



## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

### **CITY OF LUBBOCK, TEXAS**

**Fiscal Year October 1, 2000 through September 30, 2001**

**Bob Cass**  
**City Manager**

**Debra Brooks Forte'**

**Deputy City Manager**

**Quincy White**

**Assistant City Manager**

**Beverly Hodges, CPA**

**Director of Financial Services**

**Perry Stout, CPA**

**Chief Accountant**

**Andy Burcham**

**Cash and Debt Manager**

**Brack Bullock**

**Senior Accountant**

**Linda Cuellar**

**Senior Accountant**

**Veronica Valderaz**

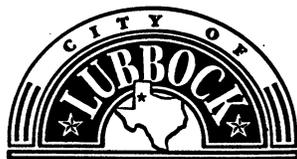
**Senior Accountant**

**Dena Morris**

**Accountant**

**Jeremy Osborne**

**Accountant**

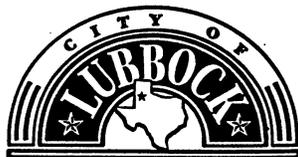


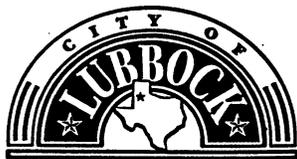
**CITY OF LUBBOCK, TEXAS  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
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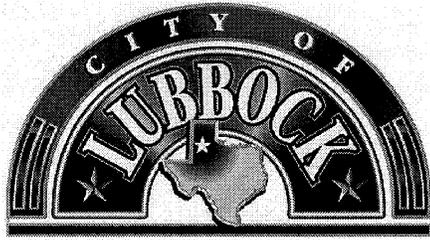
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## FINANCE DIVISION

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Lubbock, Texas 79457 (01)  
(806) 775-2161 (806) 775-2033 (fax)

January 23, 2002

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

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of Lubbock, Texas for the fiscal year ended September 30, 2001. The purpose of this report is to provide the City Council, citizens, representatives of financial institutions and others with detailed information concerning the financial condition and performance of the City of Lubbock. In addition, the report provides assurance that the City presents fairly, in all material respects, its financial position as verified by independent auditors.

### ***The Comprehensive Annual Financial Report***

The Comprehensive Annual Financial Report (CAFR) of the City of Lubbock, Texas for the fiscal year ended September 30, 2001, which follows, was prepared by the Finance Division. The general purpose financial statements have been audited by an independent audit firm of certified public accountants, Robinson Burdette Martin Seright & Burrows, LLP (RBMS&B, LLP), whose report is included herein. This audit satisfies Chapter 1, Article IX, Section 26 of the City Charter that requires an audit of all accounts of the City be made by an independent certified public accountant.

The City is required to undergo an annual single audit of all federally financed programs, for the year ended September 30, 2001 in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of State and Local Governments, and Non-Profit Organizations*. Information related to this single audit, including the schedule of federal expenditures, findings and recommendations, if any, and auditors' reports on the internal control and compliance with applicable laws and regulations, are included in a separate document which will be available in the Accounting Department upon request.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. We believe the data, as presented, is accurate in all material respects and is presented in a manner which fairly sets forth the financial position and results of operations of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activity have been included.

These financial statements have been prepared in accordance with generally accepted accounting principles for local governments as prescribed by the Governmental Accounting Standards Board (GASB).

The CAFR is presented in three sections: introductory, financial, and statistical/supplementary. The introductory section, which is unaudited, includes the City's organizational chart, a list of principal officials, and this transmittal letter, which highlights significant aspects of financial operations during the year and

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and Citizens of the City of Lubbock, Texas  
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particular issues facing the City. The financial section contains the independent auditors' report, the general purpose financial statements and supplemental financial data. The statistical section, which is unaudited, includes several tables depicting the financial history of the City as well as demographic and other miscellaneous statistics. The supplemental section contains certain bond and financial information presented in compliance with the continuing disclosure requirements under Security and Exchange Commission Rule 15 c2-12, as amended.

The Notes to the Financial Statements are provided in the General Purpose Financial Statements and are considered essential to fair presentation and adequate disclosure for this financial report. The notes include the Summary of Significant Accounting Policies for the City and other necessary disclosures of important matters relating to the financial position of the City. The notes are treated as an integral part of the financial statements and should be read in conjunction with them.

### ***Reporting Entity***

As required by generally accepted accounting principles, the financial reporting entity (the City) includes all the funds and account groups of the primary government (the City of Lubbock) as well as all the component units. Component units are legally separate entities for which the primary government is financially accountable.

The component unit shown below is included as part of the City's reporting entity because of the significance of its operational and financial relationships. Blended component units, although legally separate entities, are, in substance, part of the primary government's operations and are included as part of the primary government.

#### ***Blended Component Unit***

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Urban Renewal Agency

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Other legally separate entities are also included in the City's reporting entity as discretely presented component units.

#### ***Discretely Presented Component Units***

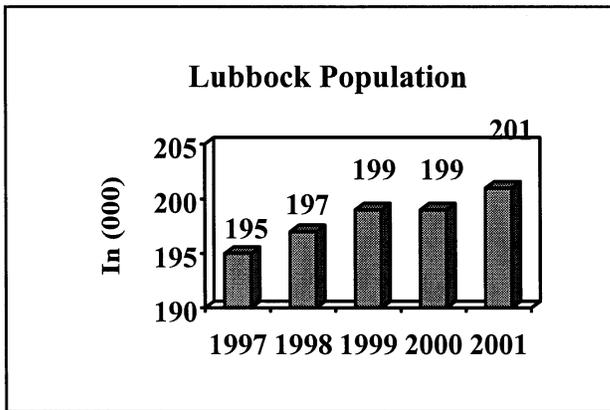
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City Transit Management Company, Inc. d.b.a. Citibus  
Civic Lubbock, Inc.  
Market Lubbock Economic Development Corporation d.b.a. Market Lubbock, Inc.

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January 23, 2002

### ***General Information – City of Lubbock, Texas***



Lubbock, a city of over 201,000 West Texans, is the 11<sup>th</sup> largest City in the State of Texas and the largest city in West Texas.

Lubbock is a major regional center for business and industry, located in the heart of the vast South Plains of West Texas and Eastern New Mexico. Lubbock's location provides easy access to the Southwest, Rocky Mountains and the Great Plains Region. Lubbock is the medical center of the entire West Texas and Eastern New Mexico region, offering the most comprehensive health care services between Dallas and Phoenix.

Lubbock's economy is very diverse with strong manufacturing, wholesale and retail trade, services, and government sectors. The art community continues to blossom in Lubbock. Long known for its musical talents, Lubbock has sounds for all tastes – from classical and Tejano to Country, folk, and rock and roll.

### ***Services Provided***

Services provided by the City under general governmental functions include public safety, housing, health, planning and development, engineering, street maintenance, traffic control, parks operation and maintenance, recreation, library, and general administrative.

Electric, water, sewer and solid waste collection, airport, and stormwater services are provided under an Enterprise fund concept, with user charges set by the City Council to ensure adequate coverage of operating expenses and payments of outstanding debt. Fleet services, radio maintenance, print shop, office supplies, information technology, self-insurance-health, communications, warehouse, environmental compliance, building maintenance, custodial, risk management, investment activities and legislative operations are provided through Internal Service Funds.

### ***Organization of Government***

Lubbock was incorporated in 1909. The City is a Home Rule City and has operated under a Council/Manager system of government since 1917. The council consists of the Mayor plus 6 council members elected from single member districts for 4-year terms. In turn, the Mayor and City Council appoint the City Manager, City Attorney and City Secretary.

### ***Economic Condition and Outlook***

Lubbock continues to show positive indicators in spite of events occurring state-wide and nationally. The tragic events of September 11, 2001 and the overall weakening economic conditions nationally have yet to impact the local economy in a significant adverse way.

### ***City of Lubbock Economic Overview (Source: Lubbock Economic Review – 3<sup>rd</sup> Quarter 2001)***

#### ***Stubborn Lubbock Economy Slows, But Still Growing***

Given the depth of the troubles in the external factors known to influence the Lubbock economy, it is no surprise growth rates have dwindled over the course of the year. Still, under the circumstances its performance remains fairly impressive through September 2001. The national economy has finally slipped into recession (preliminary Gross Domestic Product estimates for the third quarter indicate a decline in the nation's economy of .4%,

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annualized, with further downward revisions expected). The Southwest has been the last regional holdout in terms of relative general economic strength, and that now appears to be slipping as well.

Even at that, the Lubbock Economic Index, a composite reflection of the general condition of the Lubbock economy, grew over the course of the (third) quarter propped up by rebounding consumer spending, strong construction and a thriving residential real estate market. The September index of 115.5 compares favorably to the June 2001 index of 115.1 (annualized growth rate of about 1.4%), and is just over 1% improved over the September 2000 index of 114.3. While the index was unchanged from August, the 115.5 achieved those months represents the highest index value since its inception in 1996, topping the November-December 2000 index values of 115.4. The Lubbock Economic Index is based at 100.0 in January 1996. "There's not a lot in the near term we can point to as favorable for the Lubbock economy in the coming six to nine months, but we've been saying that all year long, and we just continue to forge ahead," said Greg Jones, Executive Vice-President of American State Bank. "We projected a growth rate of 1-2% in 2001 and we're on target through the end of the third quarter. That number would look pretty good at year-end compared to the economic turmoil of the rest of the nation," he said. Jones noted, however, that the events of September 11 and the subsequent impact to the nation's economy could filter down to the local level and deepen the slowdown in the Lubbock economy at year-end, altering the 2001 growth rate downward.

It is simply too early to assess the ultimate economic impact of the events of that day and subsequent occurrences in response. It does appear, however, that the resulting shock to the US economy will be significant, and will hasten the onset of what was inevitable anyway – a national economic recession. However, in the longer term there is considerable reason for optimism. First, with few exceptions national wartime postures have generally resulted in economic growth and recovery. Further, the likelihood is now greater that the national government will engage in fiscal policy that is ultimately beneficial to the economy. Taxes may be further reduced (and quicker) to produce economic stimulus, and spending will likely increase in areas that are appropriate – national defense and the prosecution of a war. When it begins to occur, national economic recovery will set the stage for renewed growth in Texas and its cities.

The economic climate in Lubbock appears to mirror that of many cities in the South/Southwest – still growing (for the moment), but at a much slower rate than in the past. The several-state southern region as a whole falls into that category as well and in that respect has fared better than other regions of the country. The annualized employment change in the third quarter was negative in the Northeast, the Midwest, and the West; only the South showed modest employment gains over the course of the quarter. Retail sales in September fell uniformly across the four broad regions of the US, as did regional indexes of consumer confidence. The US Index of Leading Economic Indicators for September dipped by the largest monthly amount in years, exacerbated by the lingering uncertainty on many fronts as a result of the events of September 11. Regional indexes of consumer confidence fell in September as well; however, confidence rose slightly in the Plains states, indicating the geographic and economic distance from those occurrences and the economic fallout.

One of the most noticeable facets of the current downturn has been the strength of consumer spending as other sectors of the economy faltered. While that is now beginning to slip as well, it has helped to keep the economy afloat thus far, and appears to be having much the same effect in Lubbock. Spending was weaker in the second quarter of the year, but rebounded in the third quarter. Inflation-adjusted retail sales (per sales tax rebates) for the quarter were up 3.4% compared to the third quarter 2000, and marks the first time in 2001 quarterly sales were higher than the corresponding quarter the previous year. While it's difficult to anticipate the impact of the attacks, it is unlikely sales will be overly affected in the balance of the year.

Year-to-date sales (inflation-adjusted) are merely on par with year-ago levels; in a growth economy with all influences working to the good, sales should grow at a rate of 3-5% per year, even when adjusted for inflation. In times of uncertainty, to hold forth with prior periods when the economy was stronger is to do well, and that is what seems to be occurring in Lubbock.

Automobile sales in the city have not fared so well. Inflation-adjusted dollars spent on auto purchases were down about 5.5% in the third quarter compared to the third quarter of 2000, and are down over 8% for the year-

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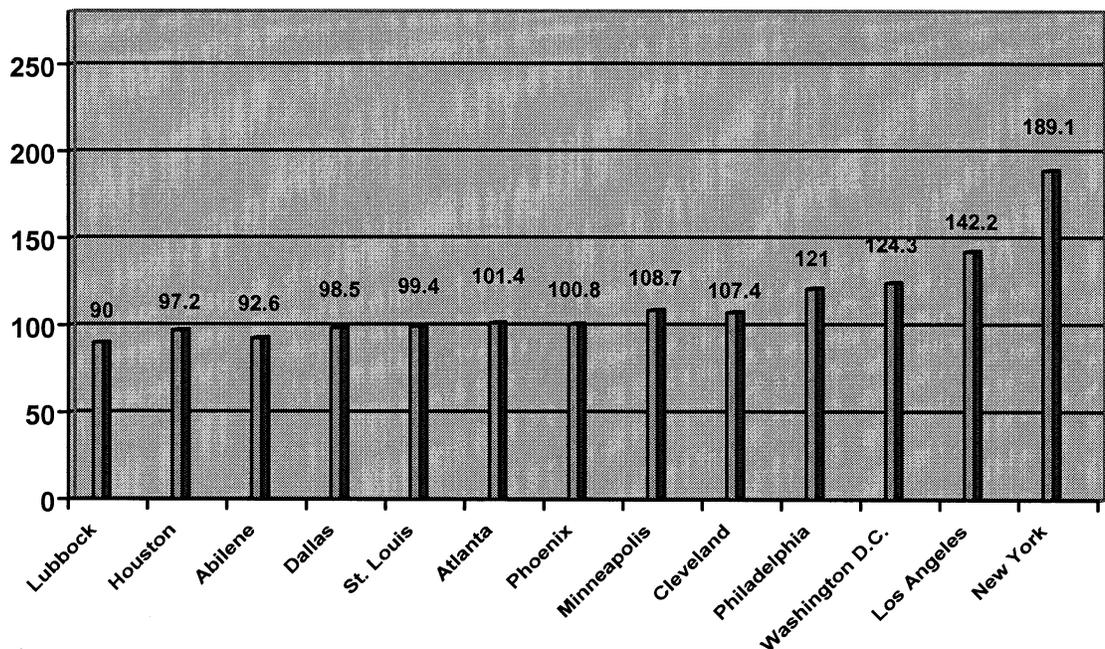
to-date. The slump is in part a function of the slowing economy, and in part a function of the very strong sales in 1999-2000 – much of the demand seems to have been met during that period of time, and a cyclical slowdown was inevitable. The passage of time, some economic improvement and a catalyst for improved demand will reverse the current trend but no such catalyst appears to be on the horizon.

The various sectors of the Lubbock construction industry continue to provide support to the economy. Even though September permit values are behind September 2000, the third quarter total value of all construction permits issued was some 30% higher than the third quarter of a year ago. Total construction is up 5.9% for the first nine months of the year compared to the same period a year ago. To add perspective to that margin of improvement, the permit value totals for the first nine months of 2000 were 46% ahead of the prior year, so gains in addition to that in 2001, no matter how small, represent an enormous amount of activity. Once permitted, projects can be active for as long as two years, so the residual benefits to activity permitted this year will be realized for some time into the future.

The number of new homes built is a vitally important indicator of current (and perhaps coming) economic conditions at virtually every level – national, state, and local, and Lubbock is no exception. Unlike other construction indicators, new home building very much reflects the economic condition of households in the city, and the perceptions of city residents about the state of the current and future economy. It speaks very highly of this economy that even in times of slowdowns in the most potent local economic indicators (retail sales and employment) that new home building is strong. Indeed, the 213 permits for new homes in Lubbock in the third quarter eclipsed the third quarter 2000 total by some 10.3%, and the year-to-date total is 3.4% ahead of last year's very strong levels.

An estimated 2,200 jobs were added to the Lubbock economy over the 12 months ending in September 2001. The pace of job growth is generally slower in 2001 compared to the previous year, but given the cooling economy and the condition of regional agriculture, the 2% growth observed thus far in 2001 is achievement unto itself. The unemployment rate remains among the lowest in the state, and the city continues to add workers to its labor force.

### Cost of Living: All Items Index 3rd Quarter 2001



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The ACCRA Cost of Living Index is based on a national average of 100 for a sample of 314 urban areas. The index measures differences between areas in the cost of consumer goods and services. As of the third quarter of 2001, the all-items index for Lubbock is (90.0). Lubbock's housing (84.2), grocery (84.3), health care (99.1), utilities (88.3) and transportation (88.1) indices also compare favorably with other major U.S. cities.

### ***Commercial Expansion***

The highway commission of Texas Department of Transportation officially designated the Ports-to-Plains (PTP) highway in June 2001. PTP, a project which is expected to take up to 20 years to complete, is anticipated to bring economic vitality to West Texas. The 1000 mile route will run from Denver to deep-water ports on the Gulf and Pacific coasts of Mexico. The highway will be eligible for Federal funding to match state funding in Colorado, Oklahoma and Texas. Interstate 27 from Amarillo to Lubbock will become part of this route. The PTP coalition includes more than 40 cities and counties in Colorado, Oklahoma, Texas and Mexico.

Wells Fargo & Co. is currently constructing a \$12 million call center in northwest Lubbock. Wells Fargo also plans to construct a replacement branch in midtown with a \$4 million price tag. Following completion of that branch, a \$5 million addition to their Southwest branch will complete the \$22 million vision. Wells Fargo will deploy some of its work force from downtown Lubbock to its new midtown and southwest projects for added convenience to their customers.

Fleming Companies will create more than 100 jobs over the next two years as it expands its distribution and retailing operations in Lubbock. Market Lubbock, Inc. has committed \$2 million to the Company's expansion plans. As a result of this commitment, the newly created jobs will pump an estimated \$20 million of additional salaries into the local economy over the next three years.

Excel Development has announced plans for a new 329 home development in Southwest Lubbock. This will be a multi-phase addition featuring homes from \$120,000 to \$140,000. The final phase of the project will include a cobblestone street, master-planned neighborhood that will feature, among other things, a lake, water fountain, clubhouse and pool. Homes will start at \$250,000 in this phase.

HealthSmart Preferred Inc., a preferred provider organization employing more than 250 workers in Lubbock, plans to create 73 jobs under a new business unit called q-ELEMENTS. The new division will be a care-management organization focused on consulting and clinical managed care services, such as case management and wellness. Market Lubbock, Inc. has provided \$340,000 in incentives to this company.

### ***Major Initiatives***

This year, City staff focused on continuing with the City Council goals and City Manager directives as well as the community wide goals adopted in The Goals for Lubbock – A Vision Into the 21<sup>st</sup> Century, that was initiated in the prior year. The following is the methodology used for organization wide strategic planning:

- ❖ Review City of Lubbock Mission Statement
- ❖ Develop Division/Department Mission Statement
- ❖ Review City Manager Goals
- ❖ Develop Division Environmental Scan (Strengths, Weaknesses, Opportunities, and Threats)
- ❖ Develop Division Goals
- ❖ Management Review
- ❖ Develop Division Strategies (Who? What? When? Funding Sources? Performance Measures?)
- ❖ Management Adoption

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❖ Continuous Monitoring and Evaluating

The City Council met in May 2001 to outline the goals and strategies for the upcoming years under the following focuses:

- ❖ Economic Development
- ❖ Financial Planning
- ❖ Land Use/Growth
- ❖ Transportation
- ❖ Aviation
- ❖ Health and Community Services
- ❖ Public Safety

City Council has set several goals and strategies under these seven main focuses including:

- ❖ Increase financial resources for economic development to make Lubbock competitive with other cities
- ❖ Take steps to mitigate the impact of sales tax reductions on general fund revenues
- ❖ Ensure quality land use development and urban design image along the Marsha Sharp Freeway
- ❖ Improve and expand law enforcement and crime prevention resources

In addition to the City Council's goals, City Manager's priorities include:

1. Continue strategic planning and thinking that involves all levels of the organization

- ❖ Implement strategic thinking in the organization and critically evaluate the status quo.
- ❖ Expand upon existing implementation strategies of GASB Statement No. 34, *Basic Financial Statements –and Management's Discussion and Analysis – for State and Local Governments* to assure full compliance by the September 30, 2002 effective date.
- ❖ The City of Lubbock has participated in the International City Managers Association (ICMA) Performance Measurement Consortium for four years. The City continues to work with ICMA and other cities to create a database of performance measures to be used by participating jurisdictions as the basis for analytical comparison of service delivery and improvement of programs and processes.
  - ❑ A citizen survey is performed every other year on City services including Fire, Police, Solid Waste pickup and Parks. Each department or service is rated on a scale from 0-100. For the year ended September 2000, the rating of Overall City services was 68% which is 4 percentage points higher than the previous survey.
- ❖ The City of Lubbock Employee Incentive Program was established in 1994 to increase productivity and creative problem solving. The Incentive Review Committee reviews cost savings/avoidance suggestions and oversees grants to departments for recognition programs. Cost savings/avoidance awards, which are 10% of the first year's verified savings, have resulted in \$21,783 in awards and approximately \$500,000 in annualized savings/avoidance since inception.
- ❖ Economic development and job creation
  - ❑ Market Lubbock Inc. has been able to secure over 953 jobs with \$4,190,000 in commitments over the previous year.
  - ❑ The City of Lubbock is participating in the Ports-to-Plains Corridor Coalition which will create a vital link in the International Trade Corridor from Mexico to Canada.

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- For the fourth year, the General Fund and Enterprise Funds have contributed to the Community Improvement Fund. Contributions to this fund may be used for economic development incentives as approved by City Council. Those Enterprise Funds directly benefiting from economic development contribute 1% of gross revenues. The Solid Waste Fund contributes an additional amount above the 1% of gross revenues. Beginning in fiscal 2001, the General Fund will contribute 1 cent on the property tax rate instead of 1% of gross revenues.
2. Critical evaluation of status quo with focus on intergovernmental coordination to benefit citizens
    - ❖ A Managed Competition Task Force and a position is dedicated to overseeing what areas of the organization should be evaluated for cost recovery.
    - ❖ Government budgets are under constant pressure to stay within limits. This forces local governments to seek ways to lower costs associated with delivering services. At Council's direction, City staff began internal reviews to define those services or products in which an element of cost recovery can be implemented, and at what level: full cost recovery, partial cost recovery, or no cost recovery.
  3. Technology as a way to achieve productivity improvements
    - ❖ The third phase of the Sonet system was approved for the 2001-2002 budget and continues to be installed throughout the organization. The first phase installed the network to the new Fire Administration Complex. The second and third phases will continue the installation of fiberoptic line throughout the City.
  4. Public Safety & Youth Issues
    - ❖ The 2001-2002 budget includes the replacement of two fire engines (pumpers) to meet the public safety needs and to meet National Fire Protection Agency standards.
    - ❖ The Youth Commission, created in fiscal 2000, established a 36 youth member commission with 7 adult advisors. The mission of the group is to allow opportunities for representation, service, youth/adult partnerships diverse fellowship and community growth through the empowerment of today's youth.
  5. Value public service as a high calling and focus on quality customer service
    - ❖ The Human Resources Department has established a Succession Planning program to target assessment, coaching, and development activities for department heads. The goal is to provide managers with management skills necessary to successfully lead diverse organizations. In 2001, the program had 14 participants, and is expected to continue at that level for 2002.
    - ❖ The majority of the supervisory personnel of the City have successfully completed The Profiler Leadership Assessment and Development class since its implementation in 1994.
    - ❖ Ethics was a focus for the City in the year 2000 to stress the values of the City's Mission Statement and to increase employee awareness of the importance of ethical decision-making and behavior in municipal government. Over 1,798 employees have completed the class as of September 30, 2001.
  6. Commitment to workforce diversity and employee development
    - ❖ Human Resources' Organizational Development provides opportunities for employees to develop skills needed to enhance the delivery of quality products and services.
    - ❖ In-house training focuses on specific needs and can be customized by function and level. The training curriculum includes management development, supervisory training, computer skills and safety courses.
  7. Introduce, support and monitor legislation that impacts City of Lubbock operations

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- ❖ The Mayor and City Council are committed to establishing and maintaining good solid relationships with our local legislative delegation as well as other key legislators in Austin. Staff has been encouraged to take an active role in participating with interim study committees and providing important testimony before a number of committees.

## FINANCIAL INFORMATION

The Accounting Department, Finance Division, is responsible for the City's financial recordkeeping and reporting. The accounting system is organized and controlled on a "fund" basis. These funds are reported in the Financial Section of this report.

### ***Basis of Accounting***

The modified accrual and accrual basis of accounting are used in recording the City's financial transactions. General governmental operations are recorded on the modified accrual basis. Fiduciary operations are recognized on the basis consistent with each fiduciary fund's accounting measurement objective. The basis of accounting is further discussed in the Notes to the Financial Statements.

### ***Budgeting Controls***

One technique used to maintain budgetary controls is the maintenance of an encumbrance accounting system. Encumbered amounts lapse at year-end. Encumbrances are reviewed and re-appropriated on a case-by-case basis as part of the following year's budget. Activities of the general fund are included in the annual appropriated budget. Project-length financial plans are adopted for the capital projects funds. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by fund.

### ***Internal Controls***

Internal accounting controls are designed to provide reasonable, but not absolute assurance of (1) safeguarding of assets against loss from unauthorized use or disposition and (2) reliable financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgements by management.

The Finance Division staff believes the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions consistent with Finance Division's cost-benefit judgements. In addition to the financial accounting system, the City utilizes an Internal Audit Department. This department reviews City practices to ensure the adequacy of internal control and compliance with established policies.

### ***Single Audit***

As a recipient of federal, state and county financial assistance, the City is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control is subject to periodic evaluation by management and internal audit staff of the City.

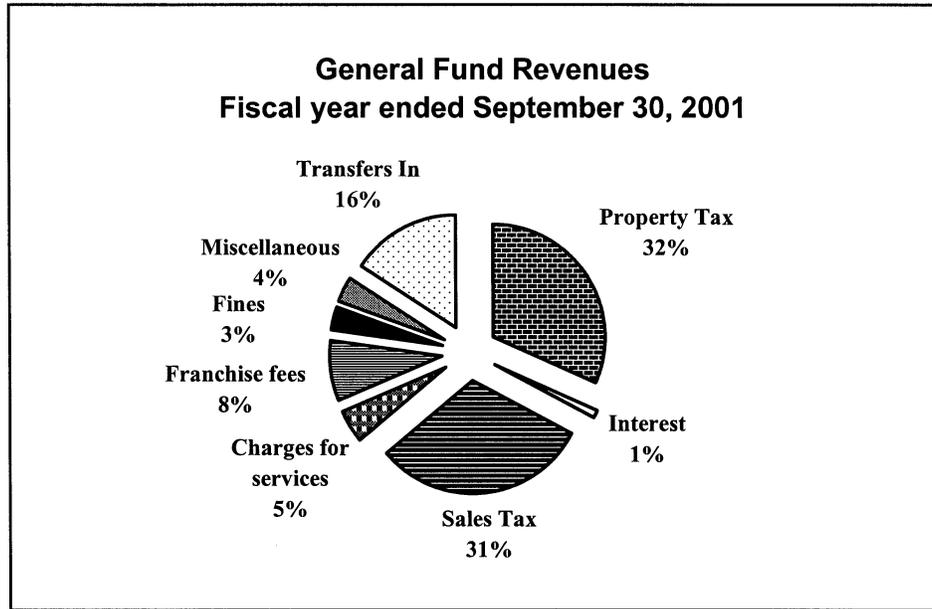
As a part of the City's single audit described above, tests are made to determine the adequacy of internal control over compliance in major programs, including that portion related to federal financial assistance programs, as well as to determine that the City has complied with applicable laws and regulations.

Honorable Mayor, City Council,  
and Citizens of the City of Lubbock, Texas  
January 23, 2002

**General Government Functions**

The City's General Fund is used to account for expenditures of traditional governmental services as well as all financial resources other than those required to be accounted for in other funds. Sources of revenue for this fund are widely diversified and include property tax, sales tax, franchise fees, license and permit fees, fines, intergovernmental revenues, interest income, charges for services and miscellaneous income.

Revenues and other financing sources for General Fund operations totaled \$90.94 million in FY 2001, an increase of 6.3% over FY 2000. General fund revenues are presented in the following graph by major revenue category.



