

**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
**Fiscal Year Ended September 30, 2011**

**TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

<b>2011 Market Valuation Established by Lubbock Central Appraisal District</b>	<b>\$ 13,373,602,859</b>
<b>Less Exemptions/Reductions at 100% Market Value:</b>	
Residential Homestead Exemptions	\$ 223,598,593
Homestead Cap Adjustment	17,642,902
Disabled Persons	15,157,702
Disabled Veterans	46,012,171
Prorated Exempt Property	2,184,640
Agricultural/Open-Space Land Use Reductions	85,410,605
Pollution Exemptions	1,903,227
Lease Vehicles Exempt	36,956,850
House Bill 366	256,860
Energy	15,125,200
Freeport Exemptions	89,800,870
Tax Abatement Reductions <sup>(a)</sup>	65,197,820
Mixed Use Vehicle	933,843
Low Income Housing	3,341,429
Market Value Reduction for Protested Properties	140,470,882
	<u>743,993,594</u>
<b>2011 Taxable Assessed Valuation</b>	<b>\$ 12,629,609,265</b>
City Funded Debt Payable from Ad Valorem Taxes:	
General Obligation Debt (as of 03-15-12) <sup>(b)</sup>	\$ 913,560,000
Less: Refunded Obligations <sup>(c)</sup>	15,675,000
Plus: The Bonds <sup>(c)</sup>	27,595,000
Plus: The Certificates <sup>(c)</sup>	66,075,000
	<u>912,555,000</u>
<b>Total Funded Debt Payable from Ad Valorem Taxes</b>	<b>\$ 912,555,000</b>
Less: Self Supporting Debt (as of 3-15-12) <sup>(d)</sup>	
Waterworks System General Obligation Debt	\$ 348,015,978
Sewer System General Obligation Debt	138,012,058
Solid Waste Disposal System General Obligation Debt	17,835,159
Drainage Utility System General Obligation Debt	153,151,338
Tax Increment Financing General Obligation Debt	34,352,937
Electric Light and Power System General Obligation Debt	63,759,745
Cemetery General Obligation Debt	562,126
Gateway General Obligation Debt	95,547,075
Hotel Occupancy Tax Debt	1,017,566
Auditorium/Coliseum General Obligation Debt	6,061,400
Airport General Obligation Debt	13,578,224
	<u>871,893,607</u>
<b>General Purpose Funded Debt Payable from Ad Valorem Taxes <sup>(e)</sup></b>	<b>\$ 119,661,393</b>
Audited General Obligation Interest and Sinking Fund as of September 30, 2011	\$ 1,329,043
Ratio Total Funded Debt to Taxable Assessed Valuation	7.85%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation	0.95%
2012 Estimated Population <sup>(f)</sup>	231,937
Per Capita Taxable Assessed Valuation	\$54,453
Per Capita Total Funded Debt Payable from Ad Valorem Taxes	\$4,275
Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes	\$516

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<sup>(a)</sup> See "AD VALOREM TAX INFORMATION - TAX ABATEMENT POLICIES."

<sup>(b)</sup> The statement of indebtedness does not include the City's outstanding Electric Light and Power System Revenue Bonds, payable solely from the Net Revenues of the Lubbock Power and Light System.

<sup>(c)</sup> The City sold General Obligation Bonds, Series 2012 (the "Series 2012 Bonds"), General Obligation Refunding Bonds, Series 2012 (the "Refunding Bonds," and collectively with the Series 2012 Bonds, the "Bonds") and Tax and Waterworks System Surplus Revenue Certificates of Obligation, Series 2012 (the "Certificates," and collectively with the Bonds, the "Obligations") on March 22, 2012, through a negotiated offering. The Obligations are scheduled to deliver on April 19, 2012. The Refunding Bonds refunded maturities of several series of outstanding obligations of the City (the "Refunded Obligations") as detailed in the final official statement for the transaction.

<sup>(d)</sup> Includes the Certificates. As a matter of policy, the City provides debt service on general obligation debt issued to fund improvements to its Waterworks System, Sewer System, Solid Waste System, Drainage System, Tax Increment Finance Reinvestment Zone, Electric Light and Power System and Drainage System, Cemetery, Gateway Streets, Hotel Occupancy Tax projects, Auditorium/Coliseum, and Airport from surplus revenues of these Systems (see "TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION," "TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS," "TABLE 10 - DIVISION OF GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS," AND "TABLE 11 - COMPUTATION OF SELF-SUPPORTING DEBT").

The City's Waterworks System General Obligation Debt has been issued to finance or refinance Waterworks System improvements, and is being paid, or is expected to be paid, from Waterworks System revenues. The City has no outstanding Waterworks System Revenue Bonds but has obligated revenues of the Waterworks System under water supply contracts.

The City's Sewer System General Obligation Debt has been issued to finance Sewer System improvements, and that is being paid, or is expected to be paid, from Sewer System revenues. The City has no outstanding Sewer System Revenue Bonds.

The City's Solid Waste Disposal System General Obligation Debt has been issued for Solid Waste System improvements, and is being paid, or is expected to be paid, from revenues derived from Solid Waste service fees. The City has no outstanding Solid Waste Disposal System Revenue Bonds.

The City's Drainage Utility System General Obligation Debt has been issued for Drainage System improvements, and is being paid, or is expected to be paid, from revenues derived from Drainage Utility System fees. The City has no outstanding Drainage Utility System Revenue Bonds.

The City's Tax Increment Financing General Obligation Debt has been issued to finance or refinance construction of improvements in the North Overton TIF, and is being paid or is expected to be paid, from revenues derived from the Pledged Tax Increment Revenues. The City has no outstanding Tax Increment Financing Revenue Bonds. In FY 2012, the City anticipates that tax increment revenues will not be adequate to cover debt requirements on the outstanding Series 2003 Tax Increment Certificates of Obligation (see "SCHEDULE I - Schedule of Refunded Obligations"). In the instance that tax increment revenues are not sufficient to pay debt service, the City intends to make an interfund loan to cover the debt service and, if the projected development in the North Overton TIF proceeds as expected, repay such loan from revenues received in future years. There could be years in which the TIF may not produce revenues in amounts sufficient to cover all debt issued for it, at least until the TIF has reached full build-out status. If revenues are insufficient and no interfund loan is made, the City is obligated to pay such obligations from ad valorem taxes.

The City's Electric Light and Power System General Obligation Debt has been issued to finance or refinance Electric Light and Power System improvements, and is being paid or is expected to be paid, from revenues derived from the Lubbock Power and Light System. The City has \$70,305,000 of outstanding Electric Light and Power System Revenue Bonds payable from a pledge of system revenues.

The City's Cemetery General Obligation Debt has been issued to finance or refinance Cemetery improvements, and is being paid, or is expected to be paid, from revenues derived from the Cemetery. The City has no outstanding Cemetery Revenue Bonds.

The City's Gateway General Obligation Debt has been issued to finance or refinance Gateway Streets improvements, and is being paid, or is expected to be paid, from franchise fees. The City has no outstanding Gateway Fund Revenue Bonds.

The City's Hotel Occupancy Tax General Obligation Debt has been issued to finance tourism projects and is being paid, or is expected to be paid, from hotel occupancy taxes. The City has no Hotel Occupancy Tax Bonds.

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The City's Auditorium/Coliseum General Obligation Debt has been issued to finance or refinance Auditorium/Coliseum improvements and is being paid, or is occupancy taxes. The City has not Auditorium/Coliseum Revenue Bonds.

The City's Airport General Obligation Debt has been issued to finance or refinance Airport improvements, and is being paid, or is expected to be paid from revenues derived from the Airport. The City has no outstanding Airport Revenue Bonds.

<sup>(e)</sup> Includes the Bonds and the Certificates. Does not include the Refunded Obligations.

<sup>(f)</sup> Source: the City.

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**TABLE 2 - TAXABLE ASSESSED VALUATION BY CATEGORY**

Category	<b>Taxable Appraised Value for Fiscal Year Ended September 30,</b>					
	<b>2012</b>		<b>2011</b>		<b>2010</b>	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 7,379,749,603	55.18	\$ 7,165,857,674	55.03	\$ 6,947,946,941	54.42
Real, Residential, Multi-Family	1,042,962,625	7.80	989,766,593	7.60	997,043,862	7.81
Real, Vacant Lots/Tracts	185,474,650	1.39	174,666,981	1.34	189,296,951	1.48
Real, Acreage (Land Only)	98,270,604	0.73	101,272,811	0.78	104,927,547	0.82
Real, Farm & Ranch Improvements	12,758,919	0.10	13,212,130	0.10	13,502,162	0.11
Real, Commercial and Industrial	2,849,907,566	21.31	2,735,738,473	21.01	2,686,373,355	21.04
Real, Oil, Gas & Other Minerals	52,087,440	0.39	43,067,370	0.33	32,632,310	0.26
Real & Tangible Personal, Utilities	173,808,380	1.30	177,400,625	1.36	168,123,979	1.32
Tangible Personal, Business	1,465,860,057	10.96	1,511,990,690	11.61	1,502,932,704	11.77
Tangible Personal, Other	10,357,779	0.08	10,231,156	0.08	10,943,476	0.09
Real Property, Inventory	37,725,308	0.28	41,182,129	0.32	43,022,634	0.34
Special Inventory	64,639,928	0.48	58,111,352	0.45	69,422,082	0.54
Other/Adjustments	-	-	-	-	21,102	0.00
<b>Total Appraised Value</b>						
Before Exemptions/Reductions	13,373,602,859	100.00	13,022,497,984	100.00	12,766,189,105	100.00
Less: Total Exemptions/Reductions	(743,993,594)		(734,137,286)		(763,572,925)	
<b>Taxable Assessed Value</b>	<u>\$ 12,629,609,265</u>		<u>\$ 12,288,360,698</u>		<u>\$ 12,002,616,180</u>	

