	93.323	HHS000812700012	-	4,132
Total Assistance Listing Number 93.323			-	4,132
COVID-19 Public Health Workforce Development 2021	93.354	HHS001083000001	-	395
COVID-19 Public Health Emergency Response - COVID-19 Crisis 2020	93.354	HHS000771000001	-	610,504
Total Assistance Listing Number 93.354			-	610,899
VIP-CRPA Demonstration Project 20-21	93.421	NU38OT000306-02-00	-	25,000
COVID-19 CDC Vaccine Uptake 20-21	93.421	6NU38OT000306-03-02	-	23,150
Total Assistance Listing Number 93.421			-	48,150
Preventive Health & Health Services Block Grant (RLSS/LPHS) 21-23	93.991	HHS001027600001	-	5,259
Preventive Health & Health Services Block Grant (RLSS/LPHS) 19-21	93.991	HHS000485600043	-	43,822
Total Assistance Listing Number 93.991			-	49,081
<b>Passed through Texas Health and Human Services Commission:</b>				
Medicaid Administrative Claims 20-21	93.778	HHS000437900286	-	64,133
Total Assistance Listing Number 93.778			-	64,133
Prevention Resource Centers Program 21-22	93.959	HHS001081400001	-	31,809
Substance Use Disorder Treatment - Treatment Adult - Specialize Female 21-23	93.959	HHS000779500004	-	16,190
Substance Use Disorder Treatment - Treatment Adult Services 21-23	93.959	HHS000779500002	-	66,593
Administrative Substance Use Disorder Services 21-23	93.959	HHS000779500001	-	12,869
Community Health Workers Grant Program 21-23	93.959	HHS000780500002	-	27,850
Substance Use Disorder Treatment - Co-Occurring Psychiatric & Substance Use Disorder	93.959	HHS000779500005	-	620
Substance Use Disorder Treatment - Treatment Adult - Specialize Female	93.959	HHS000779500004	-	126,921
Substance Use Disorder Treatment - Treatment Adult Services 19-21	93.959	HHS000779500002	-	477,308
Administrative Substance Use Disorder Services 19-21	93.959	HHS000779500001	-	149,942
Community Health Workers Grant Program 19-21	93.959	HHS000780500002	-	252,729
Community Coalition Partnership Grant Program	93.959	HHS000749200001	-	116,829
Prevention Resource Centers Program 19-21	93.959	HHS000749200002	-	205,280
Total Assistance Listing Number 93.959			-	1,484,940
<b>Passed through Texas Department of Housing &amp; Comm. Affairs:</b>				
Comprehensive Energy Assistance Program (CEAP) 2021	93.568	58210003379	445,980	489,048
COVID-19 Comprehensive Energy Assistance Program (CEAP) CARES Act 2020	93.568	58990003291	1,039,849	1,114,664
Comprehensive Energy Assistance Program (CEAP) 2020	93.568	58200003148	865,191	913,521
Total Assistance Listing Number 93.568			2,351,020	2,517,233
Community Services Block Grant 2021	93.569	61210003438	192,654	227,060
COVID-19 Community Services Block Grant CARES Act 2020	93.569	61200003328	191,104	248,838
Community Services Block Grant 2020	93.569	61200003207	102,908	127,828
Total 477 Cluster			486,666	603,726
<b>Total U. S. Department of Health &amp; Human Services</b>			<b>2,837,686</b>	<b>7,480,456</b>
<b>U. S. DEPARTMENT OF HOMELAND SECURITY</b>				
<b>Passed through Texas Division of Emergency Management:</b>				
Texas Winter Storm - Hazard Mitigation Grant Program FY21	97.036	303-45000-00	-	281,339
COVID-19 - FEMA Public Assistance Grant Program	97.036	TX-DR-4485	-	731,641
Total Assistance Listing Number 97.036			-	1,012,980
HSGP-Public Safety Dive Team Sustainment Grant 19-20	97.067	3767501	-	42,976
Total Assistance Listing Number 97.067			-	42,976
<b>Total U. S. Department of Homeland Security</b>			-	<b>1,055,956</b>
<b>TOTAL FEDERAL FINANCIAL ASSISTANCE</b>			<b>\$ 4,532,345</b>	<b>\$ 52,326,226</b>

**CITY OF LUBBOCK, TEXAS**  
**Notes to Schedule of Expenditures of Federal Awards**  
**For the Year Ended September 30, 2021**

(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, 2021. 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, 2021. The balance of loans outstanding at September 30, 2021 consist of:

<b>Federal Assistance Listing</b>		<b>Outstanding Balance at</b>
<b>Number</b>	<b>Program Name</b>	<b>September 30, 2021</b>
14.218	Community Development Block Grant	\$ 104,264
14.239	HOME Program	2,025,918
14.240	HOPE 3 Program	695,394
66.458	Texas Water Development Board	45,665,000
	<b>Total</b>	<b><u>\$ 48,490,576</u></b>