The General, Special Revenue and the Debt Service governmental funds receive revenues from various sources and the change from last year are shown in the following tabulation:

Revenues & Other Financing Sources	2000-01 (in millions)	Percent of Total	1999-00 (in millions)	Increase (Decrease) from 2000 (in millions)	Percentage Increase (Decrease) from 2000
General Property Taxes	\$ 38.03	30.7%	\$ 35.94	\$ 2.09	5.82%
Sales Tax	28.44	22.9%	27.40	1.04	3.80%
Other Taxes	3.44	2.8%	3.31	.13	3.93%
Franchise Fees	7.69	6.2%	6.62	1.07	16.16%
Licenses & Permits	1.20	1.0%	1.14	.06	5.26%
Fines	3.05	2.5%	2.83	.22	7.77%
Charges for Services	4.30	3.5%	4.21	.09	2.14%
Intergovernmental	.33	.3%	.37	(.04)	(10.81%)
Other	2.96	2.3%	3.17	(.21)	(6.62%)
Operating Transfers In	<u>34.38</u>	<u>27.8%</u>	<u>34.36</u>	<u>.02</u>	.08%
Total Revenues and Other Financing sources	<u>\$ 123.82</u>	<u>100.00%</u>	<u>\$ 119.35</u>	<u>\$ 4.47</u>	3.75%

Honorable Mayor, City Council,  
and Citizens of the City of Lubbock, Texas  
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Net assessed valuations for FY 2001 were \$6.75 billion compared to \$6.26 billion in FY 2000, an increase of 7.8% from the preceding year. This increase was created by additional property added to the tax rolls through construction and increases in valuations of existing properties.

Current tax collections were 97.6% of the tax levy, compared to 97.3% last year. Total tax collections, which includes delinquent tax payments, were 99.3% of the tax levy, compared to 98.9% last year. Allocations of the property tax levy by purpose for 2001 and the preceding two fiscal years are as follows (amounts per \$100 assessed value):

Purpose	2001	2000	1999
General Fund	\$4.2718	\$4.2750	\$4.1691
Economic Development	.03000	.03000	.03000
General Obligation Debt	.11282	.12250	.13309
Total Tax Rate	<u>\$.57000</u>	<u>\$.58000</u>	<u>\$.58000</u>

On October 1, 1995, the one-eighth cent increase in the sales tax for property tax reduction voted by the citizens of Lubbock in January, 1994 went into effect. The one-eighth cent sales tax increase generated \$3,356,544 in additional sales tax revenue in 2000-01.

Governmental funds including General Fund, Special Revenue funds, and Debt service fund expenditures and transfers out totaled \$ 121.27 million, an increase of 3.5% above 2000. Changes in levels of expenditures, for major functions of the City, over the preceding year are:

Expenditures & Other Financing Uses	2000-01 (in millions)	Percent of Total	1999-00 (in millions)	Increase (Decrease) from 2000 (in millions)	Percentage Increase (Decrease) from 2000
General Government	\$ 6.11	5.0%	\$5.72	\$ .39	6.82%
Financial Services	1.50	1.2%	1.46	.04	2.74%
Community Services	17.83	14.7%	16.96	.87	5.13%
Police	28.14	23.2%	25.56	2.58	10.09%
Fire	17.79	14.7%	17.08	.71	4.16%
Development Services	4.77	3.9%	5.44	(.67)	(12.31)%
Other	8.04	6.6%	6.39	1.65	25.82%
Special Revenue	5.04	4.2%	4.53	.51	11.26%
Debt Service	7.76	6.4%	7.74	.02	.26%
Operating Transfers Out	<u>24.29</u>	<u>20.0%</u>	<u>26.28</u>	<u>(1.99)</u>	<u>(7.57)%</u>
Total Expenditures and Other Financing Uses	<u>\$ 121.27</u>	<u>100.00%</u>	<u>\$ 117.16</u>	<u>\$ 4.11</u>	<u>3.51%</u>

Certain reclassifications in expenditure reporting were made in FY 2001. As a result, certain amounts from FY 2000 have been reclassified to conform to FY 2001 presentation.

Honorable Mayor, City Council,  
and Citizens of the City of Lubbock, Texas  
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In the General Fund Equity section, the City reflects reserves and designations of fund equity, which are not available for appropriation. Undesignated fund balances indicate that portion of fund equity that is available for budgeting in future periods.

The Unreserved, Undesignated General Fund Balance at September 30, 2001, was \$14,354,182, an increase of \$590,626. The increase established the unreserved, undesignated General Fund Balance at two months of budgeted operating expenditures in compliance with City of Lubbock financial policies.

## DEBT SERVICE FUND

The City maintains a separate fund, the Debt Service fund, to account for the debt service associated with its ad valorem tax supported debt.

The fund balance reserved for debt service for FY 2001 was \$1,415,094 compared to \$1,260,450 for FY 2000. During 2001, approximately \$13.1 million in general obligation principal was retired from the Debt Service fund and enterprise funds.

## CAPITAL PROJECT FUNDS

Proceeds of general obligation bond issues for general capital purposes are accounted for in capital projects funds until improvement projects are completed. Proceeds of general obligation bonds issued for enterprise fund purposes are accounted for in those funds. Completed projects and uncompleted construction in progress at year-end are capitalized in the General Fixed Assets Account Group. During 2000-01, capital outlay expenditures in the governmental capital project funds amounted to \$13.5 million. Authorized but unissued bonds at September 30, 2001 totaled \$ 25 million.

## GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets of the City are those fixed assets used in the performance of general governmental functions and exclude the fixed assets of enterprise and internal service funds. As of September 30, 2001, the General Fixed Assets of the City (primary government) amounted to approximately \$265 million. This amount represents the original cost of the assets and is considerably less than the replacement cost. Depreciation of General Fixed Assets is not recognized in the City's accounting system.

## ENTERPRISE FUNDS

The Enterprise funds are used to account for activities which render services on a user fee basis, and are expected to pay their own way. Therefore, these activities are not accounted for in general government operations. Funds operated on this basis are Electric, Water, Sewer, Solid Waste, Airport, Golf, and Stormwater.

Honorable Mayor, City Council,  
and Citizens of the City of Lubbock, Texas  
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***Electric Fund***

Operating revenues increased approximately 35% which led to an increase in operating income of approximately \$5.1 million in FY 2001 over FY 2000. Results were affected by several factors including (1) significant escalation in natural gas cost; (2) a reduction in total Home Owned Advantage discounts; (3) increased purchased power from the recently completed J. Robert Massengale generation facility.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$112.08	\$72.93
Operating Income	6.48	1.33
Net Loss	(.65)	( 6.84)

During the year, \$3.6 million in Electric Revenue bonds were retired, and an additional \$9.2 million of Electric Revenue bonds were issued to support system improvements.

***Water Fund***

Water Operating revenues increased approximately 5%. Operating income decreased by about 6% in FY 2001 from FY 2000. FY 2001 was a dryer summer than FY 2000. As a result, average daily consumption in FY 2001 increased over 1,000,000 gallons per day. The increased revenues were offset by higher utility costs due to dramatic increases in electricity rates and base water meter charges.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$ 30.46	\$ 29.04
Operating Income	9.18	9.78
Net Income	1.17	3.24

During the year, \$3.9 million in self-supported general obligation principal and \$1.5 million in revenue bond principal was retired.

***Sewer Fund***

Sewer Fund operating revenues increased approximately 1% while operating expenses increased approximately 13%. Operating income decreased by \$1.5 million, which is attributed to higher depreciation expense and increases in utility costs in FY 2001.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$16.58	\$16.45
Operating Income	2.76	4.27
Net Income(Loss)	(1.05)	.06

During the year, \$4 million in self-supported general obligation principal was retired. Outstanding principal on general obligation debt at September 30, 2001 approximated \$49.7 million.

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 and Citizens of the City of Lubbock, Texas  
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***Solid Waste Fund***

Solid Waste Enterprise Fund operating revenues decreased approximately 3% for FY 2001 from FY 2000 due largely to certain commercial routes being serviced by a private entity. Additionally, operating expenses increased 20% due to increases in personnel costs, fuel cost increases and increased utility costs.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$15.56	\$16.03
Operating Income	2.91	5.55
Net Income	1.30	4.48

As of September 30, 2001, \$.57 million of self-supporting general obligation debt was retired and approximately \$6.2 million in self-supporting general obligation debt was outstanding including the issuance during FY 2001 of \$2.8 million in general obligation bonds.

***Airport Fund***

The Airport Enterprise Fund operating revenues increased approximately 10% over the prior year due to increased parking revenues and rental income. Loss from operations increased due to higher personnel costs, increased depreciation expense, and increased utility costs.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$4.78	\$4.32
Operating Loss	(2.19)	(1.59)
Net Loss	(1.18)	(.48)

***Golf Fund***

The Golf Fund is presently operated by Fore Star Golf, Inc. On October 14, 1994, the City Council approved a management agreement for Fore Star Golf, Inc. to manage the City's golf course. The agreement is for an initial term of 20 years with two renewal options of five years each. The intent of the contract is for long term management and improvement of this City asset. The net loss is attributed to depreciation expense in excess of revenues.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$ .035	\$.040
Operating Loss	(.021)	(.027)
Net Loss	(.059)	(.067)

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and Citizens of the City of Lubbock, Texas  
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### ***Stormwater Fund***

The Stormwater Fund operating revenues for FY 2001 increased 1.8% and operating income declined by 16.6% from 2000 levels, due largely to increased depreciation expense and higher collection expenses.

	2001 <u>(millions)</u>	2000 <u>(millions)</u>
Operating Revenues	\$1.99	\$1.95
Operating Income	1.06	1.27
Net Income	1.07	1.35

During the year ended September 30, 2001, the Stormwater Fund issued \$35 million of revenue bonds for storm drainage system improvements.

## **INTERNAL SERVICE FUNDS**

Internal Service funds are established to account for the financing of goods or services provided by one department of the City to another. The City operates fourteen funds on this basis, as discussed in the following.

### ***Fleet Services***

The Fleet services fund is used to account for the vehicle service operations. In FY 2001 there was a net income of \$10,562 compared to net income of \$82,463 in FY 2000. The decline is attributed to a reassessment of departmental charges which resulted in some decreases in charges to users.

### ***Central Warehouse***

The Central Warehouse fund was established to account for Warehouse operations. Net income for FY 2001 was \$19,862 compared to a net income of \$78,875 for FY 2000.

### ***Print Shop & Office Stores***

The Print Shop & Office Stores Fund was established to account for the activities of the City's print shop, central office stores and central mailroom operations. In FY 2001 there was a net loss of \$(3,306) compared to net income of \$50,397 in FY 2000. The decrease is attributed to a shift in the volume of supplies ordered from outside vendors on which there is no mark-up.

### ***Radio Shop***

The Radio Shop fund was established to account for the mobile telephone and radio shop operations. For FY 2001 there was a net loss of \$(77,753) compared to a net income of \$27,996 for FY 2000. The decline in net income is due to inventory adjustments made during FY 2001 for unlocated items.

### ***Management Information***

The Management Information fund was established to account for the information technology services provided by the City to its internal customers as well as to external agencies on a limited basis. The net income for FY 2001 was \$664,951 compared to a net income of \$66,845 in FY 2000. The increase is attributed to increased charges to departments and an increase in transfers in from other funds to fund the cost of a new utility billing system.

Honorable Mayor, City Council,  
and Citizens of the City of Lubbock, Texas  
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### ***Custodial Services***

The Custodial Services fund was established to account for the custodial services provided to the City's departments. Net income for FY 2001 was \$29,139 compared to a net income of \$7,192 in FY 2000.

### ***Building Services***

The Building Services fund was established to account for the activities of the facilities maintenance operations. Net income for FY 2001 was \$56,738 compared to a net income of \$37,456 in FY 2000.

### ***Switchboard Operations***

The Switchboard Operations fund was established to account for telecommunication services. The net income for FY 2001 was \$11,288 compared to net income of \$15,265 in FY 2000.

### ***Communications***

The Communications fund was established to account for communications services for the public safety departments including emergency call response. For FY 2001, the fund reported a net loss of \$(87,404) compared to a net income of \$1,074 for FY 2000. The drop in net income is due to higher personnel costs in FY 2001.

### ***Environmental Compliance***

The Environmental Compliance fund was established to account for activities that ensure compliance with environmental rules and regulations. The net loss for FY 2001 was \$(333,535) compared to net loss of \$(124,458) in FY 2000. Increased personnel costs and reduced reimbursements from external parties contributed to the decline in earnings.

### ***Risk Management***

The Self-Insurance Risk Management fund is used to account for the City's risk management activities. Net loss for FY 2001 was \$(1,916,257) compared to net income of \$1,031,489 in FY 2000. The reserve for outstanding claims liability at FY 2001 is \$6 million leaving a retained earnings balance available for claims of \$4.5 million. The net loss in FY 2001 is attributed to an actuarial adjustment to the reserves for claim payments.

### ***Health Insurance***

The Self-Insurance Health fund is used to account for the activities related to the City's self-insured health program. The fund experienced net income of \$2,154,026 for FY 2001 compared to a net income of \$675,364 in FY 2000. An amount of \$3.26 million is accrued for claims, including claims that have been incurred but not reported at September 30, 2001, leaving a retained earnings balance available for claims of \$5.4 million.

### ***Investment Pool***

The Investment Pool (Pool) was established in FY 2000 for the purpose of centralizing the activities relative to the City's investment portfolio. All investment income is reported initially in the Pool and net revenue is then distributed to other funds of the City based on their relative cash balances. The Pool generally should operate at a breakeven point. Net income of the Pool was \$10 and \$12 for FY 2001 and 2000, respectively.

Honorable Mayor, City Council,  
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### ***Legislative Fund***

The Legislative fund was established in FY 2000 to reflect costs associated with the legislative support for citywide legislative activities. Funding comes from the General Fund and certain Enterprise Funds. The Legislative Fund reflected a net income of \$18,994 for FY 2001 and \$7,869 for FY 2000.

## **FIDUCIARY FUNDS**

These funds are used to account for assets held by the City as a trustee or agent for individuals, organizations, or other governmental entities. Excluding the Deferred Compensation Plans fund, the City's expendable trust funds are primarily mechanisms for receiving and distributing grant proceeds for specific purposes. Grant funds include the Community Development fund, Community Services fund, Health fund, Library fund, Police fund, and other Grants fund. The City has no endowment funds.

Agency funds are created when the City becomes a custodian of, and responsible for, distributing assets to their actual owners. The agency fund for the City of Lubbock is the Living Memorial fund, which is composed of funds that the City holds in trust for individuals and organizations that are designated for specific purposes.

## **DEBT**

### ***General Obligation Debt Administration***

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens, and investors. The data for the City at the end of the 2001 fiscal year was as follows:

	Net Principal Outstanding (millions)	Assessed Valuation (100% of Fair Market Value)	<u>Debt Per Capita</u>
Net Direct Bonded Debt	\$51.67	.78%	\$256.93

Outstanding general obligation bonds at September 30, 2001, including discounts on bonds sold, totaled \$210.4 million. Of this amount, \$154.7 million was outstanding for waterworks, sewer system, solid waste improvements, storm drainage and airport improvements supported by passenger facility charges which are considered to be self-supporting operations. The remainder of \$55.7 million, which excludes \$1.42 million in funds available for debt service, is considered to be net direct tax supported debt. The statistical section of this report presents more detailed information about the debt position of the City. The following tabulation presents the last nine issues of general obligation bonds, certificates of obligation, and contractual obligations:

<u>Date of Issue</u>	<u>Amount in millions</u>	<u>Average Life (in years)</u>	<u>Effective Interest Rate</u>	<u>Interest Cost per Borrowed Dollar</u>
01-28-99	\$20.84	10.2	4.41%	\$ 0.447
01-01-99	15.36	10.4	4.58	0.484
04-01-99	12.30	10.3	4.71	0.492
04-01-99	6.10	10.3	4.77	0.494
09-15-99	24.80	12.6	5.37	0.676
03-15-00	7.00	12.7	5.54	0.702
02-08-01	9.10	12.3	4.90	0.598
02-08-01	2.77	10.5	4.81	0.495
06-14-01	35.00	19.0	5.25	0.988*

Honorable Mayor, City Council,  
 and Citizens of the City of Lubbock, Texas  
 January 23, 2002

\* These bonds are 30 year bonds and the other issues shown are 20 year bonds.

The City's bond ratings were confirmed in September 2001 as follows:

	<u>Moody's</u>	<u>Fitch, IBCA</u>	<u>Standard &amp; Poor's</u>
General Obligation Bonds	Aa2	AA+	AA+

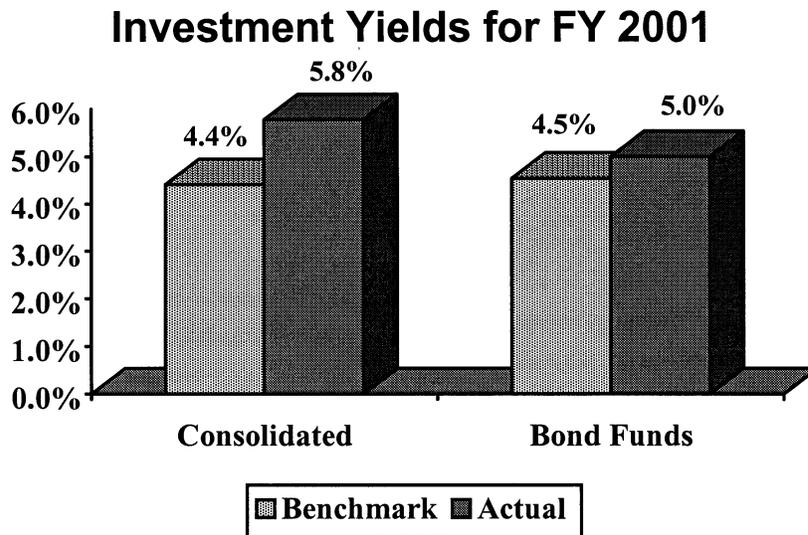
## CASH MANAGEMENT

Cash balances of all operating City funds and capital project funds are pooled and invested in accordance with state law and an investment policy approved by City Council. Investments are made in Treasury securities, agencies and instrumentalities, commercial paper, certificates of deposit and managed investment pools.

Bond sale proceeds in capital project funds, are also invested and accounted for separately as interest on bond proceeds is restricted to either payment of debt service or capital expenditures that meet the criteria for the purpose for which the bonds were sold.

The average yield on all operating fund investments during the year was 5.776% and the amount of interest earned was \$6.4 million. The average yield on all investments of bond sale proceeds during the year was 5% and the amount of interest earned was \$3.1 million. The City's investment philosophy mandates investing the City's operating cash to ensure its safety, provide for necessary liquidity and achieve the highest possible yield commensurate with these goals. The City's investment strategies include using cash flow analysis to purchase securities which can be held to maturity. This practice lessens the impacts which rising interest rates have on the portfolio's valuation changes. The City's depository agreement allows all available funds to earn interest credits in an overnight account.

Benchmark yields are set each budget year and are typically tied to U.S. Treasuries with a maturity that is closest to the weighted average maturity of each respective investment fund.



## RISK MANAGEMENT

The City of Lubbock's Risk Management Program is comprised of three segments: regular insurance, self-insurance, and loss prevention program. The City is self-insured with stop-loss coverage for General Comprehensive Liability, Public Officials Liability, and Employee Health Insurance. The City continues to insure for Fire and Extended Coverage. The airport is insured for General Liability and Public Officials Liability. The City of Lubbock has an aggressive Loss Prevention Program that is coordinated by the Safety Coordinator. The program is based on placing responsibility at the department manager or director level and is monitored by unscheduled audits from the Safety Specialist or Safety Coordinator. A full-time Safety Coordinator and Safety Specialist are employed for the purpose of training, coordinating, and evaluating loss prevention programs.

## CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lubbock for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2000. This was the seventeenth consecutive year that the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

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

## ACKNOWLEDGMENTS

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the support staff in the Finance Division and Budget and Research Department. Exceptional effort was invested by the Accounting Department, which made the timeliness of the report possible and increased the overall quality of the report. We would like to express our appreciation to all members of these departments who assisted with and contributed to this preparation. We would also like to thank the Mayor and Members of the City Council for their interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

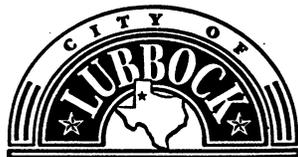
Sincerely,



Bob Cass  
City Manager



Beverly Hodges, CPA  
Managing Director  
of Financial Services



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Lubbock,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2000

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Timothy A. Brewer*  
President

*Jeffrey L. Esser*  
Executive Director



Unless otherwise noted, all telephone prefixes are 775

# City of Lubbock Organizational Chart

CITIZENS

CITY COUNCIL

MAYOR: **WINDY SITTON** 2009  
 DISTRICT 1: **VICTOR HERNANDEZ** 2027  
 DISTRICT 2: **T.J. PATTERSON** 2007  
 DISTRICT 3: **DAVID NELSON** 2011  
 DISTRICT 4: **FRANK MORRISON** 2008  
 DISTRICT 5: **MARC MCDUGAL** 2023  
 DISTRICT 6: **ALEX "TY" COOKE** 2031

CITIZEN BOARDS AND COMMISSIONS

CITY MANAGER  
**BOB CASS**  
2001  
DEPUTY CITY MANAGER  
**DEBRA B. FORTE'**  
2015

CITY ATTORNEY  
**ANITA BURGESS**  
2211  
1st ASST. ATTY.  
**DON VANDIVER**  
2212

CITY SECRETARY  
**BECKY GARZA**  
2025

MUNICIPAL COURT  
**ROBERT DOTY**  
2462  
COURT ADMIN.  
**TOM TROMBLEY**  
2460

ASSISTANT TO CITY MANAGER  
**HAROLD DOMINGUEZ \*** 2018  
AUDIT  
**HERMAN BOATMUN** 2230  
ENVIRONMENTAL COMPLIANCE  
**DAN DENNISON** 2880

BUDGET & RESEARCH  
**MELISSA TREVINO**  
2984

ASSISTANT CITY MANAGER  
ADMINISTRATIVE SERVICES  
**QUINCY WHITE** 3089

FINANCE  
**BEVERLY HODGES**  
2161  
ACCOUNTING/PAYROLL  
**PERRY STOUT, CPA**  
2160  
INVESTMENTS/DEBT  
**ANDY BURCHAM**  
2149  
MATERIALS MGT.  
**VICTOR KILMAN**  
2165

HUMAN RESOURCES  
**MARY HOUSE**  
2315  
ASST. DIRECTOR  
**SCOTT SNIDER**  
2312  
BENEFITS  
**LOU MOORE** 2317  
COMPENSATION  
**STEVE SYNCK** 2313  
ORGANIZATIONAL DEVELOPMENT  
**SANDY FORTENBERRY**  
2316  
RECRUITING  
**ANTHONY JONES**  
2281  
RISK MGT./ SAFETY  
**LEISA HUTCHESON**  
2277

INFO TECHNOLOGY  
**SHARLETT CHOWNING** 2399  
ASST. DIRECTOR  
**MARK YEARWOOD**  
2355  
RADIO SHOP  
**JACK MORRISON**  
2326  
TELECOMMUNICATIONS  
**LESLIE COX**  
2376

MGT. SERVICES  
**MARTHA ELLERBROOK** 2002  
CULTURAL ARTS  
**CONNIE GIBBONS**  
767-3119  
FACILITIES MANAGEMENT  
3078  
FLEET SERVICES  
**RANDY ERVIN**  
2175

COMMUN / LEGIS  
**TONY PRIVETT**  
2280  
CORPORATE COMM.  
**BOB GOODWIN** 2006  
PUBLIC INFORMATION  
**SANDY GLASS** 3268  
YOUTH SERVICES  
**SCOOP HOOPER** 2093

ELECTRIC UTILITIES  
**PAUL THOMPSON**  
2500  
ADMIN/SALES  
**DERRELL OLIVER**  
2502  
BILLING AND COLLECTION  
**RICK SMITH**  
2503  
DISTRIBUTION  
**GARY ZHENG**  
2551 and 2546  
PRODUCTION  
**JAY WADSWORTH**  
3535  
**GARY DAVIS** 3580

FIRE  
**STEVE HAILEY**  
2630  
EQUIPMENT MAINTENANCE  
**MIKE HENRICKS**  
2637  
OPERATIONS  
**RHEA COOPER**  
2633  
PREVENTION  
**MIKE KEMP** 2646  
SUPPORT SERVICES  
**TIM DUNCAN** 2631  
TRAINING  
**LEWIS TREADWELL**  
2648

POLICE  
**CLAUDE JONES \***  
2750  
ADMINISTRATION  
**TOM MANN** 2751  
COMMUNICATION CTR  
**CLAUDIA FOX** 2991  
INVESTIGATIONS  
**RANDALL WARD** 2749  
PATROL  
**DALE HOLTON** 2759  
PUBLIC INFORMATION  
**BILL MORGAN** 2790  
AVIATION  
**MARK EARLE** 3126  
CONTRACT ADMIN.  
**W. de HAAS** 3219  
STREET DRAINAGE  
**LARRY HERTEL** 2329

ASSISTANT CITY MANAGER  
DEVELOPMENT SERVICES  
**RICHARD BURDINE** 2014

PLANNING / TRANS.  
**CRAIG FARMER**  
3308  
BUILDING INSPECTION  
**JOHN PIERCE** 2080  
BUSINESS LIAISON  
**KEVIN WALKER** 2980  
BUS./NEIGH. DEV.  
**ROB ALLISON** 2110  
COMP. PLANNING  
**RANDY HENSON** 2103  
EMERGENCY MGT.  
**KEN OLSON** 3052  
METRO. PLAN. ORG.  
TRAFFIC  
**JERE HART** 2130

PUBLIC WORKS  
**TERRY ELLERBROOK**  
2585  
ENGIPIPLNE MAINT.  
**CHES CARTHEL** 2344  
ENVIRON. PROGRAMS  
**S. STEPHENS** 2989  
LAKE ALAN HENRY  
**DIANE LOCKNANE** 2602  
LAND APPLICATION  
**J. HINDMAN** 767-3157  
RECLAMATION  
**SCOTT CONNERY** 3227  
SOLID WASTE  
2485  
STREETS  
**DON JENNINGS** 2600  
TREATMENT  
**BRUCE BLALACK** 2613  
CUSTOMER SERVICE  
**R. ROBINSON** 2604

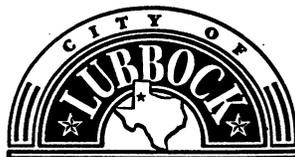
ASSISTANT CITY MANAGER  
COMMUNITY SERVICES  
**TOMMY GONZALEZ** 2016

COMMUNITY DEV.  
**NANCY HANEY** 2300  
CD Administration  
Housing  
Keep Lubbock Beautiful  
HEALTH DEPT.  
**T. CAMDEN** 2899  
Education  
Environ. Inspect.  
Laboratory  
Prevention  
Surveillance  
Vital Statistics  
ANIMAL SERVICES  
**N. HICKMAN** 2055

CIVIC CENTERS  
**VICKI KEY** 2236  
Civic Center  
Coliseum/Auditorium  
LIBRARY SERVICES  
**JEFF RIPPEL** 2822  
Mahon  
Godeke  
Patterson  
Groves  
PARKS / REC  
**R. TRUESDELL** 2671  
Cemetery  
Community Centers  
Indoor Recreation  
Outdoor Recreation  
Park Maintenance  
Tennis Centers

11/11/11

## **Financial Section**



## Independent Auditors' Report

Honorable Mayor Windy Sitton  
Members of City Council  
City of Lubbock, Texas

We have audited the General Purpose Financial Statements ("GPFS") of the City of Lubbock, Texas ("Lubbock") as of and for the year ended September 30, 2001, as listed in the Financial Section of the Table of Contents. These GPFS are the responsibility of Lubbock's management. Our responsibility is to express an opinion on these GPFS based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* ("GAS"), issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The financial statements of City Transit Management Company, Inc., dba Citibus, Market Lubbock Economic Development Corporation, dba Market Lubbock, Inc. and Civic Lubbock, Inc., component units of Lubbock, were not audited in accordance with GAS. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the GPFS referred to above, present fairly, in all material respects, the financial position of Lubbock, as of September 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with GAS, we have also issued our report dated January 18, 2002 on our consideration of Lubbock's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with GAS and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on Lubbock's GPFS taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the Financial Section of the Table of Contents are presented in Lubbock's Comprehensive Annual Financial Report ("CAFR") for purposes of additional analysis and are not a required part of the GPFS of Lubbock. Such information has been subjected to the auditing procedures applied in the audit of Lubbock's GPFS and, in our opinion, is fairly stated, in all material respects, in relation to Lubbock's GPFS taken as a whole. The information provided in the Introductory, Statistical and Supplementary sections listed in the Table of Contents has not been subjected to the auditing procedures applied in our audit of Lubbock's GPFS and we express no opinion on that information.