Category	<b>Taxable Appraised Value for Fiscal Year Ended September 30,</b>					
	<b>2009</b>		<b>2008</b>		<b>2007</b>	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	6,687,368,655	54.61	6,321,729,050	55.00	\$ 5,889,918,195	55.53
Real, Residential, Multi-Family	922,530,900	7.53	931,507,661	8.11	873,394,391	8.23
Real, Vacant Lots/Tracts	201,167,097	1.64	202,703,022	1.76	186,939,508	1.76
Real, Acreage (Land Only)	106,628,878	0.87	103,474,361	0.90	104,443,417	0.98
Real, Farm & Ranch Improvements	11,977,889	0.10	10,948,790	0.10	10,601,986	0.10
Real, Commercial and Industrial	2,476,922,746	20.23	2,246,869,059	19.55	1,968,271,689	18.56
Real, Oil, Gas & Other Minerals	39,976,390	0.33	26,864,150	0.23	28,446,050	0.27
Real & Tangible Personal, Utilities	173,239,955	1.41	181,023,472	1.58	179,562,657	1.69
Tangible Personal, Business	1,494,921,128	12.21	1,340,911,089	11.67	1,245,600,988	11.74
Tangible Personal, Other	11,981,462	0.10	13,018,766	0.11	13,940,265	0.13
Real Property, Inventory	43,435,213	0.35	41,291,828	0.36	37,577,657	0.35
Special Inventory	76,063,260	0.62	72,685,000	0.63	68,621,321	0.65
Other/Adjustments	216,600	0.00	(115,001)	(0.00)	220,192	0.00
<b>Total Appraised Value</b>						
Before Exemptions/Reductions	12,246,430,173	100.00	11,492,911,247	100.00	10,607,538,316	100.00
Less: Total Exemptions/Reductions	(573,356,041)		(595,700,684)		(604,812,679)	
<b>Taxable Assessed Value</b>	<u>\$ 11,673,074,132</u>		<u>\$ 10,897,210,563</u>		<u>\$ 10,002,725,637</u>	

Note: Valuations shown are certified taxable assessed values reported by the Lubbock Central Appraisal District to the City for purposes of establishing and levying the City's annual ad valorem tax rate and to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

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**TABLE 3A - VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

<b>Fiscal Year Ended 30-Sep</b>	<b>Estimated City Population <sup>(a)</sup></b>	<b>Taxable Assessed Valuation</b>	<b>Per Capita Taxable Assessed Valuation</b>	<b>General Purpose Funded Tax Debt <sup>(b)</sup></b>	<b>Ratio Tax Debt to Assessed Valuation <sup>(b)</sup></b>	<b>Funded Debt Per Capita</b>	<b>Tax Year</b>
2007	212,365	\$ 10,002,725,637	\$ 47,102	\$92,487,363	0.92%	\$ 435.51	2006
2008	214,847	10,897,210,563	50,721	101,185,953	0.93%	470.97	2007
2009	218,327	11,673,074,132	53,466	106,303,936	0.91%	486.90	2008
2010	229,573	12,002,616,180	52,282	108,479,132	0.90%	472.53	2009
2011	231,937	12,288,360,698	52,981	112,922,591	0.92%	486.87	2010
2012	231,937	12,629,609,265	54,453	117,056,393 <sup>(c)</sup>	0.93% <sup>(c)</sup>	504.69 <sup>(c)</sup>	2011

<sup>(a)</sup> Source: Population estimates as provided by the City, except for 2010, which reflects U.S. Census figures.

<sup>(b)</sup> Does not include self-supported debt.

<sup>(c)</sup> Includes the Bonds and the portion of the Certificates that is not anticipated to be self-supported. Excludes the Refunded Obligations.

**TABLE 3B - DERIVATION OF GENERAL PURPOSE FUNDED TAX DEBT**

The following table sets forth certain information with respect to the City's general purpose and self-supporting general obligation debt. The City is revising its capital improvement plan, but the City expects to issue additional general purpose and self-supporting general obligation debt within the year. See "Anticipated Issuance of General Obligation Debt" below.

<b>Fiscal Year Ended 30-Sep</b>	<b>Funded Tax Debt Outstanding at End of Year</b>	<b>Less: Self-Supporting Funded Tax Debt</b>	<b>General Purpose Funded Tax Debt Outstanding at End of Year</b>
2007	\$ 512,250,000	\$ 419,762,637	\$ 92,487,363
2008	633,065,000	531,879,047	101,185,953
2009	683,305,000	577,001,064	106,303,936
2010	837,410,000	728,930,868	108,479,132
2011	961,165,000	848,242,409	112,922,591
2012 <sup>(a)</sup>	988,950,000	871,893,607	117,056,393

<sup>(a)</sup> Projected. Includes the Obligations. Excludes the Refunded Obligations.

**TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY**

<b>Fiscal YE 09/30</b>	<b>Tax Rate Distribution</b>			<b>Tax Rate</b>	<b>Tax Levy</b>	<b>Percent Collected</b>		<b>Tax Year</b>
	<b>General Fund</b>	<b>Economic Development</b>	<b>Interest and Sinking Fund</b>			<b>Current</b>	<b>Total</b>	
2007	\$ 0.36074	\$ 0.03000	\$ 0.07125	\$ 0.46199	\$ 46,068,744	98.12%	99.02%	2006
2008	0.35380	0.03000	0.07125	0.45505	49,195,247	98.41%	99.62%	2007
2009	0.32540	0.03000	0.09100	0.44640	51,616,589	97.78%	98.87%	2008
2010	0.33240	0.03000	0.08400	0.44640	53,455,322	98.19%	99.38%	2009
2011	0.33240	0.03000	0.09377	0.45617	55,783,339	98.27%	99.73%	2010
2012	0.34200	0.03000	0.10200	0.47400	59,220,369	93.30% <sup>(a)</sup>	93.33% <sup>(a)</sup>	2011

<sup>(a)</sup> Partial collections as of January 31, 2012.

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**TABLE 5 - TEN LARGEST TAXPAYERS**

<u>Name</u>	<u>2011 Taxable Assessed Valuation</u>	<u>% of Total Taxable Assessed Valuation</u>
Macerich Lubbock Ltd.	\$ 120,571,839	0.95%
United Supermarkets OFC	57,270,781	0.45%
Southwestern Bell Telephone	50,680,387	0.40%
Plains Co-op Oil Mill, Inc.	48,275,640	0.38%
Southwestern Public Services Co.	44,873,388	0.36%
1859 Management Partners	41,413,068	0.33%
Wal-Mart Real Estate Business Trust	39,429,338	0.31%
Atmos Energy West Texas Division	38,853,520	0.31%
TYCO Fire Products	30,780,090	0.24%
TTUC, LLC	30,105,912	0.24%
Total	\$ 502,253,963	3.98%

**TABLE 6 - ESTIMATED OVERLAPPING DEBT**

Expenditures of the various taxing entities within the territory of the City are paid out of ad valorem taxes levied by such entities on properties within the City. Such entities are independent of the City and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds ("Tax Debt") was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the City, the City has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional Tax Debt since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional Tax Debt, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

<u>Taxing Jurisdiction</u>	<u>Gross Debt (As of 03/15/12)</u>	<u>Estimated % Overlapping</u>	<u>Overlapping Debt</u>
Frenship ISD	\$ 163,064,388	77.32%	\$ 126,081,385
Idalou ISD	14,870,000	4.05%	602,235
Lubbock County	65,315,000	91.65%	59,861,198
Lubbock ISD	134,820,000	99.68%	134,388,576
Lubbock-Cooper ISD	122,697,593	63.45%	77,851,623
New Deal ISD	-	23.12%	-
Roosevelt ISD	11,235,000	4.13%	464,006
Estimated Overlapping Debt			\$ 399,249,022
City of Lubbock	\$ 119,661,393 <sup>(a)</sup>	100.00%	119,661,393 <sup>(a)</sup>
Total Direct & Estimated Overlapping Debt			\$ 518,910,415
As a % of 2011 Taxable Assessed Valuation			4.11%
Per Capita Total Direct & Estimated Overlapping Debt			\$ 2,237

<sup>(a)</sup> Includes the Obligations. Excludes the Refunded Obligations. Excludes Self-Supported Debt.

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**TABLE 7 - TAX ADEQUACY <sup>(a)</sup>**

Average Annual Debt Service Requirements All General Obligation Debt (2012-2034):		\$ 63,526,092
\$0.5081 per \$100 AV against the 2011 Taxable AV, at 99% collection, produces		\$ 63,529,334
Maximum Annual Debt Service Requirements All General Obligation Debt (2012/13):		\$ 99,022,693
\$0.7829 per \$100 AV against the 2011 Taxable AV, at 99% collection, produces		\$ 97,888,439

<sup>(a)</sup> Includes the Obligations and self-supported debt. Excludes the Refunded Obligations.

**TABLE 8 - INTEREST AND SINKING FUND BUDGET PROJECTION**

General Purpose General Obligation Debt Service Requirements, FYE Sept. 30, 2012			\$ 12,046,410 <sup>(a)</sup>
Fiscal Agent Fees			15,500
Interest and Sinking Fund Balance, Sept. 30, 2011	\$ 1,329,043		
Interest and Sinking Fund Tax Levy @ 99.0%	12,293,562		
Estimated Interest Earnings	<u>56,481</u>		<u>13,679,086</u>
Projected Interest & Sinking Fund Balance, Sept. 30, 2012			\$ 1,617,176

<sup>(a)</sup> Reflects debt service net of self-supported debt and net of the expected Federal Subsidy on the City's Series 2010B Bonds (BABs) and Series 2010B Certificates of Obligation (BABs). Includes the Obligations. Excludes the Refunded Obligations.