City of Lubbock, Texas  
 Schedule of Expenditures of State Awards  
 For the Year Ended September 30, 2021

STATE GRANTOR/ PROGRAM TITLE	FEDERAL ASSISTANCE LISTING NUMBER	Grant/ Contract Number	Passed Through to Sub-recipients	State Awards Expended
<b>Texas Department of State Health Services</b>				
HIV Prevention Services Grant 2022	N/A	HHS000077800035	-	19,155
HIV Prevention Services Grant 2021	N/A	HHS000077800035	-	126,292
HIV Prevention Services Grant 2020	N/A	HHS000077800035	-	59,863
Community Health Workers Grant Program 19-21	N/A	HHS000780500002	-	44,570
Prevention Resource Centers Program 19-21	N/A	HHS000749200002	-	35,000
Community Coalition Partnership Grant Program	N/A	HHS000749200001	-	30,000
Immunization / Locals 20-21	N/A	HHS000109800001	-	128,839
Epidemiology Capacity Expansion Grant (IDCU/SUR) 21-23	N/A	HHS000436300019	-	10,674
Epidemiology Capacity Expansion Grant (IDCU/SUR) 19-21	N/A	HHS000436300019	-	55,329
Preventive Health & Health Services Block Grant (RLSS/LPHS) 21-23	N/A	HHS001027600001	-	8,576
Preventive Health & Health Services Block Grant (RLSS/LPHS) 19-21	N/A	HHS000485600043	-	31,391
<b>Total Texas Department of State Health Services</b>			-	<b>549,689</b>
<b>Texas Forest Service</b>				
COVID-19 TIFMAS Amory Lubbock RSA	N/A	TX-TFMS-21-0003 nCov2020	-	11,822
California Wildfire Deployment FY 2020	N/A	TX-TXS200014	-	118,148
<b>Total Texas Forest Service</b>			-	<b>129,970</b>
<b>Texas Department of Transportation</b>				
5307 Funds - FY 21 State Operation	N/A	STATE-U-2021-LUBBOCK-00100	-	716,091
<b>Total Texas Department of Transportation</b>			-	<b>716,091</b>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>			<b>\$ -</b>	<b>\$ 1,395,750</b>

**CITY OF LUBBOCK, TEXAS**  
**Notes to Schedule of Expenditures of State Awards**  
**For the Year Ended September 30, 2021**

**(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, 2021, 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  
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 the City of Lubbock, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 2, 2022. 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 does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of Civic Lubbock, Inc., a component unit included in the financial statements of the aggregate discretely presented component units, which are included in the City's financial statements, were not audited in accordance with *Government Auditing Standards*.

**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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City'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 City'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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in the City's internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.



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

### **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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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  
March 2, 2022



**Independent Auditor's Report on Compliance for Each  
Major Program and on Internal Control over Compliance in  
Accordance with Uniform Guidance and the State of Texas  
Uniform Grant Management Standards**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the City of Lubbock, Texas' (City) compliance with the types of compliance requirements described in *U.S. Office of Management and Budget (OMB) Compliance Supplement* and the State of Texas Uniform Grant Management Standards (UGMS) 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, 2020. 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.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal and state programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the City's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and UGMS. Those standards, Uniform Guidance and UGMS, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the City's compliance.

**Opinion on Each Major Federal and State Program**

In our opinion, the City complied, in all material respects, with the types of 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, 2021.

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

### **Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with Uniform Guidance and UGMS, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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.

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

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 our testing, based on the requirements of Uniform Guidance and UGMS. Accordingly, this report is not suitable for any other purpose.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas  
March 2, 2022

**City of Lubbock, Texas**  
 Schedule of Findings and Questioned Costs  
 For the Fiscal Year Ended September 30, 2021

**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 State of Texas Uniform Grant Management Standards?  Yes  No

Identification of major programs:

<u>Identification Number</u>	<u>Name of Program or Cluster</u>
14.218	CDBG-Entitlement Grants Cluster
21.106	Airport Improvement Program
20.507 & 20.526	Federal Transit Cluster
21.023	Emergency Rental Assistance
66.458	Clean Water State Revolving Fund Cluster
93.268	Immunization Co-op Agreements
93.568	Low-Income Home Energy Assistance
STATE	5307 Funds – FY 20 State Operations

Dollar threshold used to distinguish between Type A and Type B federal programs: \$1,569,787

Dollar threshold used to distinguish between Type A and Type B state programs: \$300,000

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

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

**City of Lubbock, Texas**  
Schedule of Findings and Questioned Costs – Continued  
For the Fiscal Year Ended September 30, 2021

**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