*Robinson Burdette Martin  
Seright & Burrows, L.L.P.*

January 18, 2002  
Lubbock, Texas



# **General Purpose Financial Statements**

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

**September 30, 2001**

**With Comparative Totals for September 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets</u>				
Pooled cash and cash equivalents	\$ 235,353	\$ 1,281,392	\$ 186,793	\$ 4,534,929
Investments	1,575,058	8,575,472	1,250,080	30,349,139
Receivables (net, where applicable, of allowance for uncollectibles):				
Taxes, including interest, penalties, and liens	5,560,665	23,603	188,955	-
Accounts, notes, and mortgages	8,836,072	-	-	-
Interest	164,549	12,450	-	86,099
Due from other funds	8,551,093	-	-	-
Due from other governments	13,637	-	-	-
Due from other agencies	1,413,228	847,647	-	136,998
Prepaid items	165,995	-	-	-
Advances to other funds	1,712,504	-	-	-
Inventory, at average cost	95,094	-	-	-
Restricted assets:				
Pooled cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Deferred charges	-	-	-	-
Fixed assets (net of accumulated depreciation, if applicable)	-	-	-	-
Other assets (net of accumulated amortization)	-	-	-	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
 Total assets	 \$ <u>28,323,248</u>	 \$ <u>10,740,564</u>	 \$ <u>1,625,828</u>	 \$ <u>35,107,165</u>

(continued)

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	2001
\$ 1,666,834	\$ 409,422	\$ 120,986	\$ -	\$ -	\$ 8,435,709
11,136,298	2,739,982	11,275,896	-	-	66,901,925
-	-	-	-	-	5,773,223
20,828,522	5,780	5,859,566	-	-	35,529,940
46,660	111,005	-	-	-	420,763
7,620,000	-	-	-	-	16,171,093
57,522	-	1,706,420	-	-	1,777,579
-	84,843	-	-	-	2,482,716
-	624,314	-	-	-	790,309
1,733,144	-	-	-	-	3,445,648
192,741	1,947,708	271,510	-	-	2,507,053
14,151,030	2,582,021	-	-	-	16,733,051
88,675,794	19,295,621	-	-	-	107,971,415
4,071	92,933	-	-	-	97,004
284,267	-	-	-	-	284,267
10,516,649	-	-	-	-	10,516,649
505,678,186	8,293,627	-	265,161,726	-	779,133,539
20,130,645	-	-	-	-	20,130,645
-	-	-	-	1,415,094	1,415,094
-	-	-	-	64,192,724	64,192,724
<u>\$ 682,722,363</u>	<u>\$ 36,187,256</u>	<u>\$ 19,234,378</u>	<u>\$ 265,161,726</u>	<u>\$ 65,607,818</u>	<u>\$ 1,144,710,346</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

**September 30, 2001**

**With Comparative Totals for September 30, 2000**

	Component Units			
	Governmental	Proprietary	Fiduciary	
	Fund Types	Fund Types	Fund Type	
	Market Lubbock, Inc.	Citibus	Civic Lubbock Inc.	Market Lubbock, Inc.
<u>Assets</u>				
Pooled cash and cash equivalents	\$ 129,234	\$ 284,105	\$ 339,969	\$ -
Investments	3,124,158	-	-	30,902
Receivables (net, where applicable, of allowance for uncollectibles):				
Taxes, including interest, penalties, and liens	-	-	-	-
Accounts, notes, and mortgages	12,908	779,312	22,549	-
Interest	-	-	-	-
Due from other funds	210,203	-	-	100,259
Due from other governments	23,256	-	-	-
Due from other agencies	-	-	-	-
Prepaid items	-	8,380	-	-
Advances to other funds	-	-	-	-
Inventory, at average cost	34,991	336,825	63,594	-
Restricted assets:				
Pooled cash and cash equivalents	-	-	100,000	-
Investments	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	-	-	-	-
Deferred charges	-	-	-	-
Fixed assets (net of accumulated depreciation, if applicable)	-	14,469,038	34,618	-
Other assets (net of accumulated amortization)	-	-	382,914	-
Amount available in debt service funds	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
<b>Total assets</b>	<b>\$ 3,534,750</b>	<b>\$ 15,877,660</b>	<b>\$ 943,644</b>	<b>\$ 131,161</b>

(continued)

Component Units				
Account Groups				
General	General	Totals	Totals	
Fixed Assets	Long-term Debt		Component	Reporting Entity
Market	Market	Units	(Memorandum Only)	
Lubbock,	Lubbock,	2001	2001	2000
Inc.	Inc.			
\$ -	\$ -	\$ 753,308	\$ 9,189,017	\$ 10,399,273
-	-	3,155,060	70,056,985	79,370,229
-	-	-	5,773,223	5,453,758
-	-	814,769	36,344,709	25,502,189
-	-	-	420,763	487,562
-	-	310,462	16,481,555	9,206,118
-	-	23,256	1,800,835	1,778,444
-	-	-	2,482,716	1,403,345
-	-	8,380	798,689	79,281
-	-	-	3,445,648	3,924,214
-	-	435,410	2,942,463	2,816,410
-	-	100,000	16,833,051	39,373,145
-	-	-	107,971,415	68,230,355
-	-	-	97,004	129,868
-	-	-	284,267	420,888
-	-	-	10,516,649	11,717,554
535,905	-	15,039,561	794,173,100	768,837,544
-	-	382,914	20,513,559	20,900,256
-	-	-	1,415,094	1,260,450
-	6,045,991	6,045,991	70,238,715	62,063,880
<u>\$ 535,905</u>	<u>\$ 6,045,991</u>	<u>\$ 27,069,111</u>	<u>\$ 1,171,779,457</u>	<u>\$ 1,113,354,763</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

**September 30, 2001**

**With Comparative Totals for September 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities</b>				
Accounts and vouchers payable	\$ 8,488,238	\$ 108,680	\$ 53,268	\$ 1,304,025
Contracts payable	-	-	-	1,924,435
Due to other funds	-	632,000	-	-
Due to other agencies and governments	1,031,067	-	-	-
Accrued general obligation interest	-	-	-	-
Other accrued liabilities	1,028,472	-	-	-
Current portion of general obligation bonds and construction obligation payable	-	-	-	-
Payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	-	-
Other accrued liabilities	-	-	-	-
Accrued insurance claims	-	-	-	-
Revenue bonds payable (current portion)	-	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	1,059,429	19,058	157,466	-
Advances from other funds	-	-	-	2,767,654
Advances from other agencies	-	-	-	-
Accrued insurance claims	-	-	-	-
General obligation bonds (net of current portion)	-	-	-	-
Revenue bonds payable (net of current portion)	-	-	-	-
Accrued vacation and sick leave	-	-	-	-
Anticipated landfill closure and postclosure	-	-	-	-
<b>Total liabilities</b>	<b>\$ 11,607,206</b>	<b>\$ 759,738</b>	<b>\$ 210,734</b>	<b>\$ 5,996,114</b>

(continued)

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	2001
\$ 7,018,830	\$ 1,471,734	\$ 1,939,468	\$ -	\$ -	\$ 20,384,243
1,677,809	-	-	-	-	3,602,244
13,664,692	255,000	1,619,401	-	-	16,171,093
-	-	-	-	-	1,031,067
1,182,407	-	-	-	-	1,182,407
816,617	101,832	1,026	-	621,657	2,569,604
8,903,873	-	-	-	-	8,903,873
1,132,612	916,180	-	-	-	2,048,792
969,670	-	-	-	-	969,670
-	5,696	-	-	-	5,696
-	4,764,865	-	-	-	4,764,865
3,958,950	-	-	-	-	3,958,950
5,050	-	-	-	-	5,050
23,191	-	1,025,504	-	-	2,284,648
50,000	627,994	-	-	-	3,445,648
-	-	-	-	-	-
-	4,500,000	-	-	-	4,500,000
154,989,874	-	-	-	53,082,808	208,072,682
77,616,717	-	-	-	-	77,616,717
3,372,027	563,684	-	-	11,903,353	15,839,064
6,112,555	-	-	-	-	6,112,555
<u>\$ 281,494,874</u>	<u>\$ 13,206,985</u>	<u>\$ 4,585,399</u>	<u>\$ -</u>	<u>\$ 65,607,818</u>	<u>\$ 383,468,868</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

	Component Units			
	Governmental	Proprietary	Fiduciary	
	Fund Types	Fund Types	Fund Type	
	Market Lubbock, Inc.	Citibus	Civic Lubbock Inc.	Market Lubbock, Inc.
<b>Liabilities</b>				
Accounts and vouchers payable	\$ 166,453	\$ 870,348	\$ 19,367	\$ -
Contracts payable	-	-	-	-
Due to other funds	310,462	-	-	-
Due to other agencies and governments	-	-	132,421	99,692
Accrued general obligation interest	-	-	-	-
Other accrued liabilities	19,840	314,556	18,538	-
Current portion of general obligation bonds and construction obligation payable	-	-	7,288	-
Payable from restricted assets:				
Accounts payable	-	-	-	-
Accrued interest	-	-	-	-
Other accrued liabilities	834,042	153,718	-	31,469
Accrued insurance claims	-	-	-	-
Revenue bonds payable (current portion)	-	-	-	-
Customer deposits	-	-	-	-
Deferred revenue	-	-	12,815	-
Advances from other funds	-	-	-	-
Advances from other agencies	-	70,000	-	-
Accrued insurance claims	-	-	-	-
General obligation bonds (net of current portion)	-	-	-	-
Revenue bonds payable (net of current portion)	-	-	-	-
Accrued vacation and sick leave	-	-	-	-
Anticipated landfill closure and postclosure	-	-	-	-
<b>Total liabilities</b>	<b>\$ 1,330,797</b>	<b>\$ 1,408,622</b>	<b>\$ 190,429</b>	<b>\$ 131,161</b>

(continued)

Component Units					
Account Groups					
General	General	Totals		Totals	
Fixed Assets	Long-term Debt	Component		Reporting Entity	
Market	Market	Units		(Memorandum Only)	
Lubbock, Inc.	Lubbock, Inc.	2001	2001	2001	2000
\$ -	\$ -	\$ 1,056,168	\$ 21,440,411	\$ 22,618,721	
-	-	-	3,602,244	3,507,324	
-	-	310,462	16,481,555	9,206,118	
-	-	232,113	1,263,180	1,456,371	
-	-	-	1,182,407	1,303,592	
-	-	352,934	2,922,538	4,216,743	
-	-	7,288	8,911,161	8,750,373	
-	-	-	2,048,792	2,303,095	
-	-	-	969,670	736,309	
-	6,045,991	7,065,220	7,070,916	3,725,991	
-	-	-	4,764,865	4,372,861	
-	-	-	3,958,950	3,599,316	
-	-	-	5,050	433,832	
-	-	12,815	2,297,463	2,305,307	
-	-	-	3,445,648	3,924,214	
-	-	70,000	70,000	70,000	
-	-	-	4,500,000	2,803,358	
-	-	-	208,072,682	175,256,312	
-	-	-	77,616,717	73,847,298	
-	-	-	15,839,064	14,810,951	
-	-	-	6,112,555	5,918,343	
\$ -	\$ 6,045,991	\$ 9,107,000	\$ 392,575,868	\$ 345,166,429	

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

September 30, 2001

With Comparative Totals for September 30, 2000

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Fund Equity and Other Credits</u>				
Contributed capital	\$ -	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved for capital projects	-	-	-	-
Reserved for facilities/system improvements	-	-	-	-
Reserved for system improvements	-	-	-	-
Reserved for rate stabilization	-	-	-	-
Reserved for economic development	-	-	-	-
Reserved per bond indentures	-	-	-	-
Reserved for self insurance - health	-	-	-	-
Reserved for self insurance - risk management	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for prepaid items	165,995	-	-	-
Reserved for advances to other funds	1,712,505	-	-	-
Reserved for debt service	-	-	1,415,094	-
Reserved for capital projects	-	-	-	29,111,051
Reserved for economic development	-	-	-	-
Reserved for Federal housing programs	-	-	-	-
Reserved for plan participants	-	-	-	-
Unreserved:				
Designated for perpetual care	22,767	-	-	-
Designated for subsequent year's expenditures	460,593	231,529	-	-
Undesignated	14,354,182	9,749,297	-	-
Total retained earnings/fund balances	<u>16,716,042</u>	<u>9,980,826</u>	<u>1,415,094</u>	<u>29,111,051</u>
Total fund equity and other credits	<u>16,716,042</u>	<u>9,980,826</u>	<u>1,415,094</u>	<u>29,111,051</u>
Total liabilities and fund equity and other credits	\$ <u>28,323,248</u>	\$ <u>10,740,564</u>	\$ <u>1,625,828</u>	\$ <u>35,107,165</u>

(continued)

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals Primary Government (Memorandum Only) 2001
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-term Debt	
\$ 138,930,382	\$ 7,244,855	\$ -	\$ -	\$ -	\$ 146,175,237
-	-	-	265,161,726	-	265,161,726
40,760,391	1,710	-	-	-	40,762,101
7,427,734	11,318	-	-	-	7,439,052
41,472	-	-	-	-	41,472
11,633,392	-	-	-	-	11,633,392
894	-	-	-	-	894
233,490	-	-	-	-	233,490
-	5,354,356	-	-	-	5,354,356
-	4,529,015	-	-	-	4,529,015
202,199,734	5,839,017	-	-	-	208,038,751
-	-	-	-	-	165,995
-	-	-	-	-	1,712,505
-	-	-	-	-	1,415,094
-	-	-	-	-	29,111,051
-	-	-	-	-	-
-	-	6,127,025	-	-	6,127,025
-	-	10,483,055	-	-	10,483,055
-	-	-	-	-	22,767
-	-	-	-	-	692,122
-	-	(1,961,101)	-	-	22,142,378
<u>262,297,107</u>	<u>15,735,416</u>	<u>14,648,979</u>	<u>-</u>	<u>-</u>	<u>349,904,515</u>
<u>401,227,489</u>	<u>22,980,271</u>	<u>14,648,979</u>	<u>265,161,726</u>	<u>-</u>	<u>761,241,478</u>
<u>\$ 682,722,363</u>	<u>\$ 36,187,256</u>	<u>\$ 19,234,378</u>	<u>\$ 265,161,726</u>	<u>\$ 65,607,818</u>	<u>\$ 1,144,710,346</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
AND COMPONENT UNITS**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

	Component Units			
	Governmental	Proprietary		Fiduciary
	Fund Types	Fund Types		Fund Type
	Market Lubbock, Inc.	Citibus	Civic Lubbock Inc.	Market Lubbock, Inc.
<u>Fund Equity and Other Credits</u>				
Contributed capital	\$ -	\$ 14,469,038	\$ -	\$ -
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved for capital projects	-	-	100,000	-
Reserved for facilities/system improvements	-	-	-	-
Reserved for system improvements	-	-	-	-
Reserved for rate stabilization	-	-	-	-
Reserved for economic development	-	-	-	-
Reserved per bond indentures	-	-	-	-
Reserved for self insurance - health	-	-	-	-
Reserved for self insurance - risk management	-	-	-	-
Unreserved	-	-	653,215	-
Fund balances:				
Reserved for prepaid items	-	-	-	-
Reserved for advances to other funds	-	-	-	-
Reserved for debt service	-	-	-	-
Reserved for capital projects	-	-	-	-
Reserved for economic development	6,080,982	-	-	-
Reserved for Federal housing programs	-	-	-	-
Reserved for plan participants	-	-	-	-
Unreserved:				
Designated for perpetual care	-	-	-	-
Designated for subsequent year's expenditures	479,699	-	-	-
Undesignated	(4,356,728)	-	-	-
Total retained earnings/fund balances	<u>2,203,953</u>	<u>-</u>	<u>753,215</u>	<u>-</u>
Total fund equity and other credits	<u>2,203,953</u>	<u>14,469,038</u>	<u>753,215</u>	<u>-</u>
Total liabilities and fund equity and other credits	\$ <u>3,534,750</u>	\$ <u>15,877,660</u>	\$ <u>943,644</u>	\$ <u>131,161</u>

Component Units				
Account Groups				
General	General	Totals		Totals
Fixed Assets	Long-term Debt	Component	Reporting Entity	
Market	Market	Units	(Memorandum Only)	
Lubbock, Inc.	Lubbock, Inc.	2001	2001	2000
\$ -	\$ -	\$ 14,469,038	\$ 160,644,275	\$ 154,356,124
535,905	-	535,905	265,697,631	262,304,921
-	-	100,000	40,862,101	57,029,966
-	-	-	7,439,052	9,447,308
-	-	-	41,472	720,771
-	-	-	11,633,392	13,073,972
-	-	-	894	35,550
-	-	-	233,490	302,444
-	-	-	5,354,356	3,204,358
-	-	-	4,529,015	9,264,699
-	-	653,215	208,691,966	183,195,511
-	-	-	165,995	79,281
-	-	-	1,712,505	1,781,800
-	-	-	1,415,094	1,260,450
-	-	-	29,111,051	30,140,780
-	-	6,080,982	6,080,982	-
-	-	-	6,127,025	6,208,235
-	-	-	10,483,055	14,084,187
-	-	-	22,767	22,767
-	-	479,699	1,171,821	2,748,723
-	-	(4,356,728)	17,785,650	18,926,487
-	-	2,957,168	352,861,683	351,527,289
535,905	-	17,962,111	779,203,589	768,188,334
<u>\$ 535,905</u>	<u>\$ 6,045,991</u>	<u>\$ 27,069,111</u>	<u>\$ 1,171,779,457</u>	<u>\$ 1,113,354,763</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES -- GOVERNMENTAL FUND TYPES, EXPENDABLE TRUST FUNDS  
AND COMPONENT UNITS**

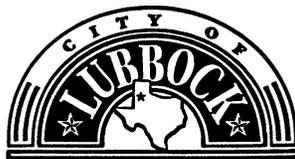
**For Year Ended September 30, 2001**

**With Comparative Totals for Year Ended September 30, 2000**

	Governmental Fund Types				Fiduciary	Totals
	General	Special Revenue	Debt Service	Capital Projects	Expensible Trust	Primary Government (Memorandum Only) 2001
<b>Revenues:</b>						
Taxes and special assessments	\$ 65,247,157	\$ 4,889,100	\$ 7,454,057	\$ -	\$ -	\$ 77,590,314
Licenses and permits	1,202,794	-	-	-	-	1,202,794
Intergovernmental	333,171	-	-	-	10,219,684	10,552,855
Charges for services	4,299,958	-	-	34,888	-	4,334,846
Fines and forfeits	3,051,055	-	-	-	-	3,051,055
Contributions	-	-	-	24,066	-	24,066
Miscellaneous	2,053,590	849,810	64,317	1,207,786	(1,122,891)	3,052,612
<b>Total revenues</b>	<b>76,187,725</b>	<b>5,738,910</b>	<b>7,518,374</b>	<b>1,266,740</b>	<b>9,096,793</b>	<b>99,808,542</b>
<b>Expenditures:</b>						
<b>Current:</b>						
Communications/Legislation	1,024,481	-	-	-	-	1,024,481
Community Services	17,828,025	-	-	-	-	17,828,025
Development Services	4,771,680	-	-	-	-	4,771,680
Electric	2,146,211	-	-	-	-	2,146,211
Financial Services	1,499,967	-	-	-	-	1,499,967
Fire	17,785,641	-	-	-	-	17,785,641
General Government	6,105,997	5,044,166	-	-	11,935,148	23,085,311
Human Resources	913,250	-	-	-	-	913,250
Management Services	629,903	-	-	-	-	629,903
Police	28,139,048	-	-	-	-	28,139,048
Strategic Planning	1,620,660	-	-	-	-	1,620,660
Non-departmental	1,716,167	-	-	3,423,298	-	5,139,465
Capital outlay	-	-	-	13,493,224	556,723	14,049,947
<b>Debt service:</b>						
Principal retirement	-	-	4,397,538	-	-	4,397,538
Interest and fiscal charges	-	-	3,359,856	31,826	-	3,391,682
<b>Total expenditures</b>	<b>84,181,030</b>	<b>5,044,166</b>	<b>7,757,394</b>	<b>16,948,348</b>	<b>12,491,871</b>	<b>126,422,809</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(7,993,305)</b>	<b>694,744</b>	<b>(239,020)</b>	<b>(15,681,608)</b>	<b>(3,395,078)</b>	<b>(26,614,267)</b>
<b>Other financing sources (uses):</b>						
Bond proceeds	-	-	-	9,100,000	-	9,100,000
Operating transfers in	14,276,074	4,387,588	15,719,276	7,153,766	33,737	41,570,441
Operating transfers out	(6,187,379)	(2,773,922)	(15,325,612)	(1,601,887)	-	(25,888,800)
<b>Total other financing sources (uses)</b>	<b>8,088,695</b>	<b>1,613,666</b>	<b>393,664</b>	<b>14,651,879</b>	<b>33,737</b>	<b>24,781,641</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses</b>	<b>95,390</b>	<b>2,308,410</b>	<b>154,644</b>	<b>(1,029,729)</b>	<b>(3,361,341)</b>	<b>(1,832,626)</b>
Fund balances - beginning , as previously reported	16,620,652	7,672,416	1,260,450	30,140,780	18,010,320	73,704,618
Prior period adjustment	-	-	-	-	-	-
Fund balances - beginning , as restated	16,620,652	7,672,416	1,260,450	30,140,780	18,010,320	73,704,618
<b>Fund balances - end of year</b>	<b>\$ 16,716,042</b>	<b>\$ 9,980,826</b>	<b>\$ 1,415,094</b>	<b>\$ 29,111,051</b>	<b>\$ 14,648,979</b>	<b>\$ 71,871,992</b>

	Component Unit		Totals	
	Governmental Type		Reporting Entity	
	Market		(Memorandum Only)	
Lubbock, Inc.		2001	2000	
\$	3,379,504	\$ 80,969,818	\$ 76,408,787	
	-	1,202,794	1,138,924	
	-	10,552,855	7,619,135	
	-	4,334,846	4,297,917	
	-	3,051,055	2,834,208	
	701,201	725,267	393,200	
	345,904	3,398,516	12,213,546	
	<u>4,426,609</u>	<u>104,235,151</u>	<u>104,905,717</u>	
	-	1,024,481	937,889	
	-	17,828,025	16,963,231	
	-	4,771,680	5,439,855	
	-	2,146,211	1,923,584	
	-	1,499,967	1,458,232	
	-	17,785,641	17,080,372	
	6,195,512	29,280,823	26,503,471	
	-	913,250	871,596	
	-	629,903	1,022,720	
	-	28,139,048	25,561,261	
	-	1,620,660	1,498,176	
	-	5,139,465	1,348,723	
	327,521	14,377,468	15,446,464	
	-	4,397,538	4,622,633	
	-	3,391,682	3,141,086	
	<u>6,523,033</u>	<u>132,945,842</u>	<u>123,819,293</u>	
	<u>(2,096,424)</u>	<u>(28,710,691)</u>	<u>(18,913,576)</u>	
	-	9,100,000	7,000,000	
	147,283	41,717,724	41,518,150	
	<u>(147,283)</u>	<u>(26,036,083)</u>	<u>(26,768,860)</u>	
	-	24,781,641	21,749,290	
	(2,096,424)	(3,929,050)	2,835,714	
	1,548,092	75,252,710	72,416,996	
	<u>2,752,285</u>	<u>2,752,285</u>	-	
	<u>4,300,377</u>	<u>78,004,995</u>	<u>72,416,996</u>	
\$	<u>2,203,953</u>	<u>\$ 74,075,945</u>	<u>\$ 75,252,710</u>	

See accompanying notes to financial statements



# CITY OF LUBBOCK, TEXAS

## COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -- BUDGET (GAAP BASIS) AND ACTUAL- GENERAL FUND

Year Ended September 30, 2001

	General Fund		
	Budget	Actual	Variance - favorable (unfavorable)
<b>Revenues:</b>			
Taxes and fees	\$ 64,860,057	\$ 65,247,157	\$ 387,100
Licenses and permits	1,100,571	1,202,794	102,223
Intergovernmental	375,148	333,171	(41,977)
Charges for services	4,262,062	4,299,958	37,896
Fines	3,530,300	3,051,055	(479,245)
Miscellaneous	<u>2,007,915</u>	<u>2,053,590</u>	<u>45,675</u>
 Total revenues	 <u>76,136,053</u>	 <u>76,187,725</u>	 <u>51,672</u>
<b>Expenditures:</b>			
Current:			
Communications/Legislation	1,025,923	1,024,481	1,442
Community Services	17,830,279	17,828,025	2,254
Development Services	5,499,348	4,771,680	727,668
Electric	2,300,946	2,146,211	154,735
Financial Services	1,537,684	1,499,967	37,717
Fire	17,795,897	17,785,641	10,256
General Government	7,058,593	6,105,997	952,596
Human Resources	932,575	913,250	19,325
Management Services	621,893	629,903	(8,010)
Police	27,946,574	28,139,048	(192,474)
Strategic Planning	1,668,249	1,620,660	47,589
Non-departmental	<u>879,200</u>	<u>1,716,167</u>	<u>(836,967)</u>
 Total expenditures	 <u>85,097,161</u>	 <u>84,181,030</u>	 <u>916,131</u>
 Deficiency of revenues under expenditures	 <u>(8,961,108)</u>	 <u>(7,993,305)</u>	 <u>967,803</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	14,803,026	14,276,074	(526,952)
Operating transfers out	<u>(5,841,918)</u>	<u>(6,187,379)</u>	<u>(345,461)</u>
 Total other financing sources (uses)	 <u>8,961,108</u>	 <u>8,088,695</u>	 <u>(872,413)</u>
 Excess (deficiency) of revenues and other financing sources (uses) over (under) expenditures	 -	 95,390	 95,390
 Fund balance at beginning of year	 <u>16,620,652</u>	 <u>16,620,652</u>	 <u>-</u>
 Fund balance at end of year	 <u>\$ 16,620,652</u>	 <u>\$ 16,716,042</u>	 <u>\$ 95,390</u>

See accompanying notes to financial statements

# CITY OF LUBBOCK, TEXAS

## COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN EQUITY ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS

Year Ended September 30, 2001

With Comparative Totals for Year Ended September 30, 2000

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)
	Enterprise	Internal Service	2001
<b>Operating revenues:</b>			
Charges for services	\$ 175,061,302	\$ 35,153,811	\$ 210,215,113
New taps and reconnects	331,716	-	331,716
Effluent water sales	678,784	-	678,784
Commodity sales	595,661	-	595,661
Landing fees	739,016	-	739,016
Parking	1,324,288	-	1,324,288
Greenfees and memberships	34,982	-	34,982
Rentals	1,636,374	-	1,636,374
Concessions	1,076,830	-	1,076,830
Administrative charges	-	273,909	273,909
Total operating revenues	181,478,953	35,427,720	216,906,673
<b>Operating expenses:</b>			
Personal services	22,045,640	6,972,021	29,017,661
Insurance	-	15,703,357	15,703,357
Supplies	2,974,193	174,517	3,148,710
Materials	-	6,678,176	6,678,176
Maintenance	7,019,712	1,853,834	8,873,546
Uncollectible accounts	1,411,333	-	1,411,333
Purchase of fuel and power	79,793,221	-	79,793,221
Collection expense	2,836,942	-	2,836,942
Other services and charges	23,174,932	3,628,441	26,803,373
Depreciation and amortization	22,056,960	1,973,030	24,029,990
Total operating expenses	161,312,933	36,983,376	198,296,309
Operating income (loss)	20,166,020	(1,555,656)	18,610,364
<b>Nonoperating revenues (expenses):</b>			
Interest	4,853,852	1,362,911	6,216,763
Passenger facility charges	1,557,918	-	1,557,918
Disposition of properties	(333,513)	(340,003)	(673,516)
Miscellaneous	2,951,432	59,333	3,010,765
Interest and fiscal charges	(11,882,075)	-	(11,882,075)
Cash grants and reimbursements	-	-	-
Total nonoperating revenues (expenses)	(2,852,386)	1,082,241	(1,770,145)
Income (loss) before operating transfers	17,313,634	(473,415)	16,840,219
<b>Transfers:</b>			
Operating transfers in	15,707,518	1,524,957	17,232,475
Operating transfers out	(32,409,889)	(504,227)	(32,914,116)
Total transfers in (out)	(16,702,371)	1,020,730	(15,681,641)
Net income (loss)	611,263	547,315	1,158,578
Depreciation on fixed assets acquired by contributions	1,299,358	-	1,299,358
Retained earnings at beginning of year	260,386,486	15,188,101	275,574,587
Retained earnings at end of year	262,297,107	15,735,416	278,032,523
Contributed capital at beginning of year	132,984,984	6,846,827	139,831,811
Capital contributions/Residual equity transfer in	7,244,756	398,028	7,642,784
Depreciation on/disbursements of capital contributions	(1,299,358)	-	(1,299,358)
Contributed capital at end of year	138,930,382	7,244,855	146,175,237
Total equity at end of year	\$ 401,227,489	\$ 22,980,271	\$ 424,207,760