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**TABLE 9 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

FYE 30-Sep	Outstanding Debt <sup>(a)(b)</sup>			Less:	The Series 2012 Bonds			The Refunding Bonds			The Certificates			Total
	Principal	Interest	Total	Refunded Obligations	Principal	Interest <sup>(c)</sup>	Total	Principal	Interest <sup>(c)</sup>	Total	Principal	Interest <sup>(c)</sup>	Total	Debt Service
2012	\$ 50,210,000	\$ 43,040,026	\$ 93,250,026	\$ 354,509	\$ -	\$ -	\$ -	\$ -	\$ 198,799 <sup>(d)</sup>	\$ 198,799	\$ -	\$ -	\$ -	\$ 93,094,316 <sup>(d)</sup>
2013	53,975,000	38,492,528	92,467,528	3,765,378	330,000	562,227 <sup>(d)</sup>	892,227	3,170,000	502,388	3,672,388	2,095,000	3,660,928 <sup>(d)</sup>	5,755,928	99,022,693 <sup>(d)</sup>
2014	55,090,000	36,173,818	91,263,818	581,738	470,000	400,825	870,825	20,000	470,488	490,488	3,010,000	2,611,150	5,621,150	97,664,543
2015	54,315,000	33,846,597	88,161,597	718,658	480,000	391,325	871,325	160,000	468,688	628,688	3,075,000	2,550,300	5,625,300	94,568,252
2016	54,685,000	31,503,944	86,188,944	1,550,940	495,000	379,100	874,100	1,005,000	452,013	1,457,013	3,150,000	2,472,300	5,622,300	92,591,417
2017	56,090,000	29,159,809	85,249,809	1,082,353	510,000	364,025	874,025	560,000	428,538	988,538	3,245,000	2,376,375	5,621,375	91,651,394
2018	57,940,000	26,752,016	84,692,016	1,083,643	525,000	348,500	873,500	580,000	411,438	991,438	3,345,000	2,277,525	5,622,525	91,095,836
2019	57,150,000	24,284,458	81,434,458	1,083,298	540,000	332,525	872,525	600,000	393,738	993,738	3,445,000	2,175,675	5,620,675	87,838,098
2020	54,975,000	21,936,472	76,911,472	1,081,213	560,000	313,225	873,225	615,000	372,438	987,438	3,570,000	2,052,600	5,622,600	83,313,522
2021	53,475,000	19,597,330	73,072,330	585,088	580,000	290,425	870,425	135,000	357,438	492,438	3,715,000	1,906,900	5,621,900	79,472,005
2022	49,485,000	17,312,124	66,797,124	1,752,206	605,000	266,725	871,725	1,335,000	328,038	1,663,038	3,865,000	1,755,300	5,620,300	73,199,981
2023	50,170,000	15,092,930	65,262,930	1,563,906	630,000	245,175	875,175	1,200,000	271,338	1,471,338	2,655,000	1,611,625	4,266,625	70,312,162
2024	49,865,000	12,846,556	62,711,556	1,552,631	645,000	226,050	871,050	1,250,000	210,088	1,460,088	2,790,000	1,475,500	4,265,500	67,755,563
2025	50,470,000	10,595,157	61,065,157	206,400	665,000	206,400	871,400	-	178,838	178,838	2,930,000	1,332,500	4,262,500	66,171,495
2026	48,355,000	8,340,967	56,695,967	206,400	690,000	185,213	875,213	-	178,838	178,838	3,080,000	1,182,250	4,262,250	61,805,867
2027	44,075,000	6,247,030	50,322,030	206,400	710,000	162,463	872,463	-	178,838	178,838	3,240,000	1,024,250	4,264,250	55,431,180
2028	40,235,000	4,374,172	44,609,172	206,400	735,000	138,063	873,063	-	178,838	178,838	3,405,000	858,125	4,263,125	49,717,797
2029	31,165,000	2,829,128	33,994,128	1,703,505	760,000	111,900	871,900	1,460,000	149,638	1,609,638	3,580,000	683,500	4,263,500	39,035,660
2030	28,520,000	1,574,393	30,094,393	1,706,210	790,000	82,800	872,800	1,525,000	89,938	1,614,938	3,765,000	499,875	4,264,875	35,140,795
2031	14,035,000	646,180	14,681,180	1,705,905	820,000	50,600	870,600	1,585,000	29,719	1,614,719	3,955,000	306,875	4,261,875	19,722,469
2032	2,195,000	260,438	2,455,438	-	855,000	17,100	872,100	-	-	-	4,160,000	104,000	4,264,000	7,591,538
2033	2,290,000	159,525	2,449,525	-	-	-	-	-	-	-	-	-	-	2,449,525
2034	2,400,000	54,000	2,454,000	-	-	-	-	-	-	-	-	-	-	2,454,000
	<b>\$ 961,165,000</b>	<b>\$ 385,119,598</b>	<b>\$ 1,346,284,598</b>	<b>\$ 22,696,779</b>	<b>\$ 12,395,000</b>	<b>\$ 5,074,665</b>	<b>\$ 17,469,665</b>	<b>\$ 15,200,000</b>	<b>\$ 5,850,068</b>	<b>\$ 21,050,068</b>	<b>\$ 66,075,000</b>	<b>\$ 32,917,553</b>	<b>\$ 98,992,553</b>	<b>\$ 1,461,100,105</b>

Average Annual Debt Service Requirements All General Obligation Debt (2012-2034): \$ 63,526,092  
Maximum Annual Debt Service Requirements All General Obligation Debt (2012/13): \$ 99,022,693

<sup>(a)</sup> Does not include lease/purchase obligations. Includes the City's self-supporting debt and the Refunded Obligations. See "Table 1 - Valuation, Exemptions and General Obligation Debt" and "Table 10 - Division of General Obligation Debt Service Requirements."

<sup>(b)</sup> Outstanding debt service is reduced to reflect the expected subsidy payments from the federal government equal to 35% of the interest payments on the City's Series 2010B Bonds (BABs) and Series 2010B Certificates of Obligation (BABs).

<sup>(c)</sup> Interest is calculated at true-interest cost of 3.398% per annum.

<sup>(d)</sup> Includes accrued interest of \$20,606.25 on the Series 2012 Bonds, \$26,704.38 on the Refunding Bonds and \$134,157.50 on the Certificates.

**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
**Fiscal Year Ended September 30, 2011**

**TABLE 10 - DIVISION OF GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS <sup>(a)(b)</sup>**

FYE	Waterworks System	Sewer System	Solid Waste Disposal System	Drainage Utility System	Tax Increment Financing	Electric Light & Power System	Cemetery Debt Service	Gateway	HOT Debt Service	Airport	Auditorium/Coliseum	General Purpose	Less: Refunded Bonds	Plus: Refunding Bonds	Total G.O. Debt Service
30-Sep	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Debt Service	Service	Debt Service	Service	Debt Service	Debt Service	Debt Service	Bonds	Bonds	Debt Service
2012	\$ 31,023,492	\$ 14,743,106	\$ 1,832,044	\$ 11,130,323	\$ 3,367,180	\$ 7,190,853	\$ 55,213	\$ 8,294,635	\$ 97,248	\$ 3,003,007	\$ 466,516	\$ 12,046,410	\$ 354,509	\$ 198,799	\$ 93,094,316
2013	32,122,944	15,144,722	1,798,918	14,667,728	3,363,133	7,120,604	55,234	8,267,739	97,323	3,066,168	467,332	12,943,841	3,765,378	3,672,388	99,022,693
2014	32,152,050	14,903,371	1,797,645	14,590,346	3,378,831	7,032,698	55,217	8,272,509	97,280	2,154,849	465,730	12,855,268	581,738	490,488	97,664,543
2015	31,990,071	13,067,365	1,770,885	14,600,032	3,367,117	6,961,246	55,227	8,268,838	97,328	2,018,597	465,010	11,996,506	718,658	628,688	94,568,252
2016	31,987,974	12,274,971	1,787,928	14,625,681	3,370,493	6,885,150	55,223	8,265,764	97,248	1,125,632	464,114	11,745,166	1,550,940	1,457,013	92,591,417
2017	31,992,088	12,239,295	1,764,018	14,648,579	3,369,910	6,801,537	55,206	8,267,330	97,248	1,128,517	467,139	10,914,343	1,082,353	988,538	91,651,394
2018	31,843,092	11,979,486	1,750,137	14,660,111	3,362,979	6,737,468	55,204	8,271,246	97,317	1,126,671	465,707	10,838,622	1,083,643	991,438	91,095,836
2019	31,439,943	11,944,791	1,563,230	13,576,547	3,364,568	5,192,119	55,217	8,267,369	97,290	1,124,618	465,951	10,836,014	1,083,298	993,738	87,838,098
2020	28,682,505	11,227,382	1,550,249	12,521,497	3,366,417	5,193,595	55,222	8,266,237	97,242	1,126,964	467,613	10,852,373	1,081,213	987,438	83,313,522
2021	26,652,283	11,100,781	1,546,831	11,451,004	3,358,964	5,192,579	55,210	8,271,176	97,327	1,128,005	466,562	10,243,933	585,088	492,438	79,472,005
2022	23,000,055	10,912,714	1,429,095	10,401,650	3,380,147	5,196,867	55,238	8,269,189	97,339	546,583	466,974	9,533,299	1,752,206	1,663,038	73,199,981
2023	22,239,576	10,631,801	1,432,131	9,344,182	3,383,207	5,189,017	55,204	8,271,291	97,258	546,637	466,720	8,747,704	1,563,906	1,471,338	70,312,162
2024	22,255,622	10,630,605	1,429,728	9,319,474	3,381,083	5,332,499	55,202	8,270,606	97,289	546,081	466,634	7,863,285	1,552,631	1,460,088	67,755,562
2025	21,538,638	10,584,774	1,158,593	9,320,918	3,093,086	3,540,489	55,207	8,320,088	97,308	545,839	466,132	7,530,987	206,400	178,838	66,171,495
2026	21,269,293	10,006,352	1,158,475	9,324,824	2,380,188	3,056,221	55,212	7,127,078	97,305	321,049	467,663	6,569,770	206,400	178,838	61,805,867
2027	19,965,478	8,836,601	794,932	8,679,647	1,872,149	2,569,484	15,689	6,906,779	97,270	121,536	468,486	5,130,693	206,400	178,838	55,431,180
2028	18,557,415	8,621,097	687,905	8,216,958	502,659	1,514,001	-	6,904,419	-	88,715	467,600	4,184,590	206,400	178,838	49,717,797
2029	15,638,051	4,232,878	585,889	7,655,605	347,127	994,071	-	5,285,770	-	88,723	465,874	3,835,540	1,703,505	1,609,638	39,035,660
2030	15,254,981	4,233,126	550,914	7,510,097	270,070	442,353	-	2,875,881	-	88,751	426,849	3,579,045	1,706,210	1,614,938	35,140,795
2031	3,239,334	4,002,217	504,061	7,398,967	111,910	-	-	2,202,060	-	88,689	-	2,266,417	1,705,905	1,614,719	19,722,469
2032	944,122	660,176	-	4,893,828	-	-	-	-	-	88,733	-	1,004,678	-	-	7,591,538
2033	-	-	-	2,449,525	-	-	-	-	-	-	-	-	-	-	2,449,525
2034	-	-	-	2,454,000	-	-	-	-	-	-	-	-	-	-	2,454,000
2035	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	<u>\$ 493,789,008</u>	<u>\$ 211,977,613</u>	<u>\$ 26,893,608</u>	<u>\$ 233,441,523</u>	<u>\$ 52,391,216</u>	<u>\$ 90,342,851</u>	<u>\$ 843,924</u>	<u>\$ 147,093,002</u>	<u>\$ 1,556,617</u>	<u>\$ 20,074,365</u>	<u>\$ 8,824,605</u>	<u>\$ 175,518,483</u>	<u>\$ 22,696,779</u>	<u>\$ 21,050,068</u>	<u>\$ 1,461,100,105</u>

<sup>(a)</sup> Includes the Obligations.

<sup>(b)</sup> Outstanding debt service is reduced to reflect the expected subsidy payments from the federal government equal to 35% of the interest payments on the City's Series 2010B Bonds (BABs) and Series 2010B Certificates of Obligation (BABs).

**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
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**TABLE 11 - COMPUTATION OF SELF-SUPPORTING DEBT**

**THE WATERWORKS FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	50,594,427
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		50,594,427
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		31,023,492
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Waterworks Fund general obligation debt to a segregated account in the Waterworks Fund.

**THE SEWER FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	18,831,859
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		18,831,859
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		14,743,106
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Sewer Fund general obligation debt to a segregated account in the Sewer Fund.

**THE SOLID WASTE FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	7,679,734
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		7,679,734
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		1,832,044
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Solid Waste Fund general obligation debt to a segregated account in the Solid Waste Fund. FY 2012 revenue includes a planned transfer of \$1,798,478 from general solid waste fund balance.

**THE DRAINAGE FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	12,703,293
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		12,703,293
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		11,130,323
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Drainage Fund general obligation debt to a segregated account in the Drainage Fund. FY 2012 revenue includes a planned transfer of \$1,731,826 from general drainage fund balance.

**THE ELECTRIC LIGHT AND POWER FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	39,747,441
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		9,910,990
Balance Available for Other Purposes		29,836,451
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		7,190,853
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Electric Light and Power Fund general obligation debt to a segregated account in the Electric Light and Power Fund.

**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
**Fiscal Year Ended September 30, 2011**

**THE GATEWAY FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	7,755,719
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		7,755,719
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		8,294,635
Percentage of Fund General Obligation Debt Self-Supporting		93.50%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Gateway Fund general obligation debt to a segregated account in the Gateway Fund. FY 2012 budget includes the planned utilization of net assets totaling \$1,351,172.

**THE AIRPORT FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	4,844,614
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		4,844,614
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		3,003,007
Percentage of Fund General Obligation Debt Self-Supporting		100.00%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Airport Fund general obligation debt to a segregated account in the Airport Fund. FY 2012 revenue includes a planned transfer of \$2,544,222 from the Airport Passenger Facility Change Fund.

**THE TAX INCREMENT FINANCING FUND <sup>(a)</sup>**

Net System Revenue Available, Fiscal Year Ended 9-30-11	\$	2,530,707
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-12		-
Balance Available for Other Purposes		2,530,707
Requirements for Fund General Obligation Debt, Fiscal Year Ending 9-30-12		3,367,180
Percentage of Fund General Obligation Debt Self-Supporting		75.16%

<sup>(a)</sup> Each Fiscal Year the City transfers an amount equal to debt service requirements on the Tax Increment Financing Fund general obligation debt to a segregated account in the Tax Increment Financing Fund. FY 2012 revenue includes a planned transfer of \$322,504 from the Hotel Occupancy Tax Special Revenue Fund. The remainder of revenue needed, if any, to support Tax Increment Financing Fund general obligation debt is transferred from the City's Solid Waste Fund.

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**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
**Fiscal Year Ended September 30, 2011**

**TABLE 12 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS<sup>(a)</sup>**

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Issued To Date</u>	<u>The Series 2012 Bonds<sup>(b)</sup></u>	<u>Unissued</u>
Street Improvements	05/15/04	\$ 9,210,000	\$ 8,764,000	\$ -	\$ 446,000
Police/Municipal Court Facilities	05/15/04	3,350,000	945,000	-	2,405,000
Animal Shelter Renovations & Improvements	05/15/04	1,045,000	160,000	-	885,000
Street Improvements	11/03/09	43,085,000	27,360,000	10,000,000	5,725,000
Fire Stations	11/03/09	7,500,000	2,750,000	2,500,000	2,250,000
		<u>\$ 64,190,000</u>	<u>\$39,979,000</u>	<u>\$ 12,500,000</u>	<u>\$11,711,000</u>

<sup>(a)</sup> In addition to the authorized but unissued general obligation bonds described in Table 12, approximately \$3,742,000 of general obligation bonds approved by voters at elections held on May 21, 1977, October 17, 1987 and May 1, 1993 remain unissued; however, the City does not currently expect to issue general obligation bonds pursuant to such elections.

<sup>(b)</sup> See "THE OBLIGATIONS - Sources and Uses of Proceeds" for the aggregate of the principal amount and premium from the sale of the Series 2012 Bonds to fund the projects described in column "The Series 2012 Bonds" above.

**ANTICIPATED ISSUANCE OF GENERAL OBLIGATION DEBT . . .** The City Council adopted a resolution during the 1984-85 budget process establishing capital maintenance funds for capital projects. A capital improvement plan is made for planning purposes and may identify projects that will be deferred or omitted entirely in future years. In addition, as conditions change, new projects may be added that are not currently identified. Under current City policy, for a project to be funded as a capital project it must have a cost of \$25,000 or more and a life of seven or more years. For FY 2011-12, the City Council approved \$138.9 million in total expenditures for capital projects for all general purpose projects, as well as projects for the electric fund, water fund, sewer fund, solid waste fund, stormwater funds and airport fund. The Capital Projects Fund budget for FY 2011-12 also included an additional \$493.8 million in future improvements for all City departments over the five succeeding fiscal years. The improvements included in the City's capital improvement plan are generally funded from a blend of bond proceeds, reserves or current year revenue sources.

As shown in Table 12, the City will have \$11,711,000 of authorized but unissued bonds from the May 15, 2004 and November 3, 2009 bond elections. The City typically issues voted bonds for general purpose City projects, such as streets, parks, libraries, civic centers public safety improvements. However, the City has incurred substantial non-voted tax supported debt to fund portions of the capital budget of the Electric Fund, Water Fund, Sewer Fund, Solid Waste Fund, Storm Water Fund, Tax Increment Fund, Gateway Fund, and Airport Fund. As described elsewhere in this Official Statement, such enterprise fund indebtedness is generally anticipated to be self-supporting from enterprise fund revenues. In addition to the authorized but unissued general obligation bonds described in Table 12, approximately \$3,742,000 of general obligation bonds approved by voters at elections held on May 21, 1977, October 17, 1987 and May 1, 1993 remain unissued; however, the City does not currently expect to issue general obligation bonds pursuant to such elections.

The City plans to issue \$7,975,000 in additional general obligation debt that is not anticipated to be self-supporting within the next twelve months.

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**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
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**TABLE 13 - OTHER OBLIGATIONS**

The City has various capital leases outstanding. The debt service of the leases is detailed below.

<b>FYE 30-Sep</b>	<b>Governmental Capital Lease Minimum Payment</b>	<b>Business-Type Capital Lease Minimum Payment</b>	<b>Total Capital Lease Minimum Payment</b>
2012	\$ 4,588,481	\$ 7,107,081	\$ 11,695,562
2013	4,074,452	4,696,870	8,771,322
2014	3,882,732	2,704,726	6,587,458
2015	2,726,273	1,604,298	4,330,571
2016	1,896,822	1,316,348	3,213,170
2017-2021	3,192,686	3,184,098	6,376,784
Less Interest	(2,013,640)	(1,779,477)	(3,793,117)
	<u>\$ 18,347,806</u>	<u>\$ 18,833,944</u>	<u>\$ 37,181,750</u>

The City also has obligations to pay various contract revenue bonds issued through the Department of Housing and Urban Development and the Canadian Municipal River Authority. The majority of the Contract Revenue Bonds (99.7%) are payable from water revenues. The remaining percentage is payable from tax revenue. The debt service requirements of the contract revenue bonds are detailed below.