Component Units		Totals Component Units	Totals Reporting Entity (Memorandum Only)	
Proprietary Types			2001	2000
Civic Lubbock, Inc.	Citibus		2001	2000
\$ 1,389,463	\$ 1,869,940	\$ 3,259,403	\$ 213,474,516	\$ 172,325,148
-	-	-	331,716	103,280
-	-	-	678,784	560,626
-	-	-	595,661	720,499
-	-	-	739,016	740,882
-	-	-	1,324,288	1,168,628
-	-	-	34,982	40,262
-	-	-	1,636,374	1,347,914
-	-	-	1,076,830	1,065,423
-	-	-	273,909	186,500
<u>1,389,463</u>	<u>1,869,940</u>	<u>3,259,403</u>	<u>220,166,076</u>	<u>178,259,162</u>
368,542	3,453,390	3,821,932	32,839,593	30,269,575
-	506,966	506,966	16,210,323	14,185,457
-	-	-	3,148,710	2,944,224
-	-	-	6,678,176	7,012,499
-	1,325,927	1,325,927	10,199,473	8,373,093
-	-	-	1,411,333	1,186,657
-	-	-	79,793,221	49,299,758
-	-	-	2,836,942	2,210,385
964,903	1,542,990	2,507,893	29,311,266	24,305,695
12,665	1,962,162	1,974,827	26,004,817	22,763,415
<u>1,346,110</u>	<u>8,791,435</u>	<u>10,137,545</u>	<u>208,433,854</u>	<u>162,550,758</u>
<u>43,353</u>	<u>(6,921,495)</u>	<u>(6,878,142)</u>	<u>11,732,222</u>	<u>15,708,404</u>
15,216	-	15,216	6,231,979	8,170,502
-	-	-	1,557,918	1,552,654
-	-	-	(673,516)	27,403
-	-	-	3,010,765	1,189,358
(5,346)	(4,503)	(9,849)	(11,891,924)	(13,393,543)
-	4,963,836	4,963,836	4,963,836	3,665,088
<u>9,870</u>	<u>4,959,333</u>	<u>4,969,203</u>	<u>3,199,058</u>	<u>1,211,462</u>
<u>53,223</u>	<u>(1,962,162)</u>	<u>(1,908,939)</u>	<u>14,931,280</u>	<u>16,919,866</u>
-	-	-	17,232,475	17,245,329
-	-	-	(32,914,116)	(31,994,619)
-	-	-	(15,681,641)	(14,749,290)
<u>53,223</u>	<u>(1,962,162)</u>	<u>(1,908,939)</u>	<u>(750,361)</u>	<u>2,170,576</u>
-	1,962,162	1,962,162	3,261,520	2,748,681
699,992	-	699,992	276,274,579	271,355,322
<u>753,215</u>	-	<u>753,215</u>	<u>278,785,738</u>	<u>276,274,579</u>
-	14,524,313	14,524,313	154,356,124	148,325,473
-	1,906,887	1,906,887	9,549,671	8,779,332
-	(1,962,162)	(1,962,162)	(3,261,520)	(2,748,681)
-	14,469,038	14,469,038	160,644,275	154,356,124
<u>\$ 753,215</u>	<u>\$ 14,469,038</u>	<u>\$ 15,222,253</u>	<u>\$ 439,430,013</u>	<u>\$ 430,630,703</u>

See accompanying notes to financial statements

**CITY OF LUBBOCK, TEXAS**

**COMBINED STATEMENT OF CASH FLOWS -  
ALL PROPRIETARY FUND TYPES AND DISCRETELY PRESENTED COMPONENT UNITS**

**Years Ended September 30, 2001  
With Comparative Totals for Year Ended September 30, 2000**

	Proprietary Fund Types		Totals Primary Government (Memorandum Only)
	Enterprise	Internal Service	2001
<b>Cash flows from operating activities:</b>			
Operating income (loss)	\$ 20,166,020	\$ (1,555,656)	\$ 18,610,364
Adjustments to reconcile operating income (loss) to net cash from operating activities:			
Depreciation and amortization	22,056,960	1,973,030	24,029,990
Increase (decrease) in long-term assets/liabilities not requiring cash flow	2,105,417	(113,498)	1,991,919
Other income	2,951,432	44,451	2,995,883
Receipts from building rent	-	15,635	15,635
Change in current assets and liabilities:			
Accounts receivable	(3,416,229)	29,731	(3,386,498)
Inventory	184,627	26,417	211,044
Due to/from other governments	(25,945)	-	(25,945)
Prepaid expenses	-	(624,314)	(624,314)
Accounts payable	(7,335,171)	773,089	(6,562,082)
Due to/from others	-	6,709	6,709
Other accrued expenses	364,871	2,278,870	2,643,741
Customer deposits	(428,772)	-	(428,772)
Accrued liabilities	-	-	-
Long-term assets	-	-	-
Net cash provided by (used for) operating activities	<u>36,623,210</u>	<u>2,854,464</u>	<u>39,477,674</u>
<b>Cash flows from capital and related financing activities:</b>			
Payments for gas reserves and other deferred charges	(393,367)	-	(393,367)
Refund of commodity prepayments	298,062	-	298,062
Purchases of property, plant and equipment	(42,924,887)	(2,282,906)	(45,207,793)
Sale of property, plant and equipment	848,302	6,268	854,570
Payments for bond issuance costs	(717,161)	-	(717,161)
Receipt of accrued interest on bond issuance	224,524	-	224,524
Principal paid on revenue bonds	(5,125,000)	-	(5,125,000)
Interest paid on revenue bonds	(4,663,903)	-	(4,663,903)
Principal paid on general obligation bonds and other debt	(8,911,904)	-	(8,911,904)
Interest paid on general obligation bonds	(7,330,519)	-	(7,330,519)
Issuance of revenue, G.O. and C.O. bonds	46,970,000	-	46,970,000
Refunds of pro-rata contracts	(100,940)	-	(100,940)
Deposits on pro-rata contracts	-	-	-
Passenger facility charges	1,557,918	-	1,557,918
Interest paid on long-term debt	-	-	-
Contributed capital	5,464,011	-	5,464,011
Net cash used for capital and related financing activities	<u>(14,804,864)</u>	<u>(2,276,638)</u>	<u>(17,081,502)</u>
<b>Cash flows from noncapital and related financing activities:</b>			
Operating transfers in from other funds	15,707,518	1,524,957	17,232,475
Operating transfers out to other funds	(32,409,889)	(504,227)	(32,914,116)
Short-term interfund borrowings	(592,408)	(76,475)	(668,883)
Advances from other funds	-	-	-
Payments received (made) on advances to (from) other funds	409,267	(329,981)	79,286
Cash grants and reimbursements	-	-	-
Book Overdrafts	-	-	-
Net cash provided by (used for) noncapital and related financing activities	<u>(16,885,512)</u>	<u>614,274</u>	<u>(16,271,238)</u>
<b>Cash flows from investing activities:</b>			
Proceeds from sales and maturities of investments	39,865,232	7,826,946	47,692,178
Purchase of investments	(72,694,239)	(10,705,441)	(83,399,680)
Interest earnings on cash and investments	5,057,461	1,398,819	6,456,280
Net cash provided by (used for) investing activities	<u>(27,771,546)</u>	<u>(1,479,676)</u>	<u>(29,251,222)</u>
Net increase (decrease) in pooled cash and cash equivalents	<u>(22,838,712)</u>	<u>(287,576)</u>	<u>(23,126,288)</u>
Pooled cash and cash equivalents at beginning of year	<u>38,656,576</u>	<u>3,279,019</u>	<u>41,935,595</u>
Pooled cash and cash equivalents at end of year	<u>\$ 15,817,864</u>	<u>\$ 2,991,443</u>	<u>\$ 18,809,307</u>

Supplemental cash flow information:

Noncash capital improvements and other charges for the Enterprise Funds during fiscal year 2000-2001 was \$2,088,536.

Noncash capital improvements and other charges/(reductions) for the Internal Service Funds during fiscal year 2000-2001 was \$(389,159).

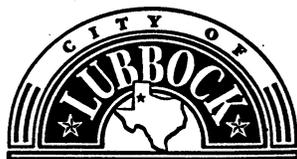
Component Units		Totals Component Units	Totals Reporting Entity (Memorandum Only)	
Proprietary Types			2001	2000
Civic Lubbock, Inc.	Citibus			
\$ 43,353	\$ (6,921,495)	\$ (6,878,142)	\$ 11,732,222	\$ 15,708,404
12,665	1,962,162	1,974,827	26,004,817	22,763,414
-	-	-	1,991,919	2,403,371
-	-	-	2,995,883	1,199,376
-	-	-	15,635	12,764
21,330	657,061	678,391	(2,708,107)	(3,428,175)
8,308	(21,005)	(12,697)	198,347	(57,565)
(52,379)	-	(52,379)	(78,324)	(524,105)
(431)	(8,380)	(8,811)	(633,125)	106,974
(20,707)	(697,415)	(718,122)	(7,280,204)	9,383,549
-	-	-	6,709	(13,902)
-	(4,515)	(4,515)	2,639,226	(93,776)
-	-	-	(428,772)	103,183
583	-	583	583	17,955
-	-	-	-	(42,650)
<u>12,722</u>	<u>(5,033,587)</u>	<u>(5,020,865)</u>	<u>34,456,809</u>	<u>47,538,817</u>
-	-	-	(393,367)	(4,193,412)
-	-	-	298,062	-
-	-	-	(45,207,793)	(44,957,151)
-	-	-	854,570	442,226
-	-	-	(717,161)	-
-	-	-	224,524	-
-	-	-	(5,125,000)	(4,519,025)
-	-	-	(4,663,903)	(5,229,781)
(90,950)	-	(90,950)	(9,002,854)	(8,552,590)
(5,346)	-	(5,346)	(7,335,865)	(7,996,709)
-	-	-	46,970,000	24,055,000
-	-	-	(100,940)	(71,052)
-	-	-	-	42,789
-	-	-	1,557,918	1,552,654
-	-	-	-	(3,904)
-	-	-	5,464,011	4,376,483
<u>(96,296)</u>	<u>-</u>	<u>(96,296)</u>	<u>(17,177,798)</u>	<u>(45,054,472)</u>
-	-	-	17,232,475	17,245,329
-	-	-	(32,914,116)	(31,994,619)
-	-	-	(668,883)	(5,060,379)
-	-	-	-	(424,374)
-	(4,503)	(4,503)	74,783	511,322
-	4,963,836	4,963,836	4,963,836	3,665,088
-	-	-	-	(32,568)
<u>-</u>	<u>4,959,333</u>	<u>4,959,333</u>	<u>(11,311,905)</u>	<u>(16,090,201)</u>
-	-	-	47,692,178	87,071,306
-	-	-	(83,399,680)	(83,577,352)
15,216	-	15,216	6,471,496	8,226,385
<u>15,216</u>	<u>-</u>	<u>15,216</u>	<u>(29,236,006)</u>	<u>11,720,339</u>
(68,358)	(74,254)	(142,612)	(23,268,900)	(1,885,517)
<u>508,327</u>	<u>358,359</u>	<u>866,686</u>	<u>42,802,281</u>	<u>44,687,798</u>
<u>\$ 439,969</u>	<u>\$ 284,105</u>	<u>\$ 724,074</u>	<u>\$ 19,533,381</u>	<u>\$ 42,802,281</u>

**CITY OF LUBBOCK**  
**Notes to Financial Statements**  
**September 30, 2001**

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**CITY OF LUBBOCK**  
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**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The General Purpose Financial Statements (GPFS) of the City of Lubbock, Lubbock County, Texas (City) have been prepared in conformity with Generally Accepted Accounting Principles (GAAP) as applicable to governmental units. The Government Accounting Standards Board (GASB) is the acknowledged standard-setting body for establishing governmental accounting and financial reporting principles. With respect to proprietary activities, including component units, the City has adopted GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The City applies all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure, issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The more significant accounting policies are described below.

**A. REPORTING ENTITY**

The City is a municipal corporation governed by a Mayor-Council form of government. As required by GAAP, the GPFS present the reporting entity which consists of the City (a 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 GPFS to be misleading or incomplete.

**BLENDED COMPONENT UNITS**

The following component unit has been included in the City's financial reporting entity using the blended method because although it is legally separate, its operations are so intertwined with the City that it is, in substance, a part of the City.

**The Urban Renewal Agency (URA)** was formed to provide urban renewal services for the City, that include rehabilitation of housing, acquisition of housing, and disposition of land. The Urban Renewal Agency Board is composed of nine members appointed by the Mayor, with the consent of the City Council, and acts only in an advisory capacity to the City Council. All powers to govern URA are held by the City Council.

**DISCRETELY PRESENTED COMPONENT UNITS**

The Component Unit columns in the combined financial statements include the financial data of the City's other Component Units. They 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 and is able to impose its will on the organization. A primary government has the ability to impose its will if it can significantly influence operations and/or activities of an organization.

**City Transit Management Co., Inc. dba Citibus (Citibus)** is a legally separate entity that operates a City owned transportation system. In 1998, the City renewed a five year management agreement with McDonald Transit Associates, Inc. to manage and operate Citibus. The City Council appoints the seven-member Lubbock Public Transit Advisory Board, and approves the annual budget. The City is responsible for funding deficits. Citibus is reported as a proprietary type component unit.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY (CONTINUED)**

**Civic Lubbock, Inc.** promotes the cultural and educational usage of the Lubbock Memorial Civic Center and Lubbock Municipal Coliseum. The 7 member board is appointed by the City Council. City Council approves the annual budget for Civic Lubbock, Inc. Civic Lubbock, Inc. is reported as a proprietary type component unit.

**Market Lubbock Economic Development Corporation dba Market Lubbock, Inc. (Market Lubbock Inc.)** 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. Market Lubbock, Inc. is a legally separate non-profit corporation. The City Council appoints the seven-member board and its operations are funded by budgeted allocations of the City's property and hotel occupancy taxes and other City contributions. Market Lubbock, Inc. is reported as a governmental type component unit.

Copies of financial statements of the individual component units may be obtained from their respective administrative offices listed below:

**Administrative Offices**

Citibus 801 Texas Lubbock, Texas	Civic Lubbock, Inc. 1501 6 <sup>th</sup> Street Lubbock, Texas	Market Lubbock, Inc 1301 Broadway Suite 200 Lubbock, Texas
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**RELATED ORGANIZATIONS**

The City's officials are also responsible for appointing the members of the boards of other organizations but the City's accountability for these organizations does not extend beyond making the appointments.

The following are related organizations, which have not been included in the reporting entity:

**Housing Authority of the City of Lubbock (Authority)** is a legally separate entity. The Mayor appoints the five-member board. It is the City Attorney's opinion that the Authority is independent of the City. The Authority is not fiscally dependent on the City and City Council is not able to impose its will on the entity. The City has no responsibility for debt issued by the Authority.

**Lubbock Firemen's Retirement and Relief Fund (LFRRF)** operates under provisions of the Firemen's Relief and Retirement Laws of the State of Texas for purposes of providing retirement benefits for the City's firefighters. Its affairs are governed by the Mayor's designee, the Finance Manager, three firefighters elected by members of the LFRRF and two at-large members elected by the Board. It is funded by contributions by the firefighters and matched by contributions from the City. As provided by enabling legislation, the City's responsibility to the LFRRF is limited to matching monthly contributions made by the members. Title to assets is vested in the LFRRF and

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. REPORTING ENTITY (CONTINUED)**

not in the City. The State Firemen's Pension Commission is the governing body over the LFRRF; the City does not significantly influence operations.

**Lubbock Arts Alliance, Inc. (Alliance)** is dedicated to the promotion and improvement of the arts and sponsoring the annual Lubbock Arts Festival. Fiscal dependence by the Alliance on the City is not significant to the City. City Council does not appoint the board. The City is not able to exert its will on the Alliance.

**Lubbock Health Facilities Development Corporation (LHFDC)** promotes health facilities development. City Council appoints the seven-member board. Bonds issued by LHFDC do not constitute indebtedness of the City. The City does not govern operations of LHFDC.

**Lubbock Housing Finance Corporation, Inc. (LHFC)** was formed pursuant to the Texas Housing Finance Corporation Act, to finance the cost of decent, safe, affordable residential housing. The Mayor appoints the seven-member board. It is the opinion of the City Attorney that LHFC is independent of the City. Indebtedness of the LHFC does not constitute indebtedness of the City. The City is not able to impose its will on the LHFC.

**JOINT VENTURE**

In May 1998, the City, along with three other cities in the West Texas area, entered into an agreement with the West Texas Municipal Power Authority ("WTMPA") to purchase power generated by a co-generation facility to be constructed with the proceeds obtained from the issuance of \$28,910,000 of revenue bonds issued by WTMPA. The contractual arrangement with WTMPA calls for each participating city to guarantee payments of the WTMPA bond debt service in the event the net revenues of the power sales contracts with the participating cities is not adequate to cover the debt service. The City has an ongoing financial interest in WTMPA through the contractual arrangement to purchase generated power and is also considered to have an ongoing financial responsibility due to the manner in which the debt service is guaranteed as well as the responsibility for financing the operations of the joint venture by purchasing the power generated by WTMPA which will benefit the citizens of Lubbock.

Financial information for WTMPA can be obtained from the City of Lubbock, P.O. Box 2000, Lubbock, Texas 79401, (Attention Managing Director of Financial Services).

**B. BASIS OF PRESENTATION - FUND ACCOUNTING**

The financial transactions of the City are recorded in individual funds and account groups. A fund is a separate set of self-balancing accounts.

The various funds are classified into three categories: governmental, proprietary and fiduciary. The following fund types and account groups are used by the City:

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. BASIS OF PRESENTATION - FUND ACCOUNTING (CONTINUED)**

**GOVERNMENTAL FUND TYPES**

**General Fund** is the general operating fund of the City. It is used to account for all financial transactions except those required to be accounted for in another fund.

**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 segregated for specified purposes.

**The Debt Service Fund** is used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City.

**Capital Project Funds** are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds or Trust Funds).

**PROPRIETARY FUND TYPES**

**Enterprise Funds** are used to account for operations of the City (a) that are financed and operated in a manner similar to private business enterprises, where the intent is to provide goods or services to the general public on a continuing basis, the cost of which is to be recovered in whole or part through user charges; or (b) 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.

**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.

**FIDUCIARY FUND TYPES**

Transactions related to assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments and other funds, are accounted for in fiduciary fund types. Fiduciary fund types are comprised of:

**Expendable Trust Funds** account for assets received and expended by the City as trustee in essentially the same manner as governmental fund types.

**Agency Funds** are used to account for assets held by the City as a custodial trustee. They are accounted for on the modified accrual basis of accounting with respect to asset and liability recognition, but do not have a measurement focus since agency funds do not account for operations.

**ACCOUNT GROUPS**

**General Fixed Assets Account Group** represents a summary of the fixed assets of the City, other than those fixed assets reported in the Proprietary Funds. Capital expenditures of the Capital Projects Fund are the primary source from which the detailed records of the general fixed assets account group are developed. Capital expenditures are carried in this account group as construction in progress until the projects are completed and are then capitalized by function and classification.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**B. BASIS OF PRESENTATION - FUND ACCOUNTING (CONTINUED)**

Infrastructure fixed assets such as streets, highways, bridges, sidewalks, street lighting, traffic poles and signals, and storm sewers, are accounted for in the General Fixed Assets Account Group and reported in the Schedule of General Fixed Assets.

General fixed assets are not depreciated and are recorded at historical cost at the time of acquisition. Donated assets are recorded at their fair market value on the date donated.

**General Long-Term Debt Account Group** is used to account for the City's liability for general long-term debt such as general obligation bonds, certificates of obligation, and obligations for employee vacation, sick-leave benefits, insurance claims and rebatable arbitrage, other than those reported in the Proprietary Funds.

**C. BASIS OF ACCOUNTING**

The modified accrual basis of accounting and the flow of current financial resources measurement focus is followed for governmental fund types and expendable trust funds. Under this basis of accounting, expenditures, other than interest on long-term debt in the Debt Service Fund, which is recorded when due, are recorded when the liability is incurred. Revenues are recorded when received in cash unless susceptible to accrual. Revenues under the modified accrual basis must be both measurable and available to finance current year appropriations. Revenues considered to be susceptible to accrual under the modified accrual basis are property tax, sales tax, franchise tax, hotel/motel tax, certain grant revenue and investment income. The accrual basis of accounting and the flow of economic resources is followed in the enterprise funds and internal service funds. Under this method of accounting, revenues are recognized when earned and expenses are recorded when a liability is incurred.

Under the current financial resources measurement focus, only current assets and current liabilities are included on the balance sheet. Net current assets or fund balance is considered a measure of available expendable resources. This measurement focus is concerned primarily with the measure of interperiod equity (e.g. whether current year revenues were sufficient to pay for current year services).

Enterprise funds and internal service funds are accounted for using an economic resources measurement focus. All assets and liabilities including fixed assets and long-term debt are included on the balance sheet. Fund equity is segregated into its contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

**D. BUDGETARY ACCOUNTING**

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund only. Capital project funds adopt project-length budgets. All annual appropriations lapse at the end of the fiscal year.

Annually, the City Manager submits to City Council a proposed operating budget for the upcoming fiscal year. Public hearings are conducted to obtain taxpayer comments, and the budget is legally enacted through passage of an ordinance by the City Council.

Budgetary control is maintained by department and by the following category of expenditures: personnel services, supplies, maintenance, other charges, and capital outlay. All budget supplements must be approved by the City Council. Administrative transfers and increases or decreases in accounts within categories may be made by management as long as expenditures do not exceed

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**D. BUDGETARY ACCOUNTING (CONTINUED)**

budgeted appropriations at the fund level. Budgeted amounts shown are from the revised budget, adopted by Ordinance No. 2001-00040 on June 14, 2001. During the year, the budget was revised to reflect a 2.6% increase in General Fund operating revenues and a 2.3% increase for the General Fund operating expenditures from the original budget. Each year, in accordance with State law, the City Council sets an ad valorem tax levy for a sinking fund (General Obligation Debt Service) which, with cash and investments in the fund, would be sufficient to pay all the bonded indebtedness and interest due in the following fiscal year.

**E. ENCUMBRANCES**

At the end of the year, encumbrances for which goods and/or services have not been received are canceled. At the beginning of the next year, management reviews all open encumbrances. During the budget revision process, encumbrances may be re-established. On October 1, 2001, the General Fund had no significant amounts of open encumbrances.

**F. ASSETS, LIABILITIES AND FUND EQUITY**

**Equity in Pooled 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. GAAP requires certain investments to be carried at fair value with the change in fair value included in the determination of investment income shown in the operating statement. Due to the nature of the City's investments, the difference between amortized cost and market value is not significant such that the carrying value of the portfolio is considered to approximate fair market value.

**Cash Equivalents** - Cash equivalents are defined as short-term highly liquid investments that are readily convertible to known amounts of cash and have original maturities of three months or less when purchased which present an insignificant risk of changes in value because of changes in interest rates.

**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 the City's fiscal year end, September 30, all property taxes receivable are delinquent, but are secured by a tax lien.

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 the Debt Service funds based on tax rates adopted for the year of levy. The District adjusts the allowance for uncollectible taxes and deferred tax revenue at year end based upon historical collection experience. Accordingly, at August 31 of each year, property taxes receivable less the allowance for uncollectible taxes and deferred tax revenue is equivalent to the projected tax collections from September 1 through October 15 of the same year. To write-off property taxes receivable, with specific statutory authority from the Texas Legislature, the District eliminates the receivable and reduces the allowance for uncollectible accounts.

**Enterprise Fund Receivable** - Within the Electric, Water, Sewer and Solid Waste Enterprise Funds, services rendered but not billed as of the close of the fiscal year, are not considered significant. Amounts billed are reflected as accounts receivable net of an allowance for uncollectibles.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**F. ASSETS, LIABILITIES AND FUND EQUITY (CONTINUED)**

**Inventories** - Inventories consist of expendable supplies held for consumption. Inventories are valued at cost 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.

**Restricted Assets** - Certain enterprise fund assets are restricted for construction which has been funded through long-term debt, therefore, retained earnings have been reserved for these amounts. The excess of other restricted assets over related liabilities are included as retained earnings reserved for capital projects, rate stabilization, economic development and bond indentures.

**Fixed Assets and Depreciation** - General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in Governmental Funds, and the related assets are reported in the General Fixed Assets Account Group. All purchased fixed assets are recorded at cost. Donated assets are recorded at the fair value on the date of donation. Assets in the General Fixed Assets Account Group are not depreciated. Property, plant and equipment of the Proprietary Funds are stated at cost or estimated market value for donated assets and capitalized in the fund that acquired or constructed them. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Improvements	10-50 years
Buildings	15-50 years
Equipment	3-15 years

**Interest Capitalization** - The City does not capitalize interest cost. Interest capitalization would not be significant to the GPFS.

**Advances to Other Funds** - Amounts owed to one fund by another which are not due within one year are recorded as advances to other funds. These are equally offset by a fund balance reserve amount in the governmental funds, which indicates they do not constitute available expendable resources.

**G. RISK MANAGEMENT**

The City is required to fund amounts into accounts from which medical and dental claims are paid by a third party administrator, and as a result is effectively self-insured. The liability for incurred claims represents estimates for medical and dental claims incurred as of September 30, 2001. Some of these claims were reported at September 30, 2001, and others which are incurred but not reported (IBNR), may not be reported until a later date. IBNR is calculated by the City's independent insurance administrator. In order to mitigate the risk associated with the City's medical coverage, the City purchased individual stop loss coverage of \$150,000.

In April 1999, the City purchased worker's compensation coverage, with no deductible, from a third party. Prior to April 1999, the City was self insured for worker's compensation claims. Any claims outstanding in April 1999 are the responsibility of the City.

The City's self-insured general liability program is on a cash flow basis, which means that the service contractor processes, adjusts and pays claims from a deposit provided by the City. The City accounts for the general liability program by charging premiums based upon losses, administrative fees and reserve requirements. In order to control the risks associated with general liability claims, the City purchased reinsurance coverage for claims in excess of \$250,000.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**G. RISK MANAGEMENT (CONTINUED)**

For self-insured coverage, the Risk Management Fund established 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. The length of time for which such costs must be estimated varies depending on the coverage involved. Estimated amounts of salvage and subrogation and reinsurance recoverable on unpaid claims are deducted from the liability for unpaid claims. Because actual claim costs depend on such complex factors 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 general 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 expense in the period in which they are incurred.

Additionally, property and boiler coverage is accounted for in the Risk Management Fund. The property insurance policy was purchased from an outside insurance carrier. The policy has a \$250,000 deductible per occurrence, and the boiler coverage insurance deductible is up to \$100,000 dependent upon the unit. Premiums are charged to funds based upon policy premiums and reserve payments.

Other small insurance policies, such as surety bond coverage and miscellaneous floaters, are accounted for in the Risk Management Fund. Funds are charged expenditures based on premium amounts and administrative charges. The City has had no significant reductions in insurance coverage during the year. Settlements in the current year and preceding two years have not exceeded insurance coverage. The City accounts for all insurance activity in Internal Service Funds.

**H. REVENUES, EXPENSES AND EXPENDITURES**

**Interest Income** on pooled cash and investments is allocated monthly based on the percentage of a fund's six month rolling average monthly balance in pooled cash and investments to the total citywide six month rolling average monthly balance in pooled cash and investments, except for certain Trust and Agency Funds, certain Special Revenue Funds, Governmental Capital Project Funds, and certain Internal Service Funds. The interest income on pooled cash and investments of these funds is reported in the General Fund or the Debt Service Fund.

**Sales Tax Revenue** for the City results from an allocation of 1.125% of the total sales tax levy of 7.875%, which is collected by the State of Texas and remitted to the City monthly. The tax is collected by the vendor and 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 10th of the next month. On January 21, 1995, voters approved a 1/8 cent increase in sales tax to reduce the property tax rate which went into effect October 1, 1995. The 45 day availability period provides for full accrual of sales taxes.

**Grant Revenue** from federal and state grants is recognized to the extent that the related expenditure has been incurred and reimbursement received or requested.

**Interfund Transactions** or quasi-external transactions are accounted for as revenues, expenditures or expenses. 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.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**H. REVENUES, EXPENSES AND EXPENDITURES (CONTINUED)**

Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transactions except quasi-external transactions, reimbursements, temporary receivables and payables, and residual equity transfers are reported as operating transfers.

**Compensated Absences** consists of vacation leave and sick 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 any available, unused vacation leave.

Sick leave for employees is accrued at 1 ¼ days per month with a maximum accrual status of 200 days. After 15 years of continuous full time services 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, Civil Service Personnel (Police) are paid for up to 90 days accrued sick leave after one year of employment. Civil Service Personnel (Firefighters) are paid for up to 135 days of accrued sick leave upon retirement or termination. The Texas Civil Service laws dictate certain benefits and personnel policies above and beyond those policies of the City.

The liability for the accumulated vacation and sick leave is recorded in the general long-term debt account group for governmental fund employees and as a noncurrent liability in the proprietary funds for proprietary fund employees. Management has determined that the current portion of this liability is not significant to the overall financial position of the City.