<b>FYE 30-Sep</b>	<b>Contract Revenue Bonds</b>		
	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	\$ 1,834,199	\$ 1,813,712	\$ 3,647,911
2013	1,782,527	1,733,521	3,516,048
2014	1,860,894	1,656,228	3,517,122
2015	1,944,860	1,571,759	3,516,618
2016	2,037,570	1,476,334	3,513,904
2017-2029	28,951,337	8,300,357	37,251,694
	<u>\$ 38,411,386</u>	<u>\$ 16,551,912</u>	<u>\$ 54,963,298</u>

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**CITY OF LUBBOCK, TX**  
**CONTINUING DISCLOSURE REPORT**  
**Fiscal Year Ended September 30, 2011**

**TABLE 14 - CHANGES IN NET ASSETS**

	<b>Fiscal Year Ended September 30</b>				
	<u><b>2011</b></u>	<u><b>2010</b></u>	<u><b>2009</b></u>	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>REVENUES</b>					
Program Revenues					
Changes for Services	\$ 9,405,110	\$ 9,989,833	\$ 9,665,449	\$ 12,676,752	\$ 10,636,294
Operating Grants & Contributions	22,231,742	20,803,413	20,291,850	25,153,702	14,645,391
General Revenues					
Property Taxes	57,534,225	55,064,777	52,598,485	50,330,322	47,007,067
Sales Taxes	53,672,769	51,008,384	50,705,301	50,548,865	47,780,448
Other Taxes	6,165,640	5,457,767	5,451,314	5,370,708	4,908,952
Franchise Taxes	8,307,268	11,702,985	10,765,289	12,977,686	12,378,389
Other	5,854,394	5,726,310	5,398,433	10,316,286	9,786,269
<b>Total Revenues</b>	<u><u>\$ 163,171,148</u></u>	<u><u>\$ 159,753,469</u></u>	<u><u>\$ 154,876,121</u></u>	<u><u>\$ 167,374,321</u></u>	<u><u>\$ 147,142,810</u></u>
<b>EXPENDITURES</b>					
Administrative Services	\$ 11,786,924	\$ 12,005,910	\$ 11,078,376	\$ 12,372,316	\$ 12,154,972
Community Services	10,707,989	12,231,817	7,037,569	6,874,065	6,951,069
Cultural and Recreation	16,832,528	16,590,119	15,039,074	16,660,378	19,671,474
Economic Development	15,944,038	15,335,806	37,221,152	12,378,335	11,619,989
Fire	39,619,927	36,803,080	33,097,947	31,789,223	27,337,834
Health	6,332,178	5,599,276	5,818,547	6,141,386	5,898,588
Police	56,537,522	54,171,638	48,342,376	46,849,826	43,022,202
Other Public Safety	5,919,681	6,343,372	6,325,692	6,677,751	5,886,199
Streets and Traffic	21,244,252	28,180,967	30,138,853	16,357,025	14,370,197
Intergovernmental	-	-	-	-	12,500,000
Interest on Long-Term Debt	13,290,050	12,207,377	9,840,431	8,367,167	6,968,480
<b>Total Expenditures</b>	<u><u>\$ 198,215,089</u></u>	<u><u>\$ 199,469,362</u></u>	<u><u>\$ 203,940,017</u></u>	<u><u>\$ 164,467,472</u></u>	<u><u>\$ 166,381,004</u></u>
Changes in net assets before special items & transfers	(35,043,941)	(39,715,893)	(49,063,896)	2,906,849	(19,238,194)
Special items	-	-	-	-	-
Transfers	22,844,004	19,869,774	10,039,415	(4,703,317)	10,571,943
Changes in net assets	(12,199,937)	(19,846,119)	(39,024,481)	(1,796,468)	(8,666,251)
Net Assets - beginning of year as restated	81,061,812	100,907,931	139,932,412	141,728,880	112,721,026
Restatement	-	-	-	-	37,674,105
Net assets - end of year	<u><u>\$ 68,861,875</u></u>	<u><u>\$ 81,061,812</u></u>	<u><u>\$ 100,907,931</u></u>	<u><u>\$ 139,932,412</u></u>	<u><u>\$ 141,728,880</u></u>

Note: Data shown in Table 14 reflects general governmental activities reported in accordance with GASB Statement No. 34. The financial statements include a management discussion and analysis of the operating results of such fiscal year, including restatements to beginning fund balances and net assets. As of the date of this Official Statement, a copy of the FY2011 financial statement can be accessed through the City's website, <http://finance.ci.lubbock.tx.us/CAFR.aspx>.

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**TABLE 15 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY**

	Fiscal Year Ended September 30				
	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
<b>REVENUES</b>					
Taxes	\$ 90,355,175	\$ 86,888,762	\$ 84,711,760	\$ 85,345,082	\$ 80,266,416
Franchise Taxes	4,986,937	7,025,122	6,459,207	7,786,611	7,429,660
Licenses and Permits	2,076,776	2,493,594	2,213,041	2,663,139	2,531,032
Intergovernmental	451,684	484,543	503,889	530,389	514,896
Charges for Services	3,114,280	2,964,001	2,930,335	3,339,148	4,057,958
Fees and Fines	2,996,315	3,047,293	3,315,472	3,279,911	3,669,099
Miscellaneous	2,311,429	2,158,723	1,757,534	2,574,448	2,582,509
Interest	25,379	48,895	327,401	1,052,842	1,469,083
Operating Transfers	-	-	-	-	-
<b>Total Revenues and Transfers</b>	<u>\$ 106,317,975</u>	<u>\$ 105,110,933</u>	<u>\$ 102,218,639</u>	<u>\$ 106,571,570</u>	<u>\$ 102,520,653</u>
<b>EXPENDITURES</b>					
Admin/General Government	\$ 10,214,049	\$ 10,572,200	\$ 9,611,385	\$ 11,047,039	\$ 11,560,733
Cultural and Recreation	11,835,432	11,859,275	11,515,865	12,253,380	15,251,742
Economic & Business Development	911,739	982,508	966,068	1,215,978	1,122,880
Police	47,799,452	45,018,594	43,539,601	42,831,016	40,448,254
Fire	33,831,932	31,874,544	30,479,464	29,630,222	26,690,350
Health	3,568,300	3,217,069	4,069,411	4,133,917	4,004,913
Other Public Safety	4,291,114	4,690,621	4,872,418	4,703,249	4,508,394
Streets and Traffic	6,162,640	8,904,450	8,013,700	8,168,462	7,663,278
General Obligation Debt (as of 03-15-12)	4,284,852	4,299,215	2,840,461	2,396,605	1,694,844
Capital Outlay	5,749,537	4,135,290	8,412,831	3,966,065	4,256,705
<b>Total Expenditures</b>	<u>\$ 128,649,047</u>	<u>\$ 125,553,766</u>	<u>\$ 124,321,204</u>	<u>\$ 120,345,933</u>	<u>\$ 117,202,093</u>
Excess (Deficiency) of Revenues and Transfers over Expenditures	\$ (22,331,072)	\$ (20,442,833)	\$ (22,102,565)	\$ (13,774,363)	\$ (14,681,440)
Capital Leases	\$ 3,588,154	\$ 4,015,386	\$ 8,714,556	\$ 3,011,141	\$ 3,721,262
Transfer In	24,741,193	19,805,805	19,303,155	17,729,361	14,536,071
Transfer Out	(3,938,993)	(3,449,174)	(5,996,006)	(6,129,512)	(4,374,956)
Net Change in Fund Balance	2,059,282	(70,816)	(80,860)	836,627	(799,063)
Fund Balances - Beginning of Year	19,810,599	19,881,415	19,962,275	19,125,648	19,924,711
Fund Balances - End of Year	\$ 21,869,881	\$ 19,810,599	\$ 19,881,415	\$ 19,962,275	\$ 19,125,648
Less: Nonspendable <sup>(a)</sup>	(155,079)	(128,880)	(124,955)	(168,657)	(171,580)
Unassigned Fund Balance <sup>(a)(b)</sup>	<u>\$ 21,714,802</u>	<u>\$ 19,681,719</u>	<u>\$ 19,756,460</u>	<u>\$ 19,793,618</u>	<u>\$ 18,954,068</u>

<sup>(a)</sup> The City changed its method of accounting for fund balances per GASB Statement No. 54 as of FY 2011. Historical fund balance figures have not been restated.

<sup>(b)</sup> The City's financial policies target a General Fund unassigned balance of at least 20% of operating revenues. The FY 2011 unassigned fund balance is at 102.1% of the target established by the City's financial policies.

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**TABLE 16 - MUNICIPAL SALES TAX HISTORY**

The City has adopted the Municipal Sales and Use Tax Act, Chapter 321, Texas Tax Code, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Obligations or other debt of the City. In addition, in January, 1995, voters of the City approved the imposition of an additional sales and use tax of one-eighth of a cent as authorized by Chapter 323 Texas Tax Code, as amended. Collection for the additional tax commenced in October, 1995 with the proceeds from the one-eighth cent sales tax designated for the use and benefit of the City to replace property tax revenues lost as a result of the adoption of the tax. At an election held in the City on November 4, 2003, voters approved an additional one-quarter cent sales and use tax, with the proceeds to be dedicated to the reduction of ad valorem taxation, and an additional one-eighth cent sales and use tax under Chapter 504 of the Texas Local Government Code to be used for economic development in Lubbock. The City began to receive proceeds of these taxes in October 2004. Collection and enforcement of the City's sales tax are effected through the offices of the Comptroller of Public Accounts, State of Texas. The Comptroller remits the proceeds of the tax to the City on a monthly basis after the deduction of a 2% service fee. Historical collections of the City's local Sales and Use Tax are shown below:

<b>FYE 30-Sep</b>	<b>Total Collected <sup>(a)</sup></b>	<b>% of Ad Valorem Tax Levy</b>	<b>Equivalent of Ad Valorem Tax Rate</b>	<b>Per Capita <sup>(b)</sup></b>
2007	\$ 47,780,448	103.72%	\$ 0.4777	\$ 224.99
2008	50,548,865	102.75%	0.4639	235.28
2009	50,705,301	98.23%	0.4344	232.24
2010	51,008,384	95.42%	0.4250	222.19
2011	53,672,769	96.22%	0.4368	231.41

<sup>(a)</sup> Excludes bingo tax receipts.