**Post Employment Benefits** for retirees of the City of Lubbock include the option to purchase health and life insurance benefits at their own expense. 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 \$475,000 for fiscal 2001. These contributions are included in the amount of insurance expense reflected in the financial activity reported in the Health Insurance Internal Service Fund. The following schedule reflects participation in the City's health care program:

	2001
Participants	
Active	1,821
Retired	380
Cobra	16
Active Claims	\$5,493,187
Retired Claims	2,261,870
Cobra Claims	108,301
Total Claims	\$7,863,358
% of Employee Groups to total claims	
Active	69.86%
Retired	28.76%
Cobra	1.38%
Total %	100.00%

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**I. TOTALS (MEMORANDUM ONLY)**

The Totals (Memorandum Only) columns represent an aggregation of the combined financial statements and do not represent consolidated financial information. Data in those columns do not represent financial position and results of operations, in conformity with GAAP and are presented only to facilitate analysis. Interfund eliminations have not been made in the aggregation of this data.

**J. RECLASSIFICATIONS**

Certain 2000 amounts have been reclassified to conform to 2001 presentation.

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. RETAINED EARNINGS/FUND BALANCE DEFICITS**

The deficit of \$482,728 in the General Capital Projects Fund is due to timing differences of incurring capital outlay expenditures for an internally financed project. Over the term of the borrowing arrangement, transfers in from Special Revenue Funds will eliminate the deficit.

The deficit of \$179,387 in the Library Expendable Trust Fund is the result of a timing difference between expenditures incurred and the filing of requests for reimbursements. These funds have not been accrued, as certain reimbursement amounts are not measurable at September 30, 2001, which is consistent with the revenue recognition required by the modified accrual basis of accounting.

The deficit of \$1,680,824 in the Community Development Expendable Trust Fund is the result of timing differences between expenditures incurred and the filing of requests for reimbursements. These funds have not been accrued, as certain reimbursement amounts are not available at September 30, 2001, which is consistent with the revenue recognition required by the modified accrual basis of accounting.

The deficit of \$28,332 in the Community Services Expendable Trust Fund is the result of timing differences between expenditures incurred and the filing of requests for reimbursements. These funds have not been accrued, as certain reimbursement amounts are not available at September 30, 2001, which is consistent with the revenue recognition required by the modified accrual basis of accounting.

The deficit of \$507,846 in the Police Expendable Trust Fund is the result of a timing difference between expenditures incurred and the filing of requests for reimbursements. These funds have not been accrued, as certain reimbursement amounts are not available at September 30, 2001, which is consistent with the revenue recognition required by the modified accrual basis of accounting.

The deficit in the Golf Enterprise Fund of \$1,870,791 is the result of placing itself in a more competitive position through non-capital course equipment improvements. On October 13, 1994, the City contracted with Fore Star Golf, Inc. for management services to be provided for the golf course operations. The management agreement is effective through December 31, 2014. Over the term of the contract, Fore Star Golf, Inc. will receive a portion of the golf course revenues based on a sliding scale. Additionally, management has approved a 10 year funding source from the General Fund to eliminate the deficit beginning in fiscal 2002.

The retained earnings deficit of \$433,503 in the Internal Service Management Information Fund results from the practice of not recovering depreciation through user charges. Management is evaluating user charges in order to recover depreciation, financing and capital costs, and the retained earnings deficit.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. RETAINED EARNINGS/FUND BALANCE DEFICITS (CONTINUED)**

The retained earnings deficit of \$427,155 in the Internal Service Communications Fund results from the practice of not recovering depreciation through user charges. Management is evaluating user charges in order to recover depreciation and recover the retained earnings deficit.

No other funds of the City had deficits in either total fund balances or total retained earnings.

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. POOLED CASH AND INVESTMENTS**

The City's investment policies are governed by State statute and City ordinances. Permissible investments include direct obligations of the United States or its agencies and instrumentalities, certificates of deposit, prime domestic banker's acceptances, commercial paper, repurchase agreements, and deposits in a qualifying investment pool. Collateral is required for demand deposits, certificates of obligation, and repurchase agreements at 102% of all amounts not covered by Federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its subdivisions. The City's deposits and investments are categorized below to indicate the level of risk assumed by the City at September 30, 2001.

**INVESTMENT CATEGORY OF CREDIT RISK**

- (1) Insured, registered or in securities held by the City or its agent in the City's name.
- (2) Uninsured and unregistered, with securities held by the counter party's trust department or its agent in the City's name.
- (3) Uninsured and unregistered, with securities held by the counter party or by the trust department or agent but not in the City's name.

**DEPOSIT CATEGORY OF CREDIT RISK**

- (A) Insured or collateralized with securities held by the City or by its agent in the City's name.
- (B) Collateralized with securities held by the pledging financial institution's trust department or agent in the City's name.
- (C) Uncollateralized.

**Pooled Cash and Investments**

The City's pooled cash and investments consist of deposits with financial institutions, certificates of deposit, U.S. government and agency securities, commercial paper, and deposits in qualifying non-regulated money market investment pools (Logic and TexPool). These investments have varying maturities ranging from one day to three years. The weighted average maturity of the total portfolio is kept to under two years. The following is a schedule of the City's pooled cash and investments at September 30, 2001:

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. POOLED CASH AND INVESTMENTS (CONTINUED)**

Investments	(1)	Category (2)	(3)	Carrying Amount
<u>Primary Government:</u>				
U. S. Treasury and Agency Obligations	\$ 78,477,258	\$ -	\$ -	\$ 78,477,258
Mutual Funds	-	-	-	<u>121,268,781</u>
Subtotal				<u>199,746,039</u>
<u>Component Units:</u>				
U.S. Treasury and Agency Obligations	126,916	-	-	126,916
Mutual Funds	-	-	-	<u>3,028,144</u>
Subtotal				<u>3,155,060</u>
Total Investments				<u><u>\$ 202,901,099</u></u>

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**A. POOLED CASH AND INVESTMENTS (CONTINUED)**

<b>Cash and Bank Deposits</b>	<b>(A)</b>	<b>Category (B)</b>	<b>(C)</b>	<b>Bank Balance</b>	<b>Carrying Amount</b>
Primary Government	\$ 1,710,658	\$ -	\$ -	\$ 1,710,658	\$ 296,061
Component Units	<u>637,108</u>	<u>105,487</u>	<u>396,556</u>	<u>1,139,151</u>	<u>853,308</u>
Total	<u>\$ 2,347,766</u>	<u>\$ 105,487</u>	<u>\$ 396,556</u>	<u>\$ 2,849,809</u>	<u>\$ 1,149,369</u>

Cash and Investments are reported in the financial statements as:

	<b>Total Primary Government</b>	<b>Total Component Units</b>	<b>Total Reporting Entity</b>
Cash and Cash Equivalents – Non- Restricted	\$ 8,435,709	\$ 753,308	\$ 9,189,017
Cash and Cash Equivalents – Restricted	<u>16,733,051</u>	<u>100,000</u>	<u>16,833,051</u>
Total Cash and Cash Equivalents	<u>25,168,760</u>	<u>853,308</u>	<u>26,022,068</u>
Investments - Non Restricted	66,901,925	3,155,060	70,056,985
Investments – Restricted	<u>107,971,415</u>	<u>-</u>	<u>107,971,415</u>
Total Investments	<u>174,873,340</u>	<u>3,155,060</u>	<u>178,028,400</u>
Total Cash and Investments	<u>\$ 200,042,100</u>	<u>\$ 4,008,368</u>	<u>\$ 204,050,468</u>

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**B. INTERFUND TRANSACTIONS**

Interfund receivables and payables consisting of due to/from and advances to/from other funds at September 30, 2001 were as follows:

<b>Funds</b>	<b>Interfund Receivables</b>	<b>Interfund Payables</b>
General Fund	\$10,263,597	\$ -
Special Revenue Funds:		
Hotel/Motel Tax	-	632,000
Capital Project Funds		
Public Safety	-	1,188,680
General Capital Projects	-	1,578,974
Enterprise Funds:		
Electric Enterprise	-	11,500,600
Water Enterprise	7,789,491	150,000
Solid Waste Enterprise	1,563,653	-
Golf Enterprise	-	2,014,092
Stormwater Enterprise	-	50,000
Internal Service Funds:		
Fleet Maintenance	-	46,000
Print Shop & Office Store	-	12,000
Radio Shop	-	42,915
Management Information	-	484,194
Custodial Services	-	61,000
Communications	-	236,885
Expendable Trust Funds:		
Community Development	-	1,372,001
Community Services	-	26,000
Library	-	221,400
Total Primary Government	<u>\$19,616,741</u>	<u>\$19,616,741</u>

**C. DEFERRED CHARGES**

The total deferred charges of \$10,516,649 in the Electric Enterprise Fund includes \$3,744,444 which represents an advertising contract with the United Spirit Arena. The advertising (and amortization) began with the opening of the sports arena in fiscal 2000 and will continue for 30 years.

The deferred charges also include an amount of \$1,643,133 at September 30, 2001, which represents prepayments for a contract for future delivery of natural gas as contracted for by the City. In 1988, a contract was entered into for the purchase of proven and unproven reserves, totaling 2,000,000 MMBTU at \$1.56 per MMBTU with an option, which the City has exercised, to purchase an additional 2,000,000 MMBTU at the same price. Quantities in excess of the first 4,000,000 MMBTU can then be purchased at market value. During 1988, proven reserves of 338,000 MMBTU were purchased at the \$1.56 rate. The remaining reserves are being purchased as proven. One-half the rate, or \$.78 per MMBTU, is paid upon proven determination of the reserves and the balance is to be paid upon delivery. The prepayments are to be expensed as the gas is taken until the prepaid units of gas have been consumed. At September 30, 2001 and 2000, 1,317,934 MMBTU had been delivered, and remaining proven reserves at September 30, 2001 and 2000 were 2,104,273 MMBTU.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**C. DEFERRED CHARGES (CONTINUED)**

During fiscal 2000, \$3,000,000 was transferred to the Management Information Internal Service Fund from the Electric Enterprise Fund to cover costs of implementing a new utility billing system. This amount will be amortized over 7 seven years once the new billing system has been placed in service, which is anticipated to occur in fiscal 2002.

The remaining deferred charges of \$2,129,072 represents infrastructure and other economic development costs being amortized over 5 years.

**D. PROPERTY, PLANT AND EQUIPMENT**

General fixed assets of the City for the year ended September 30, 2001, are as follows:

	<b>Balance 9-30-00</b>	<b>Additions*</b>	<b>Deletions*</b>	<b>Reclasses**</b>	<b>Balance 9-30-01</b>
Land	\$ 7,933,228	\$ 37,110	\$ 117,907	\$ (504,379)	\$ 7,348,052
Buildings and improvements	41,060,779	5,396,953	424,393	10,106	46,043,445
Other Improvements	135,674,760	7,119,792	701,288	497,852	142,591,116
Equipment	36,725,151	7,226,586	6,620,128	(3,579)	37,328,030
Construction in Progress	40,390,461	13,550,076	22,089,454	-	31,851,083
<b>Total</b>	<b>\$ 261,784,379</b>	<b>\$ 33,330,517</b>	<b>\$ 29,953,170</b>	<b>\$ -</b>	<b>\$ 265,161,726</b>

\* Includes transfers

\*\* In fiscal 2001, certain assets were reclassified to more appropriate categories

Construction in progress is composed of the following:

	<b>Project Authorization</b>	<b>Expended 9-30-01</b>	<b>Unexpended Balance</b>
Fire Station	\$ 9,061,110	\$ 6,154,348	\$ 2,906,762
Park Improvements	10,070,772	2,775,530	7,295,242
Street Improvements	36,216,067	7,812,446	28,403,621
Permanent Street Maintenance	1,500,000	1,049,912	450,088
General Permanent Capital Projects	4,981,765	4,141,942	839,823
General Permanent Capital Improvements & Other	17,852,926	9,916,905	7,936,021
<b>Total Life-to-Date Activity</b>	<b>\$ 79,682,640</b>	<b>\$ 31,851,083</b>	<b>\$ 47,831,557</b>

The unexpended balance represents long-term capital planning that may be funded through existing or anticipated future funding sources.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**D. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

General fixed asset account group for component units for the year ended September 30, 2001, are follows:

	<b>Balance 9-30-00</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance 9-30-01</b>
Equipment	\$ 520,542	\$ 327,521	\$ 312,158	\$ 535,905

Property, plant, and equipment recorded in the City's various proprietary funds (including component units) as of September 30, 2001, is as follows:

	<b>Enterprise Fund</b>	<b>Internal Service Fund</b>	<b>Total Proprietary Fund Type</b>	<b>Component Units</b>	<b>Total Reporting Entity Proprietary Fund Type</b>
Land	\$ 30,830,572	\$ 65,343	\$ 30,895,915	\$ 520,403	\$ 31,416,318
Buildings	82,960,915	1,614,935	84,575,850	4,159,174	88,735,024
Other Improvements	461,666,677	186,969	461,853,646	1,179,543	463,033,189
Equipment	66,550,402	10,315,448	76,865,850	17,827,675	94,693,525
Construction in Progress	86,548,598	3,985,893	90,534,491	125,559	90,660,050
Total	728,557,164	16,168,588	744,725,752	23,812,354	768,538,106
Less: Accumulated Depreciation	(222,878,978)	(7,874,961)	(230,753,939)	(9,308,698)	(240,062,637)
Net	<u>\$ 505,678,186</u>	<u>\$ 8,293,627</u>	<u>\$ 513,971,813</u>	<u>\$ 14,503,656</u>	<u>\$ 528,475,469</u>

**E. RETIREMENT PLANS**

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

Summary of significant data for each retirement plan follows:

**TEXAS MUNICIPAL RETIREMENT SYSTEM (TMRS)**

**Plan Description**

The City provides pension benefits for all of its full-time employees (with the exception of firefighters) through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide TMRS, one of 745 administered by TMRS, an agent multiple-employer public employee retirement system.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**E. RETIREMENT PLANS (CONTINUED)**

for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at ages 60 and above with 10 or more years of service or with 25 years of service regardless of age. As of September 30, 2001, a member is vested after 10 years. During 2001, legislation was enacted that changed the vesting period from 10 years to 5 years. This 5 year vesting period begins January 2002. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

**Contributions**

The contribution rate for the employees is 7% and the City matching ratio is currently 2 to 1, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. (i.e. December 31, 2000 valuation is effective for rates beginning January 2002).

**Actuarial Assumptions**

The actuarial assumptions for the December 30, 2000 valuations are as follows:

Actuarial cost method:	Unit credit
Amortization method:	Level percent of payroll
Remaining amortization period:	25 years- open period
Asset valuation method:	Amortized cost
Investment rate of return:	8%
Projected salary increases:	None
Includes inflation at:	None
Cost of Living adjustments:	None

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**E. RETIREMENT PLANS (CONTINUED)**

**TEXAS MUNICIPAL RETIREMENT SYSTEM REQUIRED SUPPLEMENTAL DISCLOSURE  
3 YEAR HISTORICAL SCHEDULE OF ACTUARIAL LIABILITIES  
AND FUNDING PROGRESS**

As of December 31	Actuarial Value of Assets	Actuarial Accrued Liability	Percentage Funded	Unfunded Actuarial Accrued Liability (UAAL)
1998	\$ 132,735,475	\$ 162,668,614	81.6%	\$ 29,933,139
1999	147,042,049	181,439,657	81.0%	34,397,608
2000	160,299,195	200,713,365	79.9%	40,414,170

As of December 31	Annual Covered Payroll	UALL as a % Of Covered Payroll	Annual Required Contribution (ARC)	Contribution Made
1998	\$ 46,619,677	64.2%	\$ 7,149,029	\$ 7,149,029
1999	51,627,837	66.6%	7,794,560	7,794,560
2000	54,589,153	74.0%	8,010,122	8,010,122

The City of Lubbock is one of 745 municipalities having the benefit plan administered by TMRS. Each of the municipalities has an annual, individual actuarial valuation performed. All assumptions for the December 31, 2000 valuations are contained in the 2000 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153.

**LUBBOCK FIREFIGHTER'S RELIEF AND RETIREMENT FUND (LFRRF)**

**Plan Description**

The Board of Trustees of the LFRRF is the administrator of a single-employer defined benefit pension plan. This pension fund is a trust fund. It is reported by the City as a related organization and is not considered to be a part of the City financial reporting entity. Firefighters in the Lubbock Fire Department are covered by the LFRRF.

The LFRRF provides service retirement, death, disability and withdrawal benefits. These benefits vest after 20 years of credited service. Employees may retire at age 50 with 20 years of service. A reduced early service retirement benefit is provided for employees who terminate employment with 20 or more years of service. A partially vested benefit is provided for firefighters who terminate employment with at least 10 but less than 20 years of service. The LFRRF Plan Effective December 1, 2001 provides a monthly normal service retirement benefit, payable in a Joint and Two-Thirds to Spouse form of annuity, equal to 70.02% of Final 48-Month Average Salary Plus \$335.05 per month for each year of service in excess of 20 years.

**CITY OF LUBBOCK, TEXAS**  
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**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**E. RETIREMENT PLANS (CONTINUED)**

A firefighter has the option to participate in a Retroactive Deferred Retirement Option Plan (RETRO DROP) which will provide a lump sum benefit and a reduced annuity upon termination of employment. Firefighters must be at least 51 with 21 years of service at the selected "RETRO DROP benefit calculation date" (which is prior to date of employment termination). Early RETRO DROP with benefit reductions is available at age 50 with 20 years of service for the selected "early RETRO DROP benefit calculation date". A Partial Lump Sum option is also available where a reduced monthly benefit is determined based on an elected lump sum amount such that the combined present value of the benefits under the option is actuarially equivalent to that of the normal form of the monthly benefit. Optional forms are also available at varying levels of surviving spouse benefits instead of the standard two-thirds form.

There is no provision for automatic postretirement benefit increases. The fund has the authority to provide, and has periodically in the past provided for, ad hoc postretirement benefit increases. The benefit provisions of this plan are authorized by the Texas Local Fire Fighter's Retirement Act (TLFFRA). TLFFRA provides the authority and procedure to amend benefit provisions.

**Contributions Required and Contributions Made**

The contribution provisions of this plan are authorized by TLFFRA. TLFFRA provides the authority and procedure to change the amount of contributions determined as a percentage of pay by each firefighter and a percentage of payroll by the City.

State law requires that each plan of benefits adopted by the fund must be approved by an eligible actuary. The actuary certifies that the contribution commitment by the firefighters and the City provides an adequate financing arrangement. Using the entry age actuarial cost method LFRRF'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 LFRRF's unfunded actuarial accrued liability (UAAL), if any, and the number of years needed to amortize LFRRF's unfunded actuarial liability, if any, is determined using a level percentage of payroll method.

When there is a negative UAAL, the actuarially required contribution rate for compliance with GASB 27 is determined by amortizing the negative UAAL over 30 years using a level percentage of payroll method. This will be the case for 2001 and 2002 (calendar years) based on the most recent results of the December 31, 2000 valuation.

The costs of administering the plan are financed from the trust.

LFRRF's funding policy requires contributions equal to 11% of pay by the firefighters. Contributions by the City are based on a formula which causes the City's contribution rate to fluctuate from year to year. The December 31, 2000 actuarial valuation (most recent) assumes that the City's contributions will average 15% of payroll in the future.

The plan of benefits most recently adopted effective December 1, 2001 was adopted cautiously, allowing for future unforeseen contingencies in light of the unsettled investment environment that existed in the fall of 2001 when various plan amendments were being studied and considered. Therefore, even though the actual contributions for the 2001 and 2002 plan years (calendar years) are somewhat greater than the Annual Required Contributions defined by GASB 27, the actuary

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**E. RETIREMENT PLANS (CONTINUED)**

certified the most recent plan of benefits assuming that the present financing arrangement would continue and would be necessary for an adequate financing arrangement for the long-term future.

**Annual Pension Cost**

The Annual Required Contributions (ARC), the Annual Pension Cost (APC) and the Net Pension Obligation (NPO) are developed in such a manner to satisfy the parameters of GASB Statement No. 27. The required contributions for the period prior to January 1, 2001 are based on the actuarial valuation as of December 31, 1998. The required contributions for the period beginning January 1, 2001 are based on the actuarial valuation as of December 31, 2000 and reflect the December 1, 2001 plan provisions. The ARC and the APC for the year ended September 30, 2001 was \$1,366,293 and the actual City contributions (ARC) made for the year was \$1,960,306 resulting in an NPO of \$(594,013).

The entry age actuarial cost method was used, with the normal cost calculated as a level percentage of payroll. The actuarial value of assets was determined based on a five-year smoothed fair-market value of assets. The actuarial assumptions included an investment return assumption of 8.5 % per year (net of administrative expenses), projected salary increases including promotion and longevity averaging 6.5% per year over a 25 year career, and no postretirement cost-of-living adjustments. An inflation assumption of 4.5% per year is included in the investment return and salary increase assumptions. As of the December 31, 2000 actuarial valuation date and based on plan provisions effective December 1, 2001, the fund's assets exceeded the actuarial accrued liability resulting in a negative unfunded actuarial accrued liability (UAAL). The negative UAAL is amortized over 30 years using an open, level percentage of payroll method, assuming that the payroll will increase 4.5% per year.

Further details concerning the financial position of the LFRRF and the latest actuarial valuation are available by contacting the Board of Trustees, LFRRF, City of Lubbock, P.O. Box 2000, Lubbock, Texas 79457.

**Trend Information**

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
9/30/99	\$1,745,357	100	-
9/30/00	1,852,835	100	-
9/30/01	1,366,293	143	\$(594,013)

**LUBBOCK FIREMEN'S RELIEF AND RETIREMENT FUND**  
**ANALYSIS OF FUNDING PROGRESS**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Entry Age Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll 5 (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
12/31/96 1,2	\$73,626,537	\$80,105,898	\$ 6,479,361	91.9%	\$ 9,223,974	70.2%
12/31/98 1,3	90,364,681	97,533,314	7,168,633	92.7	10,290,190	69.7
12/31/00 1,4	119,660,788	114,675,049	( 4,985,739)	104.3	12,243,913	(40.7)

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**E. RETIREMENT PLANS (CONTINUED)**

- 1 Economic and demographic assumptions were revised.
- 2 Changes in plan benefit provisions were effective December 20, 1995, March 30, 1996 and November 1, 1997.
- 3 Reflects changes in plan benefit provisions effective November 1, 1999.
- 4 Reflects changes in plan benefit provisions effective December 1, 2001.
- 5 The covered payroll is based in estimated annualized salaries used in the valuation.

**F. DEFERRED COMPENSATION**

The City offers its employees three deferred compensation plans created 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 Plan's assets are held in trust for the exclusive benefits of the participants and their beneficiaries.

In management's opinion, the level of administrative services provided by City staff warrants inclusion of the plans in the financial reporting entity as an expendable trust fund.

**G. SURFACE WATER SUPPLY**

**Canadian River Municipal Water Authority**

The Canadian River Municipal Water Authority (CRMWA) is a Conservation and Reclamation District established by the Texas Legislature to construct a dam, water reservoir and aqueduct system for the purpose of supplying water to surrounding cities. The District was created in 1953 and comprises eleven cities, including the City. The budget, financing and operations of the District 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, 2001, the Board was comprised of 18 members, two of which represented the City.

The City contracted with the CRMWA to reimburse it for a portion of the cost of the Canadian River Dam and aqueduct system in exchange for surface water. Accordingly, prior to fiscal 1999, such payments were made solely out of water system revenues and were not general obligations of the City. The City's pro rata share of annual fixed and variable operating and reserve assessments is recorded as an expense of obtaining surface water.

Prior to fiscal 1999, the long-term debt was owed to the U.S. Bureau of Reclamation for the cost of Construction of the facility, which was completed in 1969. The City's allocation of project cost was \$32,905,862. During the year ended September 30, 1999, bonds in the principal amount of \$12,300,000 were issued to payoff the construction obligation owed to the U.S. Bureau of Reclamation via CRMWA in the amount of \$20,809,067. The difference of \$8,509,067 was a discount in the remaining principal provided by the U.S. Bureau of Reclamation to the member cities. This discount has been recorded as a deferred gain on refunding and is being amortized over the life of the refunding bonds. At September 30, 2001, \$7,704,469 remains unamortized. The annual principal and interest payments are included in the disclosures for other City related long-

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**G. SURFACE WATER SUPPLY (CONTINUED)**

**Canadian River Municipal Water Authority (Continued)**

term debt. The above cost for the rights are recorded as other assets and are being amortized over 85 years. The cost and debt are recorded in the Water Enterprise Fund.

**Brazos River Authority - Lake Alan Henry**

During 1989, the City entered into an agreement with the Brazos River Authority (BRA) for the construction, maintenance and operation of the facilities known as Lake Alan Henry. The BRA, which is authorized by the State of Texas to provide for the conservation and development of surface waters in the Brazos River Basin, has issued bonds for the construction of the dam and lake facilities on the South Fork of the Double Mountains Fork of the Brazos River. Total costs are expected to exceed \$120 million.

The agreement obligates the City to provide revenues to BRA in amounts sufficient to cover all maintenance and operating costs, management fees to the authority, as well as funds sufficient to pay all capital costs associated with construction. The City will receive surface water for the payments to BRA. Approximately \$154,000 was paid to the BRA for maintenance and operating costs in fiscal year 2001.

The BRA issued \$16,970,000 in revenue bonds in 1989 and \$39,685,000 in revenue bonds in 1991. These bonds were refunded July 1995. Disclosure of the refunding can be found in Note III. K. Construction of the dam and lake facilities began in 1989. The City is obligated to provide sufficient funds over the remaining life of the bonds to service the debt requirement. The financial activity, along with the related obligation, is accounted for in the Water Enterprise Fund.

At September 30, 2001, certain mineral rights associated with land located in the Lake Alan Henry site owned by individuals had not been acquired by the City. The additional amount needed to purchase such mineral rights is yet to be determined.

**H. OTHER ENTERPRISE FUND ACTIVITIES**

**Enterprise Fund Transfers**

Transfers to the General Fund from the Electric, Water, Solid Waste, and Sewer Enterprise Funds, in the opinion of management, exceed the amount that would have been paid to the City if these funds were private sector companies engaged in the same enterprises. In addition to the amount transferred in excess of private sector taxes, there is also an amount transferred to compensate the General Fund for shared services and indirect costs.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**I. SEGMENT INFORMATION - ENTERPRISE FUNDS (CONTINUED)**

The City maintains seven enterprise funds, which include electric, water, sewer, solid waste, airport, golf, and stormwater drainage

Segment information for the year ended September 30, 2001, was as follows:

	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund	Airport Fund	Golf Fund	Stormwater Drainage Fund	Total Enterprise Funds
Operating Revenues	\$ 112,077,148	\$ 30,463,694	\$ 16,575,673	\$ 15,564,356	\$ 4,776,508	\$ 34,982	\$ 1,986,592	\$ 181,478,953
Depreciation Expense	6,344,450	5,382,462	4,693,011	2,062,105	3,266,417	56,425	252,090	22,056,960
Operating income (loss)	6,476,894	9,178,172	2,756,202	2,913,294	(2,192,710)	(21,443)	1,055,611	20,166,020
Operating Transfers In (out)	(7,856,203)	(3,549,148)	(1,820,459)	(2,372,390)	(881,163)	(34,982)	(188,026)	(16,702,371)
Net Income (loss)	(645,156)	1,174,683	(1,049,616)	1,296,728	(1,178,907)	(58,527)	1,072,058	611,263
Current capital								
Contributions(Reductions)	210,226	675,693	1,665,821	(8,981)	4,701,997	-	-	7,244,756
Property, plant, and equipment:								
Additions:	10,590,127	17,962,043	5,879,650	4,229,141	5,876,791	-	550,256	45,088,008
Deletions:	596,108	1,450,937	233,978	1,537,238	319,358	6,708	97,800	4,242,127
Net Working Capital	(875,028)	6,519,470	2,183,254	3,362,725	305,408	(2,033,760)	500,089	9,962,158
Allowance for doubtful Accounts	(1,421,644)	(280,102)	(121,638)	(107,065)	(117,909)	-	-	(2,048,358)
Total Assets	150,826,651	251,019,746	117,049,474	50,658,914	66,070,706	165,760	46,931,112	682,722,363
Bonds and other long- term liabilities payable from operating revenues	39,923,286	113,515,487	50,827,408	12,532,278	5,272,541	-	34,633,996	256,704,996
Total Fund Equity(Deficit)	\$92,270,912	\$135,226,341	\$65,604,178	\$37,634,600	\$60,452,751	\$(1,870,791)	\$11,909,498	\$401,227,489

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**J. LONG-TERM DEBT**

**GENERAL OBLIGATION BONDS AND CERTIFICATES OF OBLIGATION:**

<u>Average Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Balance Outstanding 9-30-01</u>
7.86%	11-15-85	2-15-03	\$ 60,614,070	\$ 438,321
9.01	5-15-91	2-15-11	1,085,000	535,000
5.50	1-14-92	2-15-02	1,655,000	85,000
5.50	5-15-92	2-15-04	34,520,000	6,900,000
5.37	8-15-92	2-15-02	7,565,000	275,000
3.97	5-1-93	2-15-15	14,425,000	10,095,000
5.39	10-1-93	2-15-14	3,625,000	2,365,000
5.39	10-1-93	2-15-14	2,550,000	1,675,000
5.20	10-1-93	2-15-14	1,470,000	975,000
5.14	10-1-93	2-15-14	19,215,000	12,495,000
4.30	12-1-93	2-15-08	9,865,000	5,215,000
5.50	5-15-95	2-15-15	4,690,000	3,290,000
5.07	12-15-95	2-15-16	6,505,000	4,880,000
5.07	12-15-95	2-15-16	10,000,000	7,500,000
4.91	1-15-97	2-15-09	17,530,000	15,015,000
4.61	1-1-98	2-15-08	1,330,000	1,000,000
4.71	1-1-98	2-15-18	10,260,000	8,730,000
4.36	1-15-99	2-15-14	20,835,000	20,550,000
4.58	1-15-99	2-15-19	15,355,000	13,815,000
4.77	4-1-99	2-15-19	6,100,000	5,490,000
4.71	4-1-99	2-15-19	12,300,000	11,160,000
5.37	9-15-99	2-15-20	24,800,000	24,055,000
5.54	3-15-00	2-15-20	7,000,000	7,000,000
4.90	2-1-01	2-15-21	9,100,000	9,100,000
4.81	2-1-01	2-15-21	2,770,000	2,770,000
5.25	6-1-01	2-15-31	35,000,000	35,000,000
Total			<u>\$340,164,070</u>	<u>\$ 210,408,321 (A)</u>

(A) Excludes net deferred gains and losses on advance refundings, bond issuance costs and discounts of \$5,322,270. Additionally, this amount includes \$157,325,513 of bonds used to finance enterprise fund activities.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**J. LONG-TERM DEBT (CONTINUED)**

**ELECTRIC REVENUE BONDS:**

<u>Interest Rate(%)</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Balance Outstanding 9-30-01</u>
5.00 to 6.50	7-15-91	4-15-02	\$ 4,424,976	\$ 400,000 *
3.80 to 5.50	6-15-95	4-15-08	13,560,000	8,150,000 **
4.25 to 6.25	1-01-98	4-15-18	9,170,000	7,805,000
3.10 to 5.00	1-15-99	4-15-19	14,975,000	13,250,000 ***
4.00 to 5.25	7-01-01	4-15-21	9,200,000	9,200,000 ****
Total			<u>\$ 51,329,976</u>	<u>\$ 38,805,000</u>

\* Refunding bonds issued for a partial refunding of the bonds issued May 15, 1983.