<sup>(b)</sup> Based on population estimates of the City.

Effective as of October 1, 2006, the sales tax breakdown for the City is as follows:

	<b>Sales Tax Allocation%</b>
City Sales & Use Tax	\$ 1.000
City Sales & Use Tax for Property Tax Relief	0.375
City Sales & Use Tax for Economic Development	0.125
County Sales & Use Tax	0.500
State Sales & Use Tax	6.250
Total	<u>\$ 8.250</u>

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**TABLE 17 - CURRENT INVESTMENTS**

As of January 31, 2012, the City's investable funds were invested in the following categories:

<u>Type</u>	<u>Par Value</u>	<u>Book Value</u>		<u>Estimated Market Value<sup>(a)</sup></u>	
		<u>Value</u>	<u>% of Total Book Value</u>	<u>Value</u>	<u>% of Total Market Value</u>
United States Agency Obligations	\$ 37,000,000	\$ 37,001,305	7.59%	\$ 37,085,378	7.61%
Money Market Mutual Funds <sup>(b)</sup>	509,482	509,482	0.10%	509,482	0.10%
Bank Accounts	9,055,671	9,055,671	1.86%	9,055,671	1.86%
Local Government Investment Pools <sup>(c)</sup>	440,862,223	440,862,223	90.45%	440,862,223	90.43%
	<u>\$487,427,376</u>	<u>\$ 487,428,681</u>	<u>100.00%</u>	<u>\$ 487,512,754</u>	<u>100.00%</u>

<sup>(a)</sup> Market prices are obtained from Wells Fargo Brokerage. No funds are invested in mortgage backed securities. The City holds all investments to maturity which minimizes the risk of market price volatility.

<sup>(b)</sup> Money Market Funds are held at Wells Fargo Bank, Texas N.A.

<sup>(c)</sup> Local government investment pools consist of entities whose investment objectives are preservation and safety of principal, liquidity, and yield. The pool seeks to maintain a 1.00 value per share as required by the PFIA.

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**TABLE 18 - MONTHLY WATER RATES**

On September 8, 2011, the Lubbock City Council adopted water rate increases, effective December 1, 2011, that are designed to cover water expenses the 2011-12 fiscal year and that fully fund the debt service for a number of major water supply projects.

<u>Base Rate <sup>(1)</sup></u>	<u>Effective 12/01/11</u>		
3/4" meter	28.00		
1" meter (single family residential)	46.74		
1" meter (other than residential)	46.74		
<u>Flow Rate Charge per 1,000 Gallons</u>	<u>Block 1</u>	<u>Block 2</u>	<u>Block 3</u>
Single Family Residential	2.67	4.29	5.93
Single Family Residential Irrigation	n/a	4.29	5.93
Multi-Family Residential, Commercial and Public	2.67	4.29	5.93
Non-Residential Irrigation	n/a	4.29	5.93
Schools	2.67	n/a	n/a
Wholesale	3.47	5.57	7.70

<sup>(1)</sup> The Base Rate is for water service; Base Rates shown are for a 3/4" water meter and a 1" meter for residential and commercial customers; higher Base Rates apply to meters ranging from 1.5" to 10".

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**TABLE 19 - HISTORICAL WATER CONSUMPTION (MILLIONS GALLONS)**

<u>Calendar Year</u>	<u>Average Daily Consumption</u>	<u>Maximum Consumption Day/Year</u>
2005	34.606	62.539
2006	38.400	68.770
2007	29.398	47.297
2008	32.947	57.176
2009	32.180	54.240
2010	32.690	50.400
2011	41.207	64.117

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**TABLE 20 - WATERWORKS SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	Fiscal Year Ended September 30,				
	2011	2010	2009	2008	2007
<b>REVENUE</b>					
Operating Revenues	\$ 74,184,937	\$ 59,474,560	\$ 51,989,393	\$ 42,527,445	\$ 35,454,426
Non-Operating Revenues	428,632	319,290	580,276	2,123,853	1,746,843
Gross Revenues	<u>74,613,569</u>	<u>59,793,850</u>	<u>52,569,669</u>	<u>44,651,298</u>	<u>37,201,269</u>
<b>EXPENSE</b>					
Operating Expense <sup>(1)</sup>	<u>24,019,142</u>	<u>22,582,295</u>	<u>23,034,101</u>	<u>23,543,862</u>	<u>18,781,580</u>
Net Revenues	<u>\$ 50,594,427</u>	<u>\$ 37,211,555</u>	<u>\$ 29,535,568</u>	<u>\$ 21,107,436</u>	<u>\$ 18,419,689</u>
Number of Water Meters	80,479	79,762	79,200	78,312	77,608

<sup>(1)</sup> Operating expense includes construction repayment costs and operation and maintenance charges paid to Canadian River Municipal Water Authority and excludes depreciation and capital expenditures.

Note: The City has no outstanding or authorized Waterworks System Revenue Bonds, however, there is \$328,671,342 of general obligation debt outstanding which was issued for water system purposes on which annual debt service is provided from revenues of the System.

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**TABLE 21 - HISTORICAL WASTEWATER PLANT TREATMENT**

The table below sets forth the average daily influent treated in million gallons per day, at the City's Southwest Water Reclamation Plant for each of the last seven calendar years.

<u>Calendar Year</u>	<u>Average Treatment</u>
2004	21.6 mgd
2005	21.2 mgd
2006	21.0 mgd
2007	23.0 mgd
2008	22.8 mgd
2009	20.7 mgd
2010	20.7 mgd
2011	19.2 mgd

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**TABLE 22 - MONTHLY WASTEWATER RATES**

In providing adequate wastewater service to its customers, the utility must receive sufficient total revenue to ensure proper operation and maintenance, development and perpetuation of the system, and preservation of the utility's financial integrity. Nearly all of total revenue requirements for the utility is met from revenues derived from wastewater residential and commercial fees.

The goal in setting wastewater rates is to generate enough revenue to fund operating costs, debt payments, utility billing charges, indirect allocation, and transfers to the general fund; to adequately fund system improvements and maintenance programs; and to build and/or maintain target balances in both working capital and rate stabilization funds.

In July 2007, the City adopted the Strategic Water Supply Plan. The Plan recommends the Southeast Water Reclamation Plant be improved to treat all wastewater to stream discharge quality standards. On September 8, 2011, the Lubbock City Council adopted a rate increase effective December 1, 2011.

<u>Residential</u>	<u>12/01/2011</u>
Base Rate <sup>(1)</sup>	\$14.00
Flow Rate (Water Consumption)	2.05
<u>Commercial/Industrial <sup>(2)</sup></u>	
Base Rate <sup>(1)</sup>	\$24.66
Flow Rate (Water Consumption)	2.05

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<sup>(1)</sup> The Base Rate is for wastewater service; Base Rates shown are for a 3/4" water meter for residential consumers and a 1 1/2" water meter for commercial consumers; higher Base Rates apply to larger meters ranging from 2" to 10".

<sup>(2)</sup> Industrial waste that exceeds allowable limits is subject to surcharge for treating biochemical oxygen demand ("B.O.D.") and total suspended solids ("T.S.S."). Present surcharge rate for B.O.D. is \$0.1992/lb. and for T.S.S. is \$0.1856/lb.

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**TABLE 23 - WASTEWATER SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
<b>REVENUE</b>					
Operating	\$ 29,942,844	\$ 26,720,757	\$ 24,479,551	\$ 21,095,745	\$ 19,841,503
Non-Operating Revenues	253,664	149,122	1,155,952	1,954,744	1,541,445
Gross Revenues	<u>30,196,508</u>	<u>26,869,879</u>	<u>25,635,503</u>	<u>23,050,489</u>	<u>21,382,948</u>
<b>EXPENSE</b>					
Operating Expense <sup>(1)</sup>	<u>11,248,152</u>	<u>11,180,968</u>	<u>11,138,683</u>	<u>11,705,156</u>	<u>10,703,532</u>
Net Revenues	<u>\$ 18,948,356</u>	<u>\$ 15,688,911</u>	<u>\$ 14,496,820</u>	<u>\$ 11,345,333</u>	<u>\$ 10,679,416</u>
Number of Wastewater Records	74,230	72,539	73,213	72,389	71,616

<sup>(1)</sup> Operating expense excludes depreciation and capital expenditures.

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**TABLE 24 - MONTHLY SOLID WASTE RATES**

Summarized below are the current solid waste rates of the City as of October 1, 2011.\*

<u>Residential Garbage Rate</u>	
Monthly Rate	\$ 15.25
<u>Commercial Garbage Rate</u>	
Container Size	Monthly Rate
2 cubic yards	\$ 40.57
3 cubic yards	60.14
4 cubic yards	79.70
6 cubic yards	115.38
8 cubic yards	151.06
<u>Landfill Fees</u>	
Tipping Fees	\$ 28.25/ton

\*Rates do not include state surcharge fees or sales tax.

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**TABLE 25 - SOLID WASTE SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
Operating Revenues	\$ 18,807,531	\$ 17,037,506	\$ 16,979,975	\$ 16,754,438	\$ 16,885,042
Non-Operating Revenues	536,771	407,711	358,381	1,046,895	1,272,107
Gross Revenues	<u>19,344,302</u>	<u>17,445,217</u>	<u>17,338,356</u>	<u>17,801,333</u>	<u>18,157,149</u>
Operating Expense <sup>(1)</sup> (excluding depreciation)	<u>11,664,568</u>	<u>13,645,668</u>	<u>12,353,610</u>	<u>12,119,969</u>	<u>10,741,078</u>
Net Revenues	<u><u>\$ 7,679,734</u></u>	<u><u>\$ 3,799,549</u></u>	<u><u>\$ 4,984,746</u></u>	<u><u>\$ 5,681,364</u></u>	<u><u>\$ 7,416,071</u></u>

<sup>(1)</sup> Operating expense excludes depreciation and capital expenditures.