\*\* Refunding bonds issued for a partial refunding of the bonds issued April 15, 1976, April 15, 1987, and May 15, 1988. Balance outstanding includes \$108,034 discount on bonds sold, bond issuance costs and deferred amounts on refunded bonds.

\*\*\* Refunding bonds issued for a partial refunding of the bonds issued April 25, 1991 and July 15, 1991. Balance outstanding includes \$462,430 costs and deferred amounts on bonds refunded.

\*\*\*\* Balance outstanding includes \$294,694 of discount on bonds sold and bond issuance costs.

**WATER REVENUE BONDS:**

<u>Interest Rate</u>	<u>Issue Date</u>	<u>Final Maturity Date</u>	<u>Amount Issued</u>	<u>Balance Outstanding 09-30-01</u>
3.80 to 5.50%	6-1-95	8-15-21	<u>\$58,170,000</u>	<u>\$50,355,000</u> *

\* Balance outstanding includes \$5,473,212 discount, bond issuance costs and deferred losses on bonds sold or refunded.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**J. LONG-TERM DEBT (CONTINUED)**

The annual requirements to amortize all outstanding debt of the City as of September 30, 2001, including interest payments of \$150,158,057 are as follows:

<u>Fiscal Year</u>	<u>General Obligation</u>	<u>Revenue (Electric, BRA)</u>	<u>Total</u>
2001-02	\$ 24,650,602	\$ 9,979,928	\$ 34,630,530
2002-03	23,021,722	9,428,398	32,450,120
2003-04	20,936,527	9,200,212	30,136,739
2004-05	20,394,713	8,522,688	28,917,401
2005-06	19,853,808	8,328,032	28,181,840
2006-07	19,324,162	8,165,148	27,489,310
2007-08	18,196,058	7,675,220	25,871,278
2008-09	17,307,735	6,750,435	24,058,170
2009-10	16,371,173	6,664,450	23,035,623
2010-11	15,950,604	6,594,692	22,545,296
2011-12	14,358,933	6,176,220	20,535,153
2012-13	13,991,061	6,127,000	20,118,061
2013-14	13,647,539	6,083,240	19,730,779
2014-15	10,368,701	6,039,000	16,407,701
2015-16	9,241,852	5,988,960	15,230,812
2016-17	8,280,451	5,945,825	14,226,276
2017-18	8,174,718	5,895,560	14,070,278
2018-19	7,564,736	5,399,020	12,963,756
2019-20	5,832,482	3,469,150	9,301,632
2020-21	3,185,275	3,448,700	6,633,975
2021-22	2,317,910	-	2,317,910
2022-23	2,317,900	-	2,317,900
2023-24	2,318,470	-	2,318,470
2024-25	2,319,339	-	2,319,339
2025-26	2,320,614	-	2,320,614
2026-27	2,321,575	-	2,321,575
2027-28	2,317,068	-	2,317,068
2028-29	2,317,260	-	2,317,260
2029-30	2,321,622	-	2,321,622
2030-31	2,319,890	-	2,319,890
Total	<u>\$313,844,500</u>	<u>\$135,881,878</u>	<u>\$ 449,726,378</u> *

\* This schedule does not include the effect of premiums or discounts.

The City has complied in all material respects with the bond covenants as outlined in each issue's indenture.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**J. LONG-TERM DEBT (CONTINUED)**

Long-term debt transactions for governmental and proprietary funds for the year ended September 30, 2001 are as follows:

	<b>Debt Payable</b>	<b>Additions</b>	<b>Deletions</b>	<b>Debt Payable</b>
	<b>9-30-00</b>	<b></b>	<b></b>	<b>9-30-01</b>
<b>Governmental:</b>				
Tax-Supported				
Obligation Bonds	\$ 48,380,346	\$ 9,100,000	\$ 4,397,538	\$ 53,082,808
Rebatable arbitrage	301,269	320,388	-	621,657
Compensated Absences	11,080,047	823,306	-	11,903,353
<b>Total Governmental</b>	<u>59,761,662</u>	<u>10,243,694</u>	<u>4,397,538</u>	<u>65,607,818</u>
<b>Proprietary:</b>				
Self-Supported				
Obligation Bonds	135,528,101	37,770,000	9,404,354	163,893,747
Revenue Bonds	77,446,614	9,200,000	5,070,947	81,575,667
Compensated Absences	3,726,095	291,254	81,638	3,935,711
<b>Total Proprietary</b>	<u>216,700,810</u>	<u>47,261,254</u>	<u>14,556,939</u>	<u>249,405,125</u>
<b>Total City-Wide:</b>				
Obligation Bonds	183,908,447	46,870,000	13,801,892	216,976,555
Revenue Bonds	77,446,614	9,200,000	5,070,947	81,575,667
Rebatable arbitrage	301,269	320,388	-	621,657
Compensated Absences	14,806,142	1,114,560	81,638	15,839,064
<b>Total City-Wide</b>	<u>\$ 276,462,472</u>	<u>\$ 57,504,948</u>	<u>\$ 18,954,477</u>	<u>\$ 315,012,943</u>

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

Long-Term Debt	\$ 315,012,943	
Interest	150,158,057	
<b>Total amount of debt</b>		<b>\$ 465,171,000</b>
Add: Discounts and deferred losses	1,016,099	
Rebatable arbitrage	(621,657)	
Less: Compensated Absences	(15,839,064)	<u>(15,444,622)</u>
<b>Total future debt requirements</b>		<b><u>\$ 449,726,378</u></b>

The City Council called an election for September 18, 1999 to seek voter approval to issue general purpose tax-supported bonds in the amount of \$37,385,000, which represents the City's current five year general purpose debt plan. The following four propositions were approved by the voters: parks, \$14,765,000; city-wide drainage projects, \$2,160,000; city-wide street projects, \$17,165,000; and traffic signal systems, \$3,295,000. The City has not submitted a capital improvement plan to voters since 1993, when voters in the City approved a \$28,690,000 capital improvement plan. In February 2001, the City issued \$9,100,000 General Obligation Bonds, Series 2001. This issuance was the second installment of the capital improvement debt issuance approved by the voters in 1999. The proceeds from the sale of the Obligations will be used to fund projects in the following areas: Parks, \$3,025,000; Streets \$5,335,000; and Traffic Control \$740,000.

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**K. ADVANCED REFUNDING**

In fiscal years 1994, 1995, 1997 and 1999, the City defeased portions of City of Lubbock General Obligation Bonds. All of the defeased portions of the following bonds were called and retired during the 2000-2001 fiscal year: Tax and Waterworks Certificates of Obligation, Series 1992; General Obligation Refunding Bonds, Series 1993; General Obligation Bonds, Series 1987; General Obligation Bonds, Series 1989; Certificates of Obligation Bonds, Series 1989; General Obligation Bonds, Series 1991; Combination Tax and Waterworks System Subordinate Lien Revenue Certificates of Obligation, Series 1991; Combination Tax and Exhibition Hall/Auditorium (Limited Pledge) Revenue Certificates of Obligation, Series 1991; General Obligation Refunding Bonds, Series 1992; Combination Tax and Sewer System Subordinate Lien Revenue Certificates of Obligation, Series 1991 (payments due February 15, 2003 through 2012); Electric Light and Power System Revenue Bonds, Series 1991; and Electric Light and Power System Revenue refunding Bonds, Series 1991-B.

In fiscal year 1995, Brazos River Authority defeased portions of Brazos River Authority Revenue Bonds. All of the defeased portions of the following bonds were called and retired during the 2000-2001 fiscal year: Brazos River Authority Revenue Bonds, and Series 1989; Brazos River Authority Revenue Bonds, Series 1991.

In fiscal year 1999, the City defeased certain General Obligation Bonds. A portion of the proceeds of the Series 1999 General Obligation Refunding Bonds were used to purchase United States Treasury Securities State and Local Government Series, which were placed in an irrevocable trust to be used solely to partially refund the portion of the Series 1992 Combination Tax and Sewer Subordinate Lien Revenue Certificates of Obligation payments due February 15, 2006 through 2014. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On the September 30, 2001, \$15,545,000 of bonds outstanding are considered defeased.

**L. ACCRUED INSURANCE CLAIMS**

As discussed in Note I.G., the Self-Insurance Funds establish a liability for self-insurance for both reported and unreported insured events, which includes estimates of both future payments of losses and related claim adjustment expenses. The following represents changes in those aggregate liabilities for the Insurance Funds during the past two years ended September 30:

	<u>2001</u>	<u>2000</u>
Worker's Compensation and Liability Reserves		
at beginning of fiscal year	\$ 3,734,340	\$ 3,734,341
Claims expenses	5,735,258	2,763,142
Claims payments	<u>(3,469,598)</u>	<u>(2,763,143)</u>
Worker's Compensation and liability reserves		
at end of fiscal year	6,000,000	3,734,340
Medical and Dental Claims Liability		
at end of fiscal year *	<u>3,264,865</u>	<u>3,441,879</u>
Total Self-Insurance Liability at end of fiscal year	<u>\$ 9,264,865</u>	<u>\$ 7,176,219</u>
Total Assets to pay claims at end of fiscal year	<u>\$ 18,534,516</u>	<u>\$ 16,841,919</u>
Accrued insurance claims payable from restricted assets-current	\$ 4,764,865	\$ 4,372,861
Accrued insurance claims-non-current	4,500,000	2,803,358
Total accrued insurance claims	<u>\$ 9,264,865</u>	<u>\$ 7,176,219</u>

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE III. DETAIL NOTES ON ALL FUNDS AND ACCOUNT GROUPS**

**L. ACCRUED INSURANCE CLAIMS (CONTINUED)**

\* The information necessary to prepare the separate disclosures for medical and dental claims liabilities is unavailable.

**M. LANDFILL CLOSURE AND POSTCLOSURE CARE COST**

State and federal laws and regulations require the City to place a final cover on its landfill sites when it stops accepting waste and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure costs as an opening expense in each period based on landfill capacity used as of each balance sheet date.

The \$5,973,851 included in the landfill closure and postclosure care liability at September 30, 2001, represents the cumulative amount expensed by the City to date of \$8,603,429 less amounts paid for closure of certain cells based on the use of over 90 percent of the estimated capacity of the landfill registered under TNRCC permit number 69. Any unrecognized costs of closure and postclosure care at September 30, 2001, is not significant. These amounts are based on what it would cost to perform all closure and postclosure care in 2001. The City expects to close this landfill within the next 5 years. Actual cost may be different due to inflation, deflation, changes in technology, or changes in regulations.

The City has a second landfill (TNRCC permit number 2252) which effectively began accepting solid waste during fiscal 2000. Current closure and post-closure care costs have been estimated to be approximately \$22,305,000, of which \$149,042 has been recognized to date and \$10,338 has been paid. Approximately 1% of this landfill's capacity has been used and the City expects this landfill to have a life in excess of 80 years based on current estimates of use. Actual cost may be different due to inflation, deflation, changes in technology, or changes in regulations.

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

**NOTE IV. CONTINGENT LIABILITIES**

**A. FEDERAL GRANTS**

In the normal course of operations, the City receives grant funds from various Federal and state 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 material.

**B. LITIGATION**

The City is involved in lawsuits arising in the normal course of business, including claims for property damage, personal injury and personnel practices, disputes over contract awards and property condemnation proceedings, suits contesting the legality of certain taxes and public safety

**CITY OF LUBBOCK, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2001**

**NOTE IV. CONTINGENT LIABILITIES**

**B. LITIGATION (CONTINUED)**

practices. In the opinion of management, the ultimate outcome of these lawsuits will not have a materially adverse effect on the City's financial position as of September 30, 2001.

**C. SITE REMEDIATION**

The City has identified specific locations requiring site remediation relative to underground fuel storage tanks. The potential exposure is not readily determinable as of September 30, 2001. In the opinion of management, the ultimate liability will not have a materially adverse effect on the City's financial position.

**D. WEST TEXAS MUNICIPAL POWER AGENCY**

In fiscal 1998, the West Texas Municipal Power Agency ("WTMPA") issued \$28,910,000 of WTMPA Revenue Bonds, Series 1998 maturing through February of 2018. These bonds are secured by the net revenues of certain power sales contracts with participating cities of which the City is one. In the event the net revenues of the power sales contracts are not sufficient to cover the debt service of the bonds, the participating cities are required under a debt service guarantee provision of the agreement, to provide funds sufficient to cover any debt service deficit to the extent of their respective participation percentages for the preceding 12 months. The City's percentage share in this agreement for the coming year approximates 100%. At September 30, 2001, the City had accounts receivable of approximately \$4.9 million from WTMPA. During the year ended September 30, 2001, the City reported expenses of approximately \$13 million for power purchases from WTMPA and approximately \$15 million in contract service revenue. The City was not required to subsidize any debt service payments.

**NOTE V. RECENTLY ISSUED PRONOUNCEMENTS**

GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* was issued in June 1999. This Statement is effective for the City's fiscal year ending September 30, 2002.

This Statement will require the presentation of government-wide financial statements as well as fund level statements. Additionally, there will be added information on the City's finances in Management's Discussion and Analysis which has not been previously presented. This Standard is expected to create new information and will restructure much of the previously presented financial information. The GASB developed these requirements to make annual reports more comprehensive and easier to understand and use.

## **General Fund**

The General Fund is the general operating fund of the City. It is used to account for all financial transactions except those required to be accounted for in another fund.

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND**

**COMPARATIVE BALANCE SHEET**

**September 30, 2001 and 2000**

Assets	2001	2000
Pooled cash and cash equivalents	\$ 235,353	\$ 514,428
Investments	1,575,058	3,442,714
Delinquent ad valorem taxes receivable, less estimated uncollectible taxes (2001 - \$1,752,097; 2000 - \$1,787,007)	433,351	446,464
City sales tax receivable	5,127,314	4,769,652
Paving assessments, less estimated uncollectible accounts (2001 - \$242,869; 2000 - \$242,869)	18,871	32,559
Other accounts receivable, less estimated uncollectible accounts (2001 - \$74,126; 2000 - \$74,126)	8,817,201	356,191
Interest receivable on investments	164,549	138,820
Due from other funds	8,551,093	9,045,859
Due from other governments	13,637	153,701
Due from others	1,413,228	396,070
Prepaid items	165,995	79,281
Advances to other funds	1,712,504	1,781,800
Inventory	95,094	45,397
<b>Total assets</b>	<b>\$ <u>28,323,248</u></b>	<b>\$ <u>21,202,936</u></b>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 8,488,238	\$ 2,786,942
Due to others	1,004,584	1,148,014
Due to other governments	26,483	26,483
Accrued liabilities	1,028,472	222,331
Deferred revenue	1,059,429	398,514
<b>Total liabilities</b>	<b><u>11,607,206</u></b>	<b><u>4,582,284</u></b>
<b>Fund balances:</b>		
Reserved for prepaid items	165,995	79,281
Reserved for advances to other funds	1,712,505	1,781,800
<b>Unreserved:</b>		
Designated for perpetual care	22,767	22,770
Designated for future capital use	460,593	973,245
Undesignated	14,354,182	13,763,556
<b>Total fund balance</b>	<b><u>16,716,042</u></b>	<b><u>16,620,652</u></b>
<b>Total liabilities and fund balances</b>	<b>\$ <u>28,323,248</u></b>	<b>\$ <u>21,202,936</u></b>

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE--BUDGET (GAAP BASIS) AND ACTUAL**

**Year ended September 30, 2001  
With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Revenues:</b>				
Taxes & fees	\$ 64,860,057	\$ 65,247,157	\$ 387,100	\$ 61,080,313
Licenses and permits	1,100,571	1,202,794	102,223	1,138,924
Intergovernmental	375,148	333,171	(41,977)	365,671
Charges for services	4,262,062	4,299,958	37,896	4,210,334
Fines	3,530,300	3,051,055	(479,245)	2,834,208
Miscellaneous	2,007,915	2,053,590	45,675	2,251,888
<b>Total revenues</b>	<b>76,136,053</b>	<b>76,187,725</b>	<b>51,672</b>	<b>71,881,338</b>
<b>Expenditures:</b>				
Communications/Legislation	1,025,923	1,024,481	1,442	937,889
Community Services	17,830,279	17,828,025	2,254	16,963,231
Development Services	5,499,348	4,771,680	727,668	5,439,855
Electric	2,300,946	2,146,211	154,735	1,923,584
Financial Services	1,537,684	1,499,967	37,717	1,458,232
Fire	17,795,897	17,785,641	10,256	17,080,372
General Government	7,058,593	6,105,997	952,596	5,716,303
Human Resources	932,575	913,250	19,325	871,596
Management Services	621,893	629,903	(8,010)	561,653
Police	27,946,574	28,139,048	(192,474)	25,561,261
Strategic Planning	1,668,249	1,620,660	47,589	1,498,176
Non-departmental	879,200	1,716,167	(836,967)	606,842
<b>Total expenditures</b>	<b>85,097,161</b>	<b>84,181,030</b>	<b>916,131</b>	<b>78,618,994</b>
Deficiency of revenues over expenditures	(8,961,108)	(7,993,305)	967,803	(6,737,656)
<b>Other financing sources (uses):</b>				
Operating transfers in	14,803,026	14,276,074	(526,952)	13,636,764
Operating transfers out	(5,841,918)	(6,187,379)	(345,461)	(7,526,481)
<b>Total other financing sources</b>	<b>8,961,108</b>	<b>8,088,695</b>	<b>(872,413)</b>	<b>6,110,283</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other uses	-	95,390	95,390	(627,373)
Fund balance at beginning of year	16,620,652	16,620,652	-	17,248,025
<b>Fund balance at end of year</b>	<b>\$ 16,620,652</b>	<b>\$ 16,716,042</b>	<b>\$ 95,390</b>	<b>\$ 16,620,652</b>

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**COMPARED TO BUDGET (GAAP BASIS)**

Year ended September 30, 2001

With Comparative Actual Amounts for Year Ended September 30, 2000

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Taxes:</b>				
General property taxes - current	\$ 27,605,723	\$ 27,696,094	\$ 90,371	\$ 25,697,949
General property taxes - delinquent	430,000	422,375	(7,625)	390,442
General property taxes	28,035,723	28,118,469	82,746	26,088,391
Penalty and interest on delinquent taxes - general property	400,000	485,672	85,672	507,319
City sales taxes	27,437,580	28,183,746	746,166	27,121,078
Franchise fees	8,251,754	7,684,683	(567,071)	6,619,755
Bingo tax	180,000	181,410	1,410	183,532
Mixed Beverage tax	555,000	593,177	38,177	560,238
Total taxes & fees	64,860,057	65,247,157	387,100	61,080,313
<b>Business licenses and permits:</b>				
Alcoholic beverage permits	40,400	22,280	(18,120)	36,145
Cafe permits	140,475	141,011	536	138,115
Swimming pool permits	25,300	23,540	(1,760)	23,935
Occupational taxes	10,591	11,498	907	11,040
Electricians' licenses	30,000	30,780	780	31,228
Wrecker service permits	105	120	15	105
Building permits	300,000	370,893	70,893	311,132
Electrical permits	140,000	144,413	4,413	147,205
Plumbing permits	160,000	193,504	33,504	177,740
Mechanical permits	120,000	128,828	8,828	125,999
Contractor registration	21,000	19,111	(1,889)	19,543
Dog licenses	45,000	51,725	6,725	63,658
Loading zone permits	550	550	-	550
Smoking permits	-	-	-	-
Miscellaneous permits	67,150	64,541	(2,609)	52,529
Total licenses and permits	1,100,571	1,202,794	102,223	1,138,924
<b>Intergovernmental Revenue:</b>				
<b>County Revenue:</b>				
Library	74,200	70,000	(4,200)	70,000
Health	124,541	118,122	(6,419)	133,685
Teen Court	35,000	34,907	(93)	34,907
State Training Funds	855	31,458	30,603	35,575
Total County Revenue	\$ 234,596	\$ 254,487	\$ 19,891	\$ 274,167

(Continued)

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND**

**SCHEDULE OF REVENUES  
COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001**

**With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001			2000
	Budget	Actual	Variance-- favorable (unfavorable)	
Drug enforcement	\$ 36,848	\$ 32,980	\$ (3,868)	\$ 45,800
Lubbock Housing Authority payments in lieu of taxes	58,000	-	(58,000)	-
State Signal Maintenance	45,704	45,704	-	45,704
<b>Total Intergovernmental Revenue</b>	<b>375,148</b>	<b>333,171</b>	<b>(41,977)</b>	<b>365,671</b>
<b>Charges for Services:</b>				
<b>General Government:</b>				
Zoning fees	97,000	95,621	(1,379)	116,573
Maps and ordinances	3,100	2,623	(477)	2,093
Blue line printing	2,000	2,008	8	4,482
Tax certificates	25,000	25,614	614	21,456
Copy service -- Library	18,000	16,482	(1,518)	14,717
Cost of court fees	200,000	186,001	(13,999)	165,699
Service fees -- returned checks	9,200	11,456	2,256	8,681
Other charges	843,885	905,707	61,822	811,818
<b>Total General Government charges for services</b>	<b>1,198,185</b>	<b>1,245,512</b>	<b>47,327</b>	<b>1,145,519</b>
<b>Public Safety:</b>				
Police accident reports	45,000	56,353	11,353	46,788
Police records check	7,700	4,899	(2,801)	6,319
Finger printing fees	5,000	3,960	(1,040)	4,030
Fire Marshall	1,100	379	(721)	496
<b>Total Public Safety charges for services</b>	<b>58,800</b>	<b>65,591</b>	<b>6,791</b>	<b>57,633</b>
<b>Health:</b>				
Vital statistics	215,000	229,482	14,482	216,391
Animal Shelter receipts	40,000	43,009	3,009	30,084
Adoption fees	48,000	48,885	885	42,440
Rabies Vaccine	7,500	8,028	528	7,028
<b>Total Health charges for services</b>	<b>\$ 310,500</b>	<b>\$ 329,404</b>	<b>\$ 18,904</b>	<b>\$ 295,943</b>

(Continued)

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES**  
**COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001**  
**With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001			2000
	Budget	Actual	Variance-- favorable (unfavorable)	Actual
Culture - Recreation:				
Aquatics	\$ 94,000	\$ 127,146	\$ 33,146	\$ 92,598
Athletics	272,400	295,391	22,991	235,247
Outdoor Concession	50,000	75,367	25,367	76,997
Special Events	55,200	66,427	11,227	67,726
Reservations	47,675	59,872	12,197	47,907
Indoor Recreation	118,050	121,324	3,274	114,385
Cultural Arts Service	162,750	160,553	(2,197)	102,715
Auditorium-Coliseum	412,277	343,338	(68,939)	459,018
Civic Center	478,100	514,037	35,937	470,382
Select-A-Seat	477,125	382,558	(94,567)	522,951
Omnimax	200,000	200,000	-	200,000
Miscellaneous	1,500	50	(1,450)	29
Total Culture - Recreation charges for services	<u>2,369,077</u>	<u>2,346,063</u>	<u>(23,014)</u>	<u>2,389,955</u>
Cemetery:				
Lot sales	165,000	153,195	(11,805)	173,499
Grave service	145,000	145,965	965	133,230
Miscellaneous	15,500	14,228	(1,272)	14,555
Total Cemetery charges for services	<u>325,500</u>	<u>313,388</u>	<u>(12,112)</u>	<u>321,284</u>
Total Charges for Services	<u>4,262,062</u>	<u>4,299,958</u>	<u>37,896</u>	<u>4,210,334</u>
Fines:				
Municipal Court	3,468,300	2,987,465	(480,835)	2,772,873
Library	62,000	63,590	1,590	61,335
Total Fines	<u>3,530,300</u>	<u>3,051,055</u>	<u>(479,245)</u>	<u>2,834,208</u>
Miscellaneous Revenue:				
Interest Earnings:				
Interest on investments	937,351	960,550	23,199	1,012,453
Interest on accounts, notes, contracts and paving certificates	75,337	97,546	22,209	96,209
Total Interest Earnings	<u>\$ 1,012,688</u>	<u>\$ 1,058,096</u>	<u>\$ 45,408</u>	<u>\$ 1,108,662</u>

(Continued)

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND**

**SCHEDULE OF REVENUES  
COMPARED TO BUDGET (GAAP BASIS)**

Year ended September 30, 2001

With Comparative Actual Amounts for Year Ended September 30, 2000

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Rents:</b>				
Land, buildings, and equipment	\$ 5,198	\$ 4,810	\$ (388)	\$ 4,705
<b>Recoveries of Expenditures:</b>				
Cost allocation reimbursement	150,466	159,700	9,234	147,873
New Sub Div - Engineering	64,600	66,961	2,361	46,641
Miscellaneous recoveries	143,067	139,489	(3,578)	141,221
<b>Total Recoveries of Expenditures</b>	<b>358,133</b>	<b>366,150</b>	<b>8,017</b>	<b>335,735</b>
<b>Other Revenue:</b>				
Sale of land, buildings and equipment	175,000	150,960	(24,040)	280,653
Property damage claims	180,000	113,634	(66,366)	180,371
Oil and gas lease	195,000	205,626	10,626	206,711
Other	81,896	154,308	72,412	135,051
<b>Total Other Revenue</b>	<b>631,896</b>	<b>624,528</b>	<b>(7,368)</b>	<b>802,786</b>
Miscellaneous contributions	-	6	6	-
<b>Total Miscellaneous Revenue</b>	<b>2,007,915</b>	<b>2,053,590</b>	<b>45,675</b>	<b>2,251,888</b>
<b>Total Revenues</b>	<b>\$ 76,136,053</b>	<b>\$ 76,187,725</b>	<b>\$ 51,672</b>	<b>\$ 71,881,338</b>

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001**  
**With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Communications/Legislation:</b>				
<b>City Council:</b>				
Personal services	\$ 286,436	\$ 291,010	\$ (4,574)	\$ 270,189
Supplies	18,450	16,150	2,300	16,694
Other services and charges	185,631	202,865	(17,234)	171,299
Capital outlay	-	-	-	14,882
<b>Total City Council</b>	<b>490,517</b>	<b>510,025</b>	<b>(19,508)</b>	<b>473,064</b>
<b>Public Information:</b>				
Personal services	398,406	397,098	1,308	354,408
Supplies	43,758	38,233	5,525	19,089
Other services and charges	93,242	79,125	14,117	83,093
Capital Outlay	-	-	-	8,235
<b>Total Public Information</b>	<b>535,406</b>	<b>514,456</b>	<b>20,950</b>	<b>464,825</b>
<b>Total Communications/Legislation</b>	<b>1,025,923</b>	<b>1,024,481</b>	<b>1,442</b>	<b>937,889</b>
<b>Community Services:</b>				
<b>Neighborhood Services:</b>				
Personal services	13,215	11,656	1,559	21,592
Supplies	1,500	1,173	327	120
Other services and charges	18,944	17,689	1,255	6,180
<b>Total Neighborhood Services</b>	<b>33,659</b>	<b>30,518</b>	<b>3,141</b>	<b>27,892</b>
<b>Codes Admin/Vector Control</b>				
Personal services	1,129,559	1,002,919	126,640	987,564
Supplies	136,373	112,647	23,726	116,767
Other services and charges	465,850	453,005	12,845	447,234
Capital outlay	10,000	3,450	6,550	20,227
<b>Total Codes Admin/Vector Control</b>	<b>1,741,782</b>	<b>1,572,021</b>	<b>169,761</b>	<b>1,571,792</b>
<b>Library:</b>				
Personal services	1,582,451	1,523,129	59,322	1,543,099
Supplies	45,460	44,775	685	40,948
Other services and charges	678,428	677,155	1,273	613,207
Capital outlay	360,239	389,610	(29,371)	384,070
<b>Total Library</b>	<b>\$ 2,666,578</b>	<b>\$ 2,634,669</b>	<b>\$ 31,909</b>	<b>\$ 2,581,324</b>

(Continued)

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001  
With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
Community Services (continued):				
Parks and Recreation:				
Personal services	\$ 4,080,741	\$ 4,023,502	\$ 57,239	\$ 3,875,824
Supplies	444,604	534,032	(89,428)	484,186
Other services and charges	2,859,259	3,173,103	(313,844)	2,769,510
Capital outlay	-	5,167	(5,167)	15,877
Total Parks and Recreation	<u>7,384,604</u>	<u>7,735,804</u>	<u>(351,200)</u>	<u>7,145,397</u>
Cemetery:				
Personal services	302,253	270,248	32,005	307,101
Supplies	28,828	22,551	6,277	26,446
Other services and charges	64,568	53,691	10,877	73,229
Capital outlay	-	-	-	1,998
Total Cemetery	<u>395,649</u>	<u>346,490</u>	<u>49,159</u>	<u>408,774</u>
Civic Center/Auditorium/Coliseum				
Personal services	1,527,133	1,527,042	91	1,418,380
Supplies	124,869	129,474	(4,605)	149,186
Other services and charges	1,298,083	1,274,232	23,851	1,184,995
Capital outlay	20,450	21,112	(662)	5,123
Total Civic Center/Auditorium/Coliseum	<u>2,970,535</u>	<u>2,951,860</u>	<u>18,675</u>	<u>2,757,684</u>
Animal Control:				
Personal services	648,012	634,716	13,296	602,250
Supplies	87,606	107,140	(19,534)	97,011
Other services and charges	224,143	199,160	24,983	165,752
Capital outlay	3,580	1,157	2,423	-
Total Animal Control	<u>963,341</u>	<u>942,173</u>	<u>21,168</u>	<u>865,013</u>
Health:				
Personal services	1,110,916	1,124,442	(13,526)	1,085,426
Supplies	111,821	94,890	16,931	107,714
Other services and charges	448,394	392,532	55,862	407,235
Capital outlay	3,000	2,626	374	4,980
Total Health	<u>1,674,131</u>	<u>1,614,490</u>	<u>59,641</u>	<u>1,605,355</u>
 Total Community Services	 <u>\$ 17,830,279</u>	 <u>\$ 17,828,025</u>	 <u>\$ 2,254</u>	 <u>\$ 16,963,231</u>

(Continued)

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**COMPARED TO BUDGET (GAAP BASIS)**

Year ended September 30, 2001  
With Comparative Actual Amounts for Year Ended September 30, 2000

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Development Services:</b>				
<b>Traffic Engineering &amp; Operations:</b>				
Personal services	\$ 1,030,071	\$ 984,709	\$ 45,362	\$ 1,019,070
Supplies	55,514	53,998	1,516	52,558
Other services and charges	566,959	527,724	39,235	517,625
Capital outlay	<u>27,217</u>	<u>1,150</u>	<u>26,067</u>	<u>14,942</u>
Total Traffic Engineering & Operations	<u>1,679,761</u>	<u>1,567,581</u>	<u>112,180</u>	<u>1,604,195</u>
<b>Streets:</b>				
Personal services	2,576,405	2,334,452	241,953	2,499,816
Supplies	201,995	(146,468)	348,463	(127,227)
Other services and charges	1,016,987	996,234	20,753	1,446,662
Capital outlay	<u>24,200</u>	<u>19,881</u>	<u>4,319</u>	<u>16,409</u>
Total Streets	<u>3,819,587</u>	<u>3,204,099</u>	<u>615,488</u>	<u>3,835,660</u>
Total Development Services	<u>5,499,348</u>	<u>4,771,680</u>	<u>727,668</u>	<u>5,439,855</u>
<b>Electric:</b>				
<b>Street Lighting:</b>				
Personal services	605,410	552,217	53,193	553,325
Supplies	20,504	22,512	(2,008)	21,752
Other services and charges	<u>1,675,032</u>	<u>1,571,482</u>	<u>103,550</u>	<u>1,348,507</u>
Total Street Lighting	<u>2,300,946</u>	<u>2,146,211</u>	<u>154,735</u>	<u>1,923,584</u>
Total Electric	<u>2,300,946</u>	<u>2,146,211</u>	<u>154,735</u>	<u>1,923,584</u>
<b>Financial Services:</b>				
<b>Accounting:</b>				
Personal services	681,706	660,132	21,574	719,673
Supplies	35,565	30,568	4,997	31,511
Other services and charges	323,312	321,650	1,662	271,249
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Accounting	<u>\$ 1,040,583</u>	<u>\$ 1,012,350</u>	<u>\$ 28,233</u>	<u>\$ 1,022,433</u>

(Continued)

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001**  
**With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
<b>Financial Services (continued):</b>				
<b>Purchasing:</b>				
Personal services	\$ 379,825	\$ 371,375	\$ 8,450	\$ 325,134
Supplies	11,048	12,102	(1,054)	13,958
Other services and charges	106,228	103,853	2,375	93,751
Capital outlay	-	287	(287)	2,956
	<u>497,101</u>	<u>487,617</u>	<u>9,484</u>	<u>435,799</u>
<b>Total Purchasing</b>	<u>497,101</u>	<u>487,617</u>	<u>9,484</u>	<u>435,799</u>
<b>Total Financial Services</b>	<u>1,537,684</u>	<u>1,499,967</u>	<u>37,717</u>	<u>1,458,232</u>
<b>Fire:</b>				
Personal services	16,034,147	16,119,972	(85,825)	15,372,316
Supplies	402,362	350,973	51,389	379,579
Other services and charges	1,320,784	1,294,058	26,726	1,284,068
Capital outlay	38,604	20,638	17,966	44,409
	<u>17,795,897</u>	<u>17,785,641</u>	<u>10,256</u>	<u>17,080,372</u>
<b>Total Fire</b>	<u>17,795,897</u>	<u>17,785,641</u>	<u>10,256</u>	<u>17,080,372</u>
<b>General Government:</b>				
<b>Budget and Research:</b>				
Personal services	273,095	233,426	39,669	361,707
Supplies	25,500	24,346	1,154	28,169
Other services and charges	51,583	76,194	(24,611)	67,247
Capital outlay	-	-	-	3,944
	<u>350,178</u>	<u>333,966</u>	<u>16,212</u>	<u>461,067</u>
<b>Total Budget and Research</b>	<u>350,178</u>	<u>333,966</u>	<u>16,212</u>	<u>461,067</u>
<b>City Manager:</b>				
Personal services	831,113	841,558	(10,445)	756,242
Supplies	16,750	28,045	(11,295)	18,173
Other services and charges	179,471	175,770	3,701	173,936
Capital outlay	1,447	186	1,261	15,971
	<u>1,028,781</u>	<u>1,045,559</u>	<u>(16,778)</u>	<u>964,322</u>
<b>Total City Manager</b>	<u>1,028,781</u>	<u>1,045,559</u>	<u>(16,778)</u>	<u>964,322</u>
<b>General Multipurpose:</b>				
Personal services	81,938	96,726	(14,788)	112,472
Supplies	11,000	10,059	941	10,470
Other services and charges	2,021,395	1,116,736	904,659	882,171
Capital outlay	-	239	(239)	-
	<u>-</u>	<u>239</u>	<u>(239)</u>	<u>-</u>
<b>Total General Multipurpose</b>	<u>\$ 2,114,333</u>	<u>\$ 1,223,760</u>	<u>\$ 890,573</u>	<u>\$ 1,005,113</u>

(Continued)

**CITY OF LUBBOCK, TEXAS**  
**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES**  
**COMPARED TO BUDGET (GAAP BASIS)**

Year ended September 30, 2001  
With Comparative Actual Amounts for Year Ended September 30, 2000

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
General Government (continued):				
City Secretary:				
Personal services	\$ 207,438	\$ 196,080	\$ 11,358	\$ 191,385
Supplies	14,700	11,958	2,742	11,784
Other services and charges	213,208	191,289	21,919	132,982
Capital outlay	3,000	3,515	(515)	-
Total City Secretary	<u>438,346</u>	<u>402,842</u>	<u>35,504</u>	<u>336,151</u>
Legal:				
Personal services	1,428,027	1,400,816	27,211	1,270,737
Supplies	21,600	21,662	(62)	23,889
Other services and charges	181,894	177,599	4,295	156,960
Capital outlay	56,272	36,589	19,683	120,511
Total Legal	<u>1,687,793</u>	<u>1,636,666</u>	<u>51,127</u>	<u>1,572,097</u>
Internal Audit:				
Personal services	144,356	142,652	1,704	116,349
Supplies	2,210	2,005	205	1,716
Other services and charges	22,502	22,517	(15)	21,984
Capital Outlay	85	188	(103)	-
Total Internal Audit	<u>169,153</u>	<u>167,362</u>	<u>1,791</u>	<u>140,049</u>
Municipal Court:				
Personal services	809,910	808,424	1,486	759,917
Supplies	39,360	33,819	5,541	42,441
Other services and charges	419,139	450,425	(31,286)	427,424
Capital outlay	1,600	3,174	(1,574)	7,722
Total Municipal Court	<u>1,270,009</u>	<u>1,295,842</u>	<u>(25,833)</u>	<u>1,237,504</u>
Total General Government	<u>7,058,593</u>	<u>6,105,997</u>	<u>952,596</u>	<u>5,716,303</u>
Human Resources:				
Personal services	568,429	570,376	(1,947)	520,506
Supplies	27,320	19,949	7,371	32,357
Other services and charges	336,826	322,925	13,901	318,608
Capital outlay	-	-	-	125
Total Human Resources	<u>\$ 932,575</u>	<u>\$ 913,250</u>	<u>\$ 19,325</u>	<u>\$ 871,596</u>

(Continued)

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND**

**SCHEDULE OF EXPENDITURES  
COMPARED TO BUDGET (GAAP BASIS)**

Year ended September 30, 2001

With Comparative Actual Amounts for Year Ended September 30, 2000

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
Management Services:				
Cultural Arts Services:				
Personal services	\$ 359,707	\$ 341,888	\$ 17,819	\$ 302,912
Supplies	20,320	19,906	414	21,533
Other services and charges	241,866	268,109	(26,243)	233,254
Capital outlay	-	-	-	3,954
Total Cultural Arts Services	<u>621,893</u>	<u>629,903</u>	<u>(8,010)</u>	<u>561,653</u>
Total Management Services	<u>621,893</u>	<u>629,903</u>	<u>(8,010)</u>	<u>561,653</u>
Police:				
Personal services	22,324,273	22,237,210	87,063	20,461,225
Supplies	1,105,113	1,064,748	40,365	1,033,376
Other services and charges	4,475,838	4,808,249	(332,411)	4,060,920
Capital outlay	41,350	28,841	12,509	5,740
Total Police	<u>27,946,574</u>	<u>28,139,048</u>	<u>(192,474)</u>	<u>25,561,261</u>
Strategic Planning:				
Emergency Management:				
Other services and charges	<u>114,704</u>	<u>117,478</u>	<u>(2,774)</u>	<u>103,154</u>
Total Emergency Management	<u>114,704</u>	<u>117,478</u>	<u>(2,774)</u>	<u>103,154</u>
Comprehensive Planning:				
Personal services	682,667	654,335	28,332	575,706
Supplies	17,859	17,588	271	19,563
Other services and charges	126,804	127,507	(703)	95,128
Capital outlay	<u>2,100</u>	<u>1,088</u>	<u>1,012</u>	<u>1,956</u>
Total Comprehensive Planning	<u>\$ 829,430</u>	<u>\$ 800,518</u>	<u>\$ 28,912</u>	<u>\$ 692,353</u>

(Continued)

**CITY OF LUBBOCK, TEXAS  
GENERAL FUND  
SCHEDULE OF EXPENDITURES  
COMPARED TO BUDGET (GAAP BASIS)**

**Year ended September 30, 2001  
With Comparative Actual Amounts for Year Ended September 30, 2000**

	2001		Variance-- favorable (unfavorable)	2000
	Budget	Actual		Actual
Strategic Planning (continued):				
Building Inspection:				
Personal services	\$ 615,833	\$ 593,535	\$ 22,298	\$ 589,772
Supplies	18,864	23,424	(4,560)	21,349
Other services and charges	87,303	85,705	1,598	88,152
Capital Outlay	2,115	-	2,115	3,396
Total Building Inspection	<u>724,115</u>	<u>702,664</u>	<u>21,451</u>	<u>702,669</u>
Total Strategic Planning	<u>1,668,249</u>	<u>1,620,660</u>	<u>47,589</u>	<u>1,498,176</u>
Non-departmental expenditures	-	836,967	(836,967)	(272,358)
Contributions to Citibus	<u>879,200</u>	<u>879,200</u>	<u>-</u>	<u>879,200</u>
Total Non-departmental	<u>879,200</u>	<u>1,716,167</u>	<u>(836,967)</u>	<u>606,842</u>
Total expenditures	<u>\$ 85,097,161</u>	<u>\$ 84,181,030</u>	<u>\$ 916,131</u>	<u>\$ 78,618,994</u>

## 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 to expenditures for specified purposes.

**Civic Center Renovation and Marketing (“Civic Center Renovation”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically to renovating the interior of the Civic Center with newer aesthetics and functional improvements and to promote usage of municipal facilities.

**Municipal Arts Administration (“Municipal Arts”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically for building or renovating the existing facility to offer a suitable environment for the visual arts and visitor information center and to provide administrative services focused on raising funds and programs.

**Visitor Information Center Administration (“Visitor Information Center”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically to operate a central location for all information on what to see and do in Lubbock.

**Inbound Tourist Travel Airport Marketing (“Inbound Tourism and Travel”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically to promote the accessibility of Lubbock and position Lubbock as the mini-hub of the Southwest.

**Lubbock Arts Alliance Inc. Grants Review Committee (“Arts and Related Items”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically to promote local visual and performing arts programs.

**Tourism Reserve Fund (“Tourism Reserve”)** - To account for a portion of the hotel-motel occupancy tax allocated specifically to place in reserves for use in special projects or unanticipated events upon approval by the City Council.

**Criminal Investigation Fund (“Criminal Investigation”)** - To account for the allocation of revenues derived from court ordered forfeitures of monies to criminal investigations and related activities.

**Economic Development Incentive Fund (“Economic Development Incentive”)** - To account for a portion of tax revenues to promote industrial and economic development.

**Tax Increment Fund (“Tax Increment”)** - To account for incremental tax funds dedicated to the development of a specified central district.

**Hotel/Motel Tax Fund (“Hotel/Motel Tax”)** - To account for total hotel-motel occupancy tax receipts and to distribute to appropriate funds as directed by City Council.

**Excess Sales Tax Fund (“Excess Sales Tax”)** - To reserve the excess of actual sales tax over budgeted sales tax for the portion that reduces the property tax rate.

**Community Improvement Fund (“Community Improvement”)** - To account for funds transferred from the General Fund and Enterprise Funds that may be used for economic development initiatives.

**Information Technology Improvements Fund (“Information Technology Improvements”)** - To account for the incremental increase in cable franchise fees to be used for City-wide improvements in areas of technology.

**CITY OF LUBBOCK, TEXAS  
SPECIAL REVENUE FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

	Civic Center Renovation	Municipal Arts	Visitor Information Center	Inbound Tourism and Travel	Arts and Related Items	Tourism Reserve
<u>Assets</u>						
Pooled cash and cash equivalents	\$ 33,364	\$ 80	\$ 28,887	\$ 1,163	\$ 29,905	\$ 25,225
Investments	223,282	539	193,322	7,784	200,130	168,813
Taxes receivable	-	-	-	-	-	-
Interest receivable	607	134	794	38	741	825
Due from others	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 257,253</b>	<b>\$ 753</b>	<b>\$ 223,003</b>	<b>\$ 8,985</b>	<b>\$ 230,776</b>	<b>\$ 194,863</b>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts and vouchers payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Deferred revenue	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Fund Balances:						
Unreserved:						
Designated for subsequent year's expenditures	-	753	-	-	230,776	-
Undesignated	257,253	-	223,003	8,985	-	194,863
<b>Total fund balances</b>	<b>257,253</b>	<b>753</b>	<b>223,003</b>	<b>8,985</b>	<b>230,776</b>	<b>194,863</b>
<b>Total liabilities and fund balances</b>	<b>\$ 257,253</b>	<b>\$ 753</b>	<b>\$ 223,003</b>	<b>\$ 8,985</b>	<b>\$ 230,776</b>	<b>\$ 194,863</b>

Criminal Investigation	Economic Development Incentive	Tax Increment	Hotel/Motel Tax	Excess Sales Tax	Community Improvement	Information Technology Improvements	Totals	
							2001	2000
\$ 69,517	\$ 43,928	\$ 123	\$ 152	\$ 251,702	\$ 786,626	\$ 10,720	\$ 1,281,392	\$ 997,599
465,228	293,977	821	1,016	1,684,470	5,264,352	71,738	8,575,472	6,676,230
-	23,603	-	-	-	-	-	23,603	24,205
2,114	2,576	23	-	4,356	-	242	12,450	13,038
<u>-</u>	<u>8,390</u>	<u>-</u>	<u>633,253</u>	<u>-</u>	<u>-</u>	<u>206,004</u>	<u>847,647</u>	<u>770,520</u>
<u>\$ 536,859</u>	<u>\$ 372,474</u>	<u>\$ 967</u>	<u>\$ 634,421</u>	<u>\$ 1,940,528</u>	<u>\$ 6,050,978</u>	<u>\$ 288,704</u>	<u>\$ 10,740,564</u>	<u>\$ 8,481,592</u>
\$ 108,270	\$ 410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 108,680	\$ 142,183
-	-	-	632,000	-	-	-	632,000	650,000
-	19,058	-	-	-	-	-	19,058	16,993
<u>108,270</u>	<u>19,468</u>	<u>-</u>	<u>632,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>759,738</u>	<u>809,176</u>
-	-	-	-	-	-	-	231,529	227,383
<u>428,589</u>	<u>353,006</u>	<u>967</u>	<u>2,421</u>	<u>1,940,528</u>	<u>6,050,978</u>	<u>288,704</u>	<u>9,749,297</u>	<u>7,445,033</u>
<u>428,589</u>	<u>353,006</u>	<u>967</u>	<u>2,421</u>	<u>1,940,528</u>	<u>6,050,978</u>	<u>288,704</u>	<u>9,980,826</u>	<u>7,672,416</u>
<u>\$ 536,859</u>	<u>\$ 372,474</u>	<u>\$ 967</u>	<u>\$ 634,421</u>	<u>\$ 1,940,528</u>	<u>\$ 6,050,978</u>	<u>\$ 288,704</u>	<u>\$ 10,740,564</u>	<u>\$ 8,481,592</u>

**CITY OF LUBBOCK, TEXAS  
SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES**

**Year Ended September 30, 2001  
With Comparative Totals for Year Ended September 30, 2000**

	Civic Center Renovation	Municipal Arts	Visitor Information Center	Inbound Tourism and Travel	Arts and Related Items	Tourism Reserve
<b>Revenues:</b>						
General property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City sales tax	-	-	-	-	-	-
Hotel and motel taxes	-	-	-	-	-	-
Interest	6,014	702	7,248	390	8,687	9,480
Miscellaneous	-	-	-	-	-	-
<b>Total revenues</b>	<b>6,014</b>	<b>702</b>	<b>7,248</b>	<b>390</b>	<b>8,687</b>	<b>9,480</b>
<b>Expenditures:</b>						
<b>Current:</b>						
General government	32,315	-	19,022	-	147,394	25,689
Capital outlay	-	-	-	-	-	-
<b>Total expenditures</b>	<b>32,315</b>	<b>-</b>	<b>19,022</b>	<b>-</b>	<b>147,394</b>	<b>25,689</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(26,301)</b>	<b>702</b>	<b>(11,774)</b>	<b>390</b>	<b>(138,707)</b>	<b>(16,209)</b>
<b>Other financing sources (uses):</b>						
Operating transfers in	712,828	152,151	76,456	28,528	152,151	95,095
Operating transfers out	(645,790)	(162,151)	-	(28,528)	-	(135,000)
<b>Total other financing sources (uses)</b>	<b>67,038</b>	<b>(10,000)</b>	<b>76,456</b>	<b>-</b>	<b>152,151</b>	<b>(39,905)</b>
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses</b>	<b>40,737</b>	<b>(9,298)</b>	<b>64,682</b>	<b>390</b>	<b>13,444</b>	<b>(56,114)</b>
<b>Fund balances at beginning of year</b>	<b>216,516</b>	<b>10,051</b>	<b>158,321</b>	<b>8,595</b>	<b>217,332</b>	<b>250,977</b>
<b>Fund balances at end of year</b>	<b>\$ 257,253</b>	<b>\$ 753</b>	<b>\$ 223,003</b>	<b>\$ 8,985</b>	<b>\$ 230,776</b>	<b>\$ 194,863</b>

Criminal Investigation	Economic Development Incentive	Tax Increment	Hotel/Motel Tax	Excess Sales Tax	Community Improvement	Information Technology Improvements	Totals	
							2001	2000
\$ -	\$ 1,972,061	\$ 111	\$ -	\$ -	\$ -	\$ -	\$ 1,972,172	\$ 1,832,819
-	-	-	-	253,224	-	-	253,224	276,092
-	-	-	2,663,704	-	-	-	2,663,704	2,568,957
21,369	15,602	380	-	42,045	61,269	1,219	174,405	189,092
105,112	-	-	-	-	-	570,293	675,405	657,502
<u>126,481</u>	<u>1,987,663</u>	<u>491</u>	<u>2,663,704</u>	<u>295,269</u>	<u>61,269</u>	<u>571,512</u>	<u>5,738,910</u>	<u>5,524,462</u>
133,179	2,195,865	233	1,445,437	-	950,035	94,997	5,044,166	4,436,646
-	-	-	-	-	-	-	-	92,592
<u>133,179</u>	<u>2,195,865</u>	<u>233</u>	<u>1,445,437</u>	<u>-</u>	<u>950,035</u>	<u>94,997</u>	<u>5,044,166</u>	<u>4,529,238</u>
<u>(6,698)</u>	<u>(208,202)</u>	<u>258</u>	<u>1,218,267</u>	<u>295,269</u>	<u>(888,766)</u>	<u>476,515</u>	<u>694,744</u>	<u>995,224</u>
-	250,000	-	-	647,817	2,272,562	-	4,387,588	4,477,055
-	-	(9,000)	(1,217,210)	-	(226,143)	(350,100)	(2,773,922)	(2,769,384)
-	<u>250,000</u>	<u>(9,000)</u>	<u>(1,217,210)</u>	<u>647,817</u>	<u>2,046,419</u>	<u>(350,100)</u>	<u>1,613,666</u>	<u>1,707,671</u>
(6,698)	41,798	(8,742)	1,057	943,086	1,157,653	126,415	2,308,410	2,702,895
<u>435,287</u>	<u>311,208</u>	<u>9,709</u>	<u>1,364</u>	<u>997,442</u>	<u>4,893,325</u>	<u>162,289</u>	<u>7,672,416</u>	<u>4,969,521</u>
<u>\$ 428,589</u>	<u>\$ 353,006</u>	<u>\$ 967</u>	<u>\$ 2,421</u>	<u>\$ 1,940,528</u>	<u>\$ 6,050,978</u>	<u>\$ 288,704</u>	<u>\$ 9,980,826</u>	<u>\$ 7,672,416</u>



## **Debt Service Fund**

This fund is used to account for the accumulation of financial resources for the payment of interest and principal on the general long-term debt of the City, other than debt service payments made by enterprise funds. Ad valorem taxes and interest earned on the investments of the Debt Service Fund are used for the payment of principal, interest, and commissions to fiscal agents on the City's general obligation bonds, which are recorded in the General Long-term Debt Account Group.

**CITY OF LUBBOCK, TEXAS  
DEBT SERVICE FUND**

**BALANCE SHEET**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

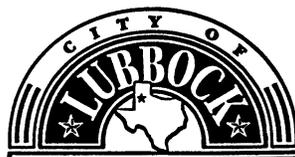
	Totals	
	2001	2000
<u>Assets</u>		
Pooled cash and cash equivalents	\$ 186,793	\$ 157,969
Investments	1,250,080	1,057,182
Taxes receivable less allowance for uncollectible taxes (2001 - \$785,510; 2000-\$883,438)	<u>188,955</u>	<u>213,437</u>
Total assets	<u>\$ 1,625,828</u>	<u>\$ 1,428,588</u>
 <u>Liabilities and Fund Balances</u>		
Liabilities:		
Accounts payable	\$ 53,268	\$ 5,608
Deferred revenue	<u>157,466</u>	<u>162,530</u>
Total liabilities	<u>210,734</u>	<u>168,138</u>
Fund balances:		
Reserved for debt service	<u>1,415,094</u>	<u>1,260,450</u>
Total liabilities and fund balances	<u>\$ 1,625,828</u>	<u>\$ 1,428,588</u>

**CITY OF LUBBOCK, TEXAS  
DEBT SERVICE FUND**

**STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE**

**Year Ended September 30, 2001  
With Comparative Totals for Year Ended September 30, 2000**

	Totals	
	2001	2000
<b>Revenues:</b>		
Property taxes (net)	\$ 7,454,057	\$ 7,511,685
Interest on investments	<u>64,317</u>	<u>70,869</u>
 Total revenues	 <u>7,518,374</u>	 <u>7,582,554</u>
 <b>Expenditures:</b>		
Principal retirement	4,397,538	4,622,633
Interest on bonds	3,347,994	3,097,514
Fiscal agent fees	<u>11,862</u>	<u>18,637</u>
 Total expenditures	 <u>7,757,394</u>	 <u>7,738,784</u>
 Deficiency of revenues under expenditures	 <u>(239,020)</u>	 <u>(156,230)</u>
 <b>Other financing sources (uses):</b>		
Operating transfers in	15,719,276	16,245,165
Operating transfers out	<u>(15,325,612)</u>	<u>(15,979,755)</u>
 Total other financing sources (uses)	 <u>393,664</u>	 <u>265,410</u>
 Excess of revenues and other financing sources over expenditures and other financing uses	 154,644	 109,180
 Fund balance at beginning of year	 <u>1,260,450</u>	 <u>1,151,270</u>
 Fund balance at end of year	 <u>\$ 1,415,094</u>	 <u>\$ 1,260,450</u>



## 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 grants and other specific receipts.

**Public Safety Capital Projects Fund (“Public Safety”)** - To account for the financing and construction of public safety improvements.

**Park Improvements Fund (“Park Improvements”)** - To account for the financing and construction of park improvements.

**Streets Improvements Fund (“Street Improvements”)** - To account for the financing and construction of streets and alleys financed primarily by bond issues and property owner participation.

**Street Facilities and System Improvements Fund (“Permanent Street Maintenance”)** - To account for the financing and reconstruction of public streets, thoroughfares and public ways.

**General Capital Projects Fund (“General Capital Projects”)** - To account for the financing and expenditures related to the purchase and/or construction of municipal buildings and equipment.

**General Facilities and System Improvements Fund (“General Facilities and System Improvements”)** - To account for the maintenance, repair or replacement of major components of all public buildings and public facilities owned by the City.