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**TABLE 26 - MONTHLY MUNICIPAL DRAINAGE RATES**

On September 10, 2009, the City Council adopted a new Drainage System rate ordinance, which became effective on October 1, 2009. The current rates are shown below.

<u>Residential Property:</u>	<u>Current Rates</u>
Single Family Residential	\$ 14.00
Multi-Family Residential B duplex, triplex and quadraplex (per unit):	14.00
Residential Water Sprinklers	Exempt
Mobile Homes and Mobile Home Parks	14.00
Construction - Residential	14.00
<u>Non-residential Property:</u>	
Multi-Family Commercial (per unit):	\$ 14.00
Apartment Complex <sup>(1)</sup>	92.92
Private Schools, Churches, Federal Government	92.92
Commercial - Retail, Service, Industrial	92.92
Construction - Commercial	92.92
All Non-Residential Water Sprinklers	92.92

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<sup>(1)</sup> Sprinkler meters for all apartment complexes are subject to the residential rate.

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**TABLE 27 - DRAINAGE UTILITY SYSTEM CONDENSED STATEMENT OF OPERATIONS**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
Operating Revenues	\$ 16,195,959	\$ 12,118,701	8,108,040	6,633,255	6,519,658
Non-Operating Revenues	115,841	68,125	317,750	951,903	1,332,620
Gross Revenues	<u>16,311,800</u>	<u>12,186,826</u>	<u>8,425,790</u>	<u>7,585,158</u>	<u>7,852,278</u>
Operating Expense <sup>(1)</sup> (excluding depreciation)	<u>3,611,232</u>	<u>3,112,898</u>	<u>3,968,722</u>	<u>4,337,754</u>	<u>1,970,978</u>
Net Revenues	<u>\$ 12,700,568</u>	<u>\$ 9,073,928</u>	<u>4,457,068</u>	<u>3,247,404</u>	<u>5,881,300</u>

<sup>(1)</sup> Operating expense excludes depreciation and capital expenditures.

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**TABLE 28 - GENERATING STATIONS**

Manufacturer	Year Installed	Station	Prime Mover	Fuel	Generator Capacity (in MW)	Dependable Capacity (in MW)
Westinghouse	1957	J.R. Massengale No. 6	Steam Turbine	Gas	22	20
Westinghouse	1958	J.R. Massengale No. 7	Steam Turbine	Gas	22	20
Westinghouse	1964	Cooke GT 1	Gas Turbine	Gas	13	11
General Electric	1965	<b>Cooke Steam 1</b>	Steam Turbine	Gas or Oil	46	44
Worthington	1971	Cooke GT 2	Gas Turbine	Gas	21	15
General Electric	1974	Cooke GT 3	Gas Turbine	Gas	24	15
General Electric	1978	<b>Cooke Steam 2</b>	Steam Turbine	Gas or Oil	54	48
General Electric	1990	<b>TX Tech (Brandon 1)</b>	Gas Turbine	Gas	20	21
General Electric	2000	<b>J.R. Massengale No. 8</b>	Gas Turbine	Gas	40	39
					262	233

Note: **Bolded Units** reflect primary generation turbines.

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**TABLE 29 - HISTORICAL POWER SUPPLY REQUIREMENTS**

Fiscal Year	Peak Demand		Energy Sales <sup>(1)</sup>		
	MW	% Increase	MWh	% Increase	Load Factor (%)
2007	367.1	0.93	1,535,287	0.70	47.74
2008	382.8	4.28	1,637,330	6.65	48.83
2009	399.8	4.44	1,648,375	0.67	47.07
2010	399.6	(0.05)	1,728,641	4.87	49.38
2011	598.4	49.75	2,587,518	49.69	49.36

<sup>(1)</sup> Does not include Off System sales.

Fiscal Year	Net System Requirements		
	MWh	% Increase	Load Factor (%)
2007	1,614,479	2.09	50.20
2008	1,710,822	5.97	51.02
2009	1,714,673	0.23	48.96
2010	1,796,485	4.77	51.32
2011	2,709,385	50.82	51.69

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**TABLE 30 - STATISTICAL DATA**

<u>kWh TO SYSTEM</u>	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
	\$ 3,339,083,410	\$2,325,235,379	\$ 2,048,270,571	\$2,220,605,178	\$ 1,990,645,478
Sales of kWh					
Residential Service	1,022,156,076	747,762,741	695,875,402	685,995,051	648,762,856
Commercial Service	1,393,503,942	814,428,208	792,398,559	788,148,421	728,189,770
Municipal and Schools	171,858,259	166,450,331	160,101,440	163,186,180	158,334,395
Total Retail Sales	\$ 2,587,518,277	\$1,728,641,280	\$ 1,648,375,401	\$1,637,329,652	\$ 1,535,287,021
Wholesale Sales (Off System Sales)	629,698,458	528,750,343	333,598,000	509,782,800	376,166,499
Total Sales to All Customers	3,217,216,735	2,257,391,623	1,981,973,401	2,147,112,452	1,911,453,520
Loss and Unaccounted for	121,866,675	67,843,756	66,297,170	73,492,726	79,191,958
kWh To The System	\$ 3,339,083,410	\$2,325,235,379	\$ 2,048,270,571	\$2,220,605,178	\$ 1,990,645,478
EOFY Residential Meters	83,690	66,816	65,779	65,063	62,574
EOFY Commercial Meters	12,621	8,003	7,863	7,808	7,772
EOFY Municipal and School Meters	1,052	1,008	1,010	1,033	1,019
EOFY Total Meters	97,363	75,827	74,652	73,904	71,365
Total Plant Peak kW Demand	598,400	399,600	399,800	382,800	367,100

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**TABLE 31 - TEN LARGEST CUSTOMERS (ANNUAL CONSUMPTION AND REVENUE)**

	Fiscal Year Ended September 30, 2011			
	Megawatt Hours Billed	% of Total	Revenues	% of Total
Top 10 Customers	548,409,349	21.0	\$ 30,574,893	16.0
Top Two Customers	225,554,395	9.0	\$ 13,930,644	7.0

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**TABLE 32 - ANALYSIS OF ELECTRIC BILLS**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
<u>All Customer:</u>					
Average Monthly kWh Per Meter	2,214	1,899	1,840	1,872	1,823
Average Monthly Bill Per Meter	\$ 162.41	\$ 143.88	\$ 142.38	\$ 162.80	\$ 143.15
Average Monthly Revenue Per kWh	0.073332	0.075737	0.077378	0.086986	0.078531
<u>Residential Customer:</u>					
Average Monthly kWh Per Meter	1,018	933	882	891	875
Average Monthly Bill Per Meter	\$ 89.21	\$ 82.25	\$ 78.85	\$ 86.95	\$ 74.97
Average Monthly Revenue Per kWh	0.087651	0.088193	0.089442	0.097621	0.085702
<u>Commercial:</u>					
Average Monthly kWh Per Meter	9,201	8,480	8,398	8,531	8,273
Average Monthly Bill Per Meter	\$ 590.56	\$ 564.76	\$ 573.97	\$ 674.79	\$ 602.31
Average Monthly Revenue Per kWh	0.064185	0.066596	0.068348	0.079096	0.072803
<u>Municipal and School:</u>					
Average Monthly kWh Per Meter	13,620	13,760	13,213	13,291	12,639
Average Monthly Bill Per Meter	\$ 775.38	\$ 806.19	\$ 920.06	\$ 1,068.48	\$ 954.15
Average Monthly Revenue Per kWh	0.056929	0.058591	0.069633	0.080392	0.075490

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**TABLE 33 - LUBBOCK POWER & LIGHT 6-YEAR CAPITAL IMPROVEMENT PLAN**

<u>Fiscal Year</u> <u>Ending</u> <u>September 30</u>	<u>Total LP&amp;L</u> <u>Capital</u> <u>Improvements</u>
2011	\$ 13,322,000
2012	18,127,000
2013	14,082,000
2014	10,522,000
2015	10,400,000
2016	10,400,000
	<u>\$ 76,853,000</u>

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**TABLE 34 - ELECTRIC LIGHT AND POWER SYSTEM REVENUE BOND DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending September 30	Outstanding Revenue Debt		
	Principal <sup>(1)</sup>	Interest	Total
2012	\$ 6,600,000	\$ 3,176,315	\$ 9,776,315
2013	6,845,000	2,909,440	9,754,440
2014	7,100,000	2,632,190	9,732,190
2015	7,365,000	2,344,050	9,709,050
2016	7,660,000	2,022,850	9,682,850
2017	8,020,000	1,639,850	9,659,850
2018	8,380,000	1,258,160	9,638,160
2019	8,775,000	838,470	9,613,470
2020	9,115,000	473,800	9,588,800
2021	460,000	24,150	484,150
2022	-	-	-
	<u>\$ 70,320,000</u>	<u>\$ 17,319,275</u>	<u>\$ 87,639,275</u>

<sup>(1)</sup> Principal paid October 15th of each year.

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**TABLE 35 - LUBBOCK POWER & LIGHT CONDENSED STATEMENT OF OPERATIONS**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
<b>REVENUE</b>					
Operating Revenues					
Charges for Services	\$ 202,584,345	\$ 143,894,317	\$ 132,731,430	\$ 153,071,017	\$ 145,953,649
Non-Operating Income	10,728,902	(3,688,808)	2,072,874	5,366,811	6,465,340
Gross Revenues	<u>213,313,247</u>	<u>140,205,509</u>	<u>134,804,304</u>	<u>158,437,828</u>	<u>152,418,989</u>
<b>OPERATING EXPENSE</b>					
Personnel Services	16,204,193	15,157,181	13,388,165	12,305,453	13,763,044
Supplies	1,452,099	1,116,411	971,049	1,196,956	1,041,200
Maintenance	3,773,873	2,775,986	2,157,774	1,841,172	3,026,095
Power Plant Fuel	330,522	571,299	767,717	638,140	509,539
Gas Swap	-	-	-	-	12,813,521
Purchased Power	133,482,888	87,893,388	76,193,108	112,214,828	89,538,070
Uncollectible Accounts	1,125,087	671,973	-	-	-
Other Charges	5,717,198	4,461,060	4,006,516	3,819,293	5,210,063
Total Operating Expenses	<u>162,085,860</u>	<u>112,647,298</u>	<u>97,484,329</u>	<u>132,015,842</u>	<u>125,901,532</u>
Net Revenues <sup>(1)</sup>	<u>\$ 51,227,387</u>	<u>\$ 27,558,211</u>	<u>\$ 37,319,975</u>	<u>26,421,986</u>	<u>26,517,457</u>
Electric Connections	99,399	75,975	74,930	72,949	71,489

<sup>(1)</sup> The statement of operations shown above represents amounts legally available for the payment of LP&L debt service, but does not take into account all transfers from LP&L to the City's General Fund.

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**TABLE 36 - LUBBOCK POWER & LIGHT COVERAGE AND FUND BALANCES**

Electric Light and Power System Revenue Available, September 30, 2011 .....	\$	51,227,387	
Electric Light and Power System Revenue Bonds Outstanding .....	\$	70,320,000	
Average Annual Principal and Interest Requirements, 2012-2022.....	\$	7,303,273	
Coverage by Net Revenues, Fiscal Year Ended September 30, 2011 .....		7.01	X
Maximum Principal and Interest Requirements, 2012-2022.....	\$	9,776,315	
Coverage by Net Revenues, Fiscal Year Ended September 30, 2011 .....		5.24	X
Interest and Sinking Fund, September 30, 2011 .....	\$	438,451	
Reserve Fund, <sup>(1)</sup> September 30, 2011 .....	\$	10,252,107	

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<sup>(1)</sup> For LP&L's revenue bonds, the City covenants to maintain in the Reserve Portion of the Bond Fund a Required Reserve of not less than the average annual principal and interest requirements of all Bonds Similarly Secured, which will be calculated each fiscal year.

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**TABLE 37 - LUBBOCK'S EQUITY IN LP&L**

	Fiscal Year Ended September 30				
	2011	2010	2009	2008	2007
Property, Plant and Equipment	\$ 382,709,702	\$ 281,632,769	\$ 265,953,287	265,347,620	254,720,000
Less: Allowance for depreciation	(153,479,169)	(137,884,565)	(126,733,351)	(126,673,526)	(118,192,554)
	<u>229,230,533</u>	<u>143,748,204</u>	<u>139,219,936</u>	<u>138,674,094</u>	<u>136,527,446</u>
Construction in Progress	9,067,641	9,586,902	15,766,414	14,207,964	10,295,363
Net Fixed Asset Value	<u>238,298,174</u>	<u>153,335,106</u>	<u>154,986,350</u>	<u>152,882,058</u>	<u>146,822,809</u>
Plus:					
Capital Projects Fund				-	-
Permanent Capital Maintenance Fund	3,137,148	3,027,763	4,213,325	3,873,363	7,632,149
System Improvement Fund	-	-	-	-	-
Economic Development Fund	-	-	-	-	-
Rate Stabilization	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Deferred Charge	2,411,110	2,544,443	2,677,777	2,811,110	2,944,444
Working Capital	58,836,211	74,503,477	72,104,336	54,118,821	44,324,568
Value of the System	<u>302,682,643</u>	<u>233,410,789</u>	<u>233,981,788</u>	<u>213,685,352</u>	<u>201,723,970</u>
<u>Net Bond Debt</u>					
Bonds Outstanding	142,460,036	82,761,209	81,840,943	79,821,135	76,541,580
Less: Interest and Sinking Fund & Reserve Fund	<u>(11,039,987)</u>	<u>(10,065,838)</u>	<u>(6,073,904)</u>	<u>(5,974,427)</u>	<u>(4,931,884)</u>
	<u>131,420,049</u>	<u>72,695,371</u>	<u>75,767,039</u>	<u>73,846,708</u>	<u>71,609,696</u>
Plus:					
Accrued Revenue Bond Interest	2,168,721	1,100,316	1,189,639	1,217,841	1,288,005
Accrued Vacation and Sick Leave	4,008,623	2,737,253	2,566,369	2,447,686	2,482,678
Arbitrage Rebate Liability	-	20,428	38,455	72,702	72,193
Net Outstanding Bonds	137,597,393	76,553,368	79,561,502	77,584,937	75,452,572
City's Equity in System	<u>\$ 165,085,250</u>	<u>\$ 156,877,849</u>	<u>\$ 154,458,741</u>	<u>136,173,117</u>	<u>126,271,399</u>
Percentage City's Equity in System	54.54%	67.21%	66.01%	63.73%	62.60%

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**TABLE 38 - MONTHLY ELECTRIC RATES**

Electric rates in the City are approved by the Electric Utility Board and then set by an ordinance adopted by the City Council.

Approximately 57% of LP&L customers are billed under the Standard Residential rate schedule shown below with another 29% qualifying for a discounted winter residential rate by having whole house electric heating. Approximately 7.13% of LP&L customers are billed under the Small General Service rate schedule shown below. Other rate schedules are available for customers including School, Secondary General Service, Primary General Service, Transmission General Service, Municipal, Street Light, Church and Small Municipal/School.

	Residential	
Service Availability Charge		\$ 5.60 per month

All kilowatt hours ("kWh") per month @ \$0.053550 per kWh used during summer months.

All kWh per month @ \$0.043930 per kWh used during winter months (Standard Residential Rate)

All kWh per month @ \$0.033470 per kWh used during winter months (Space Heating Discount Residential Rate)

Summer Months: June - September

Winter Months: October - May

Plus: Fuel/Power Cost Adjustment Factor <sup>(1)</sup>

	Small General Service	
Service Availability Charge		\$ 10.91 per month

All kilowatt hours ("kWh") per month @ \$0.044450 per kWh used during summer months.

All kWh per month @ \$0.035040 per kWh used during winter months.

Summer Months: June - September

Winter Months: October - May

Plus: Fuel/Power Cost Adjustment Factor <sup>(1)</sup>

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<sup>(1)</sup> FUEL/POWER COST

**ADJUSTMENT FACTORS**

**APPLICABLE:** To all rate classes except State University

**TERRITORY:** Lubbock, Texas

**SECONDARY DISTRIBUTION FUEL COST ADJUSTMENT FACTOR:** The Secondary Distribution Fuel Cost Adjustment factor (SFCA) will be determined in accordance with the following formula for retail customers when service is metered at secondary voltages of approximately 600 volts and below:R

$$SFCA = (TGF + TWF +/- TA)/TES$$

TGF = Estimated total generation fuel costs, inclusive of all costs incurred by LP&L in procuring fuel, used for the month in LP&L's power plants to provide power to retail customers.

TWF = Estimated total of all wholesale purchased power fuel costs, including the cost of any wind energy in excess of the average cost of energy purchased, to be passed on to LP&L for the month to provide power to retail customers.

TA = Total adjustment for any under or over collected amounts, including interest, based on the secondary fuel cost adjustment factor from previous months.

TES = Estimated total energy sales in kWhs to retail customers.

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**PRIMARY DISTRIBUTION FUEL COST ADJUSTMENT FACTOR:** The Primary Distribution Fuel Cost Adjustment factor (PFCA) will be determined in accordance with the following formula for retail customers when service is metered at primary voltages of approximately 12kV:

$$PFCA = 0.987440 \times SFCA$$

**TRANSMISSION FUEL COST ADJUSTMENT FACTOR:** The Transmission Fuel Cost Adjustment factor (TFCA) will be determined in accordance with the following formula for retail customers when service is metered at transmission voltages of approximately 69kV:

$$TFCA = 0.941347 \times SFCA$$

**POWER COST ADJUSTMENT FACTOR:** The Power Cost Adjustment Factor (PCAF) will be determined in accordance with the following formula for retail customers in order to recover purchased power costs, including wind energy, cogeneration purchases, and similar costs incurred through any wholesale purchases, that are considered to be in excess of amounts recovered in the base rates. For customers on a non-demand rate, the resulting power cost adjustment factor may be combined with the appropriate fuel cost adjustment factor for billing purposes. For customers on a demand rate, the power cost adjustment factor will be a separate charge.

$$PCAF = ((TPP +/- TA) * DAF) / (TES \text{ or } TDS)$$

TPP = Estimated total of all purchased power costs for the month in excess of amounts recovered in the base rates.

TA = Total adjustment for any under or over collected amounts, including interest, of the power cost recovery factor from previous months.

TES = Estimated total energy sales in kWhs to retail customers on a non-demand rate.

TDS = Estimated total demand sales in kW to retail customers on a demand rate.

DAF = Demand allocation factor for each rate class as shown:

Rate Class Demand Allocation Factor

Residential 0.307514

Small General Service 0.028577

Commercial/Industrial 0.630790

Small Municipal & School 0.001137

Large Municipal & School 0.028265

Street Lighting 0.003716

Total 1.000000

**FUEL/POWER COST ADJUSTMENT:** For competitive purposes, without further action being taken by the City Council of the City of Lubbock, Lubbock Power & Light may adjust the total Fuel/Power Cost Adjustment Factor, so that the total Fuel/Power Cost Adjustment Factor is no greater than all applicable fuel and power cost recovery factors charged by any electric utility certificated to serve within the corporate limits of Lubbock, Texas and approved by the Public Utility Commission of the State of Texas. Such factors may include but not be limited to base fuel factors, surcharge factors, surcharge interest factors, refunds, and power cost recovery factors.

**EFFECTIVE DATE:** For all electric meters read by LP&L on or after October 29, 2010.