**CITY OF LUBBOCK, TEXAS  
CAPITAL PROJECTS FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

	Public Safety	Park Improve- ments	Street Improve- ments	Permanent Street Maintenance
<u>Assets</u>				
Pooled cash and cash equivalents	\$ 446,112	\$ 979,507	\$ 2,043,816	\$ 91,820
Investments	2,985,517	6,555,162	13,677,847	614,491
Interest receivable	5,111	7,623	30,820	3,247
Due from others	-	-	136,998	-
Total assets	<u>\$ 3,436,740</u>	<u>\$ 7,542,292</u>	<u>\$ 15,889,481</u>	<u>\$ 709,558</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Vouchers and accounts payable	\$ 5,087	\$ 261,437	\$ 759,443	\$ 204,671
Advances from other funds	1,188,680	-	-	-
Contracts payable	-	-	1,899,873	24,562
Total liabilities	<u>1,193,767</u>	<u>261,437</u>	<u>2,659,316</u>	<u>229,233</u>
Fund balances:				
Reserved for capital projects	<u>2,242,973</u>	<u>7,280,855</u>	<u>13,230,165</u>	<u>480,325</u>
Total fund balances	<u>2,242,973</u>	<u>7,280,855</u>	<u>13,230,165</u>	<u>480,325</u>
Total liabilities and fund balances	<u>\$ 3,436,740</u>	<u>\$ 7,542,292</u>	<u>\$ 15,889,481</u>	<u>\$ 709,558</u>

General Capital Projects	General Facilities and System Improvements	Totals	
		2001	2000
\$ 144,051	\$ 829,623	\$ 4,534,929	\$ 4,555,282
964,033	5,552,089	30,349,139	30,485,355
6,296	33,002	86,099	124,547
-	-	136,998	145,203
<u>\$ 1,114,380</u>	<u>\$ 6,414,714</u>	<u>\$ 35,107,165</u>	<u>\$ 35,310,387</u>
\$ 18,134	\$ 55,253	\$ 1,304,025	\$ 440,505
1,578,974	-	2,767,654	2,916,239
-	-	1,924,435	1,812,863
<u>1,597,108</u>	<u>55,253</u>	<u>5,996,114</u>	<u>5,169,607</u>
<u>(482,728)</u>	<u>6,359,461</u>	<u>29,111,051</u>	<u>30,140,780</u>
<u>(482,728)</u>	<u>6,359,461</u>	<u>29,111,051</u>	<u>30,140,780</u>
<u>\$ 1,114,380</u>	<u>\$ 6,414,714</u>	<u>\$ 35,107,165</u>	<u>\$ 35,310,387</u>

**CITY OF LUBBOCK, TEXAS  
CAPITAL PROJECTS FUNDS**

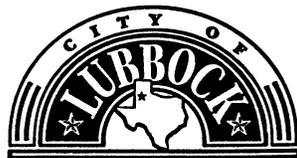
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES**

**Year Ended September 30, 2001**

**With Comparative Totals for Year Ended September 30, 2000**

	Public Safety	Park Improve- ments	Street Improve- ments	Permanent Street Maintenance
<b>Revenues:</b>				
Contributions	\$ -	\$ 24,066	\$ -	\$ -
Interest	3,019	200,996	505,698	19,377
Charges for services	-	8,421	26,467	-
Miscellaneous	-	-	-	-
Total revenues	<u>3,019</u>	<u>233,483</u>	<u>532,165</u>	<u>19,377</u>
<b>Expenditures:</b>				
Capital Outlay	944,326	2,224,034	3,781,644	1,062,017
Fiscal charges	-	-	31,826	-
Miscellaneous	82,495	34,239	2,363,395	-
Total expenditures	<u>1,026,821</u>	<u>2,258,273</u>	<u>6,176,865</u>	<u>1,062,017</u>
Deficiency of revenues over expenditures	<u>(1,023,802)</u>	<u>(2,024,790)</u>	<u>(5,644,700)</u>	<u>(1,042,640)</u>
<b>Other financing sources (uses):</b>				
Bond proceeds	-	3,025,000	6,075,000	-
Operating transfers in	1,074,142	803,209	502,275	1,700,000
Operating transfers out	-	(207,100)	(13,656)	(450,030)
Total other financing sources (uses)	<u>1,074,142</u>	<u>3,621,109</u>	<u>6,563,619</u>	<u>1,249,970</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	50,340	1,596,319	918,919	207,330
Fund balances at beginning of year	<u>2,192,633</u>	<u>5,684,536</u>	<u>12,311,246</u>	<u>272,995</u>
Fund balances at end of year	<u>\$ 2,242,973</u>	<u>\$ 7,280,855</u>	<u>\$ 13,230,165</u>	<u>\$ 480,325</u>

General Capital Projects	General Facilities and System Improvements	Totals	
		2001	2000
\$ -	\$ -	\$ 24,066	\$ 67,600
85,208	393,488	1,207,786	1,873,647
-	-	34,888	87,583
-	-	-	7
<u>85,208</u>	<u>393,488</u>	<u>1,266,740</u>	<u>2,028,837</u>
858,116	4,623,087	13,493,224	14,296,636
-	-	31,826	24,935
<u>241,399</u>	<u>701,770</u>	<u>3,423,298</u>	<u>741,881</u>
<u>1,099,515</u>	<u>5,324,857</u>	<u>16,948,348</u>	<u>15,063,452</u>
<u>(1,014,307)</u>	<u>(4,931,369)</u>	<u>(15,681,608)</u>	<u>(13,034,615)</u>
-	-	9,100,000	7,000,000
549,447	2,524,693	7,153,766	7,157,634
<u>(51,500)</u>	<u>(879,601)</u>	<u>(1,601,887)</u>	<u>(491,708)</u>
<u>497,947</u>	<u>1,645,092</u>	<u>14,651,879</u>	<u>13,665,926</u>
(516,360)	(3,286,277)	(1,029,729)	631,311
<u>33,632</u>	<u>9,645,738</u>	<u>30,140,780</u>	<u>29,509,469</u>
<u>\$ (482,728)</u>	<u>\$ 6,359,461</u>	<u>\$ 29,111,051</u>	<u>\$ 30,140,780</u>



## **Enterprise Funds**

The Enterprise 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 costing goods or services to the general public on a continuing basis to be recovered in whole or part through user charges.

**Electric Fund** - To account for the operations of the City-owned electric system.

**Water Fund** - To account for the operations of the City's water system.

**Sewer Fund** - To account for the operations of the City's sanitary sewer system.

**Solid Waste Fund** - To account for the operations of the City's landfills and its solid waste collection system.

**Airport Fund** - To account for the operations of Lubbock International Airport.

**Golf Fund** - To account for the operations of Meadowbrook Golf Course.

**Stormwater Fund** - To account for the operations of the stormwater utility which provides stormwater drainage for the City.

**CITY OF LUBBOCK, TEXAS  
ENTERPRISE FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

<u>Assets</u>	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund
<b>Current assets:</b>				
Pooled cash and cash equivalents	\$ 219,782	\$ 315,985	\$ 595,470	\$ 375,723
Investments	1,470,850	2,114,666	3,985,070	2,514,456
Accounts and notes receivable (net)	14,991,190	2,804,919	1,491,423	1,243,421
Interest receivable	2,490	18,446	12,853	10,671
Due from other governments	-	57,522	-	-
Due from other funds	-	7,620,000	-	-
Inventory, at average cost	94,867	97,874	-	-
Total current assets	<u>16,779,179</u>	<u>13,029,412</u>	<u>6,084,816</u>	<u>4,144,271</u>
<b>Restricted assets:</b>				
Customer deposits:				
Pooled cash and cash equivalents	-	-	-	5,050
Utility deposits:				
Accounts receivable	-	4,071	-	-
Economic development:				
Pooled cash and cash equivalents	891	-	-	-
Interest receivable	3	-	-	-
Pro rata construction:				
Pooled cash and cash equivalents	-	13,994	284,368	-
Accounts and interest receivable	-	25,394	24,010	-
Capital projects:				
Pooled cash and cash equivalents	36,566	2,313,758	501,945	1,374,191
Investments	244,714	15,484,384	3,359,169	9,196,512
Interest receivable	834	38,067	12,544	46,806
Facilities/system improvements:				
Pooled cash and cash equivalents	309,146	276,192	122,979	168,257
Investments	2,068,902	1,848,361	823,014	1,126,024
Interest receivable	7,049	4,545	3,073	5,731
System improvement:				
Pooled cash and cash equivalents	41,349	-	-	-
Interest receivable	123	-	-	-
Rate stabilization:				
Investments	21,922	4,990,448	520,900	6,060,854
Interest receivable	65	10,674	1,692	26,837
Passenger facility charge capital projects:				
Pooled cash and cash equivalents	-	-	-	-
Investments	-	-	-	-
Accounts and interest receivable	-	-	-	-
Revenue bond current debt services:				
Investments	2,055,197	-	-	-
Interest receivable	6,117	-	-	-
Revenue bond future debt services:				
Investments	2,761,819	-	-	-
Interest receivable	8,163	-	-	-
Total restricted assets	<u>7,562,860</u>	<u>25,009,888</u>	<u>5,653,694</u>	<u>18,010,262</u>
Advances to other funds	-	169,491	-	1,563,653
Deferred charges	10,516,649	-	-	-
Property, plant and equipment:				
Land	713,154	1,705,854	13,681,615	1,607,932
Buildings	7,365,281	21,575,987	23,790,354	83,338
Improvements other than buildings	152,586,187	157,181,460	82,661,080	13,062,153
Machinery and equipment	15,854,697	16,836,505	13,966,206	12,311,336
Construction in progress	11,665,510	45,237,000	11,580,340	7,378,078
Allowance for depreciation	(72,216,866)	(49,856,496)	(40,368,631)	(7,502,109)
Net property, plant and equipment	<u>115,967,963</u>	<u>192,680,310</u>	<u>105,310,964</u>	<u>26,940,728</u>
Other assets:				
Water rights	-	32,905,862	-	-
Allowance for amortization	-	(12,775,217)	-	-
Net other assets	-	20,130,645	-	-
Total assets	<u>\$ 150,826,651</u>	<u>\$ 251,019,746</u>	<u>\$ 117,049,474</u>	<u>\$ 50,658,914</u>

(continued)

Airport Fund	Golf Fund	Stormwater Fund	Totals	
			2001	2000
\$ 69,783	\$ 2,791	\$ 87,300	\$ 1,666,834	\$ 2,390,507
467,008	-	584,248	11,136,298	15,965,355
297,569	-	-	20,828,522	17,661,603
1,725	-	475	46,660	64,244
-	-	-	57,522	31,577
-	-	-	7,620,000	-
-	-	-	192,741	377,365
<u>836,085</u>	<u>2,791</u>	<u>672,023</u>	<u>41,548,577</u>	<u>36,490,651</u>
-	-	-	5,050	433,832
-	-	-	4,071	4,071
-	-	-	891	35,440
-	-	-	3	110
-	-	-	298,362	329,073
-	-	-	49,404	53,090
156,681	5,725	8,301,041	12,689,907	29,160,370
1,048,558	38,312	32,128,423	61,500,072	25,844,060
4,684	-	34,853	137,788	224,034
160,909	-	-	1,037,483	5,377,378
1,076,850	-	-	6,943,151	4,768,611
4,810	-	-	25,208	43,972
-	-	-	41,349	873,560
-	-	-	123	3,083
-	-	-	11,594,124	13,032,871
-	-	-	39,268	62,125
77,988	-	-	77,988	56,416
3,821,431	-	-	3,821,431	2,764,374
18,193	-	-	18,193	20,158
-	-	-	2,055,197	2,150,026
-	-	-	6,117	6,703
-	-	-	2,761,819	2,457,807
-	-	-	8,163	7,612
<u>6,370,104</u>	<u>44,037</u>	<u>40,464,317</u>	<u>103,115,162</u>	<u>87,708,776</u>
-	-	-	1,733,144	2,142,414
-	-	-	10,516,649	11,717,554
13,122,017	-	-	30,830,572	30,837,648
30,136,583	9,372	-	82,960,915	82,752,391
53,778,659	1,043,981	1,353,157	461,666,677	435,255,438
6,377,052	-	1,204,606	66,550,402	51,538,373
6,890,368	18,675	3,778,627	86,548,598	87,327,433
(51,440,162)	(953,096)	(541,618)	(222,878,978)	(203,971,227)
<u>58,864,517</u>	<u>118,932</u>	<u>5,794,772</u>	<u>505,678,186</u>	<u>483,740,056</u>
-	-	-	32,905,862	32,905,862
-	-	-	(12,775,217)	(12,388,089)
-	-	-	20,130,645	20,517,773
<u>\$ 66,070,706</u>	<u>\$ 165,760</u>	<u>\$ 46,931,112</u>	<u>\$ 682,722,363</u>	<u>\$ 642,317,224</u>

**CITY OF LUBBOCK, TEXAS  
ENTERPRISE FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001**

**With Comparative Totals for September 30, 2000**

<u>Liabilities and Fund Equity</u>	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund
<b>Current liabilities:</b>				
Accounts and vouchers payable	\$ 6,111,350	\$ 657,163	\$ 134,923	\$ 72,109
Due to other funds	11,500,600	150,000	-	-
Accrued general obligation interest	-	802,807	324,395	55,205
Other accrued expenses	42,257	563,569	63,448	55,558
Current portion of bonds payable	-	4,336,403	3,378,796	598,674
<b>Total current liabilities</b>	<b>17,654,207</b>	<b>6,509,942</b>	<b>3,901,562</b>	<b>781,546</b>
<b>Liabilities payable from restricted assets:</b>				
Accounts and vouchers payable	339,390	104,379	95,122	304,114
Accrued interest	638,856	-	-	-
Current revenue bonds payable	3,958,950	-	-	-
Customer deposits	-	-	-	5,050
<b>Total liabilities (payable from restricted assets)</b>	<b>4,937,196</b>	<b>104,379</b>	<b>95,122</b>	<b>309,164</b>
<b>Long-term liabilities:</b>				
Revenue bonds (net of current portion)	33,980,892	43,635,825	-	-
Advances from other funds	-	-	-	-
Contracts payable - pro rata	-	831,887	845,922	-
General obligation bonds (net of current portion)	-	64,068,280	46,318,417	5,575,644
Deferred revenue	-	-	-	-
Accrued vacation and sick leave	1,983,444	643,092	284,273	245,405
Landfill closure and postclosure care costs	-	-	-	6,112,555
<b>Total long-term liabilities</b>	<b>35,964,336</b>	<b>109,179,084</b>	<b>47,448,612</b>	<b>11,933,604</b>
<b>Total liabilities</b>	<b>58,555,739</b>	<b>115,793,405</b>	<b>51,445,296</b>	<b>13,024,314</b>
<b>Fund equity:</b>				
Contributed capital	8,209,986	38,884,665	29,138,882	4,828,329
<b>Retained earnings:</b>				
Reserved for economic development	894	-	-	-
Reserved for capital projects	282,114	17,739,968	3,832,688	6,402,253
Reserved for facilities/system improvements	1,993,653	2,119,680	899,835	1,174,474
Reserved for system improvements	41,472	-	-	-
Reserved for rate stabilization	21,987	5,001,122	522,592	6,087,691
Reserved per bond indentures	233,490	-	-	-
Unreserved	81,487,316	71,480,906	31,210,181	19,141,853
<b>Total retained earnings</b>	<b>84,060,926</b>	<b>96,341,676</b>	<b>36,465,296</b>	<b>32,806,271</b>
<b>Total fund equity</b>	<b>92,270,912</b>	<b>135,226,341</b>	<b>65,604,178</b>	<b>37,634,600</b>
<b>Total liabilities and fund equity</b>	<b>\$ 150,826,651</b>	<b>\$ 251,019,746</b>	<b>\$ 117,049,474</b>	<b>\$ 50,658,914</b>

Airport Fund	Golf Fund	Stormwater Fund	Totals	
			2001	2000
\$ 19,292	\$ 22,459	\$ 1,534	\$ 7,018,830	\$ 13,676,299
-	2,014,092	-	13,664,692	6,637,046
-	-	-	1,182,407	1,303,592
81,385	-	10,400	816,617	454,524
430,000	-	160,000	8,903,873	8,659,609
<u>530,677</u>	<u>2,036,551</u>	<u>171,934</u>	<u>31,586,419</u>	<u>30,731,070</u>
230,222	-	59,385	1,132,612	1,807,737
14,515	-	316,299	969,670	736,309
-	-	-	3,958,950	3,599,316
-	-	-	5,050	433,832
<u>244,737</u>	<u>-</u>	<u>375,684</u>	<u>6,066,282</u>	<u>6,577,194</u>
-	-	-	77,616,717	73,847,298
-	-	50,000	50,000	50,000
-	-	-	1,677,809	1,694,461
4,610,000	-	34,417,533	154,989,874	126,868,492
23,191	-	-	23,191	28,160
209,350	-	6,463	3,372,027	3,230,736
-	-	-	6,112,555	5,918,343
<u>4,842,541</u>	<u>-</u>	<u>34,473,996</u>	<u>243,842,173</u>	<u>211,637,490</u>
<u>5,617,955</u>	<u>2,036,551</u>	<u>35,021,614</u>	<u>281,494,874</u>	<u>248,945,754</u>
<u>57,868,520</u>	<u>-</u>	<u>-</u>	<u>138,930,382</u>	<u>132,984,984</u>
-	-	-	894	35,550
1,209,923	44,037	11,249,408	40,760,391	53,937,015
1,240,092	-	-	7,427,734	9,434,170
-	-	-	41,472	720,771
-	-	-	11,633,392	13,073,972
-	-	-	233,490	302,444
134,216	(1,914,828)	660,090	202,199,734	182,882,564
<u>2,584,231</u>	<u>(1,870,791)</u>	<u>11,909,498</u>	<u>262,297,107</u>	<u>260,386,486</u>
<u>60,452,751</u>	<u>(1,870,791)</u>	<u>11,909,498</u>	<u>401,227,489</u>	<u>393,371,470</u>
<u>\$ 66,070,706</u>	<u>\$ 165,760</u>	<u>\$ 46,931,112</u>	<u>\$ 682,722,363</u>	<u>\$ 642,317,224</u>

**CITY OF LUBBOCK, TEXAS  
ENTERPRISE FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY/RETAINED EARNINGS**

**Year Ended September 30, 2001  
With Comparative Totals for Year Ended September 30, 2000**

	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund
<b>Operating revenues:</b>				
Charges for services	\$ 112,077,148	\$ 30,131,978	\$ 15,301,228	\$ 15,564,356
New taps and reconnects	-	331,716	-	-
Effluent water sales	-	-	678,784	-
Commodity sales	-	-	595,661	-
Landing fees	-	-	-	-
Parking	-	-	-	-
Greenfees and memberships	-	-	-	-
Rentals	-	-	-	-
Concessions	-	-	-	-
Total operating revenues	<u>112,077,148</u>	<u>30,463,694</u>	<u>16,575,673</u>	<u>15,564,356</u>
<b>Operating expenses:</b>				
Personal services	9,071,656	4,742,935	3,153,386	3,405,706
Supplies	559,017	892,661	470,700	884,807
Maintenance	1,845,112	2,401,497	1,068,788	1,359,991
Uncollectible accounts	975,083	231,305	104,093	100,852
Purchase of fuel and power	79,793,221	-	-	-
Collection expense	-	1,844,170	368,274	310,787
Other services and charges	7,011,715	5,790,492	3,961,219	4,526,814
Depreciation and amortization	6,344,450	5,382,462	4,693,011	2,062,105
Total operating expenses	<u>105,600,254</u>	<u>21,285,522</u>	<u>13,819,471</u>	<u>12,651,062</u>
Operating income (loss)	<u>6,476,894</u>	<u>9,178,172</u>	<u>2,756,202</u>	<u>2,913,294</u>
<b>Nonoperating revenues (expenses):</b>				
Interest	351,574	2,192,970	687,224	956,078
Passenger facility charges	-	-	-	-
Disposition of properties	(32,929)	(93,400)	(49,716)	(78,061)
Miscellaneous	2,178,971	392,320	90,057	79,515
Interest on bonds and notes	(1,763,463)	(6,946,231)	(2,712,924)	(201,708)
Total nonoperating revenues (expenses)	<u>734,153</u>	<u>(4,454,341)</u>	<u>(1,985,359)</u>	<u>755,824</u>
Income (loss) before operating transfers	<u>7,211,047</u>	<u>4,723,831</u>	<u>770,843</u>	<u>3,669,118</u>
<b>Transfers:</b>				
Operating transfers in	216,456	7,592,796	6,751,026	759,556
Operating transfers out	(8,072,659)	(11,141,944)	(8,571,485)	(3,131,946)
Total transfers out	<u>(7,856,203)</u>	<u>(3,549,148)</u>	<u>(1,820,459)</u>	<u>(2,372,390)</u>
Net income(loss)	(645,156)	1,174,683	(1,049,616)	1,296,728
Depreciation on fixed assets acquired by contributions	12,121	79,895	114,252	-
Retained earnings at beginning of year	<u>84,693,961</u>	<u>95,087,098</u>	<u>37,400,660</u>	<u>31,509,543</u>
Retained earnings at end of year	<u>84,060,926</u>	<u>96,341,676</u>	<u>36,465,296</u>	<u>32,806,271</u>
Contributed capital at beginning of year	8,011,881	38,288,867	27,587,313	4,837,310
Capital contributions	210,226	675,693	1,665,821	(8,981)
Depreciation on contributed capital	(12,121)	(79,895)	(114,252)	-
Contributed capital at end of year	<u>8,209,986</u>	<u>38,884,665</u>	<u>29,138,882</u>	<u>4,828,329</u>
Total equity at end of year	<u>\$ 92,270,912</u>	<u>\$ 135,226,341</u>	<u>\$ 65,604,178</u>	<u>\$ 37,634,600</u>

Airport Fund	Golf Fund	Stormwater Fund	Totals	
			2001	2000
\$ -	\$ -	\$ 1,986,592	\$ 175,061,302	\$ 135,018,266
-	-	-	331,716	103,280
-	-	-	678,784	560,626
-	-	-	595,661	720,499
739,016	-	-	739,016	740,882
1,324,288	-	-	1,324,288	1,168,628
-	34,982	-	34,982	40,262
1,636,374	-	-	1,636,374	1,347,914
1,076,830	-	-	1,076,830	1,065,423
<u>4,776,508</u>	<u>34,982</u>	<u>1,986,592</u>	<u>181,478,953</u>	<u>140,765,780</u>
1,427,434	-	244,523	22,045,640	20,789,681
162,471	-	4,537	2,974,193	2,755,639
319,352	-	24,972	7,019,712	6,052,573
-	-	-	1,411,333	1,186,657
-	-	-	79,793,221	49,299,758
-	-	313,711	2,836,942	2,210,385
1,793,544	-	91,148	23,174,932	18,584,187
3,266,417	56,425	252,090	22,056,960	19,302,697
<u>6,969,218</u>	<u>56,425</u>	<u>930,981</u>	<u>161,312,933</u>	<u>120,181,577</u>
<u>(2,192,710)</u>	<u>(21,443)</u>	<u>1,055,611</u>	<u>20,166,020</u>	<u>20,584,203</u>
336,977	-	329,029	4,853,852	6,742,188
1,557,918	-	-	1,557,918	1,552,654
(42,268)	(3,460)	(33,679)	(333,513)	19,527
208,313	1,358	898	2,951,432	1,155,483
(165,974)	-	(91,775)	(11,882,075)	(13,376,202)
<u>1,894,966</u>	<u>(2,102)</u>	<u>204,473</u>	<u>(2,852,386)</u>	<u>(3,906,350)</u>
<u>(297,744)</u>	<u>(23,545)</u>	<u>1,260,084</u>	<u>17,313,634</u>	<u>16,677,853</u>
312,528	-	75,156	15,707,518	15,987,422
(1,193,691)	(34,982)	(263,182)	(32,409,889)	(30,923,687)
<u>(881,163)</u>	<u>(34,982)</u>	<u>(188,026)</u>	<u>(16,702,371)</u>	<u>(14,936,265)</u>
(1,178,907)	(58,527)	1,072,058	611,263	1,741,588
1,093,090	-	-	1,299,358	1,052,499
2,670,048	(1,812,264)	10,837,440	260,386,486	257,592,399
<u>2,584,231</u>	<u>(1,870,791)</u>	<u>11,909,498</u>	<u>262,297,107</u>	<u>260,386,486</u>
54,259,613	-	-	132,984,984	131,735,154
4,701,997	-	-	7,244,756	2,302,329
(1,093,090)	-	-	(1,299,358)	(1,052,499)
<u>57,868,520</u>	<u>-</u>	<u>-</u>	<u>138,930,382</u>	<u>132,984,984</u>
\$ <u>60,452,751</u>	\$ <u>(1,870,791)</u>	\$ <u>11,909,498</u>	\$ <u>401,227,489</u>	\$ <u>393,371,470</u>

**CITY OF LUBBOCK, TEXAS**  
**ENTERPRISE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

**Year Ended September 30, 2001**  
**With Comparative Totals for Year Ended September 30, 2000**

	Electric Fund	Water Fund	Sewer Fund	Solid Waste Fund
<b>Cash flows from operating activities:</b>				
Operating income (loss)	\$ 6,476,894	\$ 9,178,172	\$ 2,756,202	\$ 2,913,294
Adjustments to reconcile operating income (loss) to net cash from operating activities:				
Depreciation, amortization and accretion	6,344,450	5,382,462	4,693,011	2,062,105
Other income	2,178,971	392,320	90,057	79,515
Increase (decrease) in long-term assets/liabilities not requiring cash flow	1,692,627	57,157	180,188	229,821
Change in current assets and liabilities:				
Accounts receivable	(3,165,878)	(102,567)	(77,657)	(139,118)
Inventory	188,494	(3,867)	-	-
Due from other governments	-	(25,945)	-	-
Accounts payable	(6,841,574)	(107,705)	(244,895)	276,660
Other accrued expenses	(155,463)	473,719	(6,315)	(311)
Customer deposits	(74,343)	(354,829)	-	400
Net cash provided by operating activities	<u>6,644,178</u>	<u>14,888,917</u>	<u>7,390,591</u>	<u>5,422,366</u>
<b>Cash flows from capital and related financing activities:</b>				
Payments for gas reserves and other deferred charges	(393,367)	-	-	-
Refund of commodity prepayment	298,062	-	-	-
Purchases of property, plant and equipment	(10,401,541)	(17,394,873)	(4,505,033)	(4,198,611)
Sale of property, plant and equipment	13,965	771,054	5,846	25,950
Payments for bond issuance costs	(294,694)	-	-	-
Receipt of accrued interest on bond issuance	-	-	-	-
Principal paid on revenue bonds	(3,625,000)	(1,500,000)	-	-
Interest paid on revenue bonds	(1,844,995)	(2,818,908)	-	-
Principal paid on general obligation bonds and other debt	-	(3,879,454)	(4,042,843)	(569,607)
Interest paid on general obligation bonds	-	(4,228,365)	(2,762,145)	(172,629)
Issuance of revenue, G.O. and C.O. bonds	9,200,000	-	-	2,770,000
Refunds of pro-rata contracts	-	(37,650)	(63,290)	-
Deposits on pro-rata contracts	-	-	-	-
Passenger facility charges	-	-	-	-
Contributed capital	33,306	307,587	421,121	-
Net cash provided by (used for) capital and related financing activities	<u>(7,014,264)</u>	<u>(28,780,609)</u>	<u>(10,946,344)</u>	<u>(2,144,897)</u>
<b>Cash flows from noncapital and related financing activities:</b>				
Operating transfers in from other funds	216,456	7,592,796	6,751,026	759,556
Operating transfers out to other funds	(8,072,659)	(11,141,944)	(8,571,485)	(3,131,946)
Short-term interfund borrowings	7,000,600	(7,590,000)	-	-
Advances to other funds	-	-	-	-
Payments received/(made) on advances (to)/from other funds	-	62,696	-	346,571
Net cash used by noncapital and related financing activities	<u>(855,603)</u>	<u>(11,076,452)</u>	<u>(1,820,459)</u>	<u>(2,025,819)</u>
<b>Cash flows from investing activities:</b>				
Proceeds from sales and maturities of investments	2,869,362	16,137,731	4,659,120	3,397,628
Purchase of investments	(3,999,716)	(11,334,794)	(4,029,748)	(8,765,219)
Interest earnings on cash and investments	357,368	2,275,181	745,108	979,561
Net cash provided by (used for) investing activities	<u>(772,986)</u>	<u>7,078,118</u>	<u>1,374,480</u>	<u>(4,388,030)</u>
Net increase (decrease) in pooled cash and cash equivalents	(1,998,675)	(17,890,026)	(4,001,732)	(3,136,380)
Pooled cash and cash equivalents at beginning of year	2,606,409	20,809,955	5,506,494	5,059,601
Pooled cash and cash equivalents at end of year	<u>\$ 607,734</u>	<u>\$ 2,919,929</u>	<u>\$ 1,504,762</u>	<u>\$ 1,923,221</u>
<b>Supplemental cash flow information:</b>				
Noncash capital improvements and other changes	<u>\$ 376,827</u>	<u>\$ 457,882</u>	<u>\$ 1,244,700</u>	<u>\$ 8,981</u>

Airport Fund	Golf Fund	Stormwater Fund	Totals	
			2001	2000
\$ (2,192,710)	\$ (21,443)	\$ 1,055,611	\$ 20,166,020	\$ 20,584,203
3,266,417	56,425	252,090	22,056,960	19,302,697
208,313	1,358	898	2,951,432	1,175,010
(51,496)	-	(2,880)	2,105,417	1,724,626
68,991	-	-	(3,416,229)	(3,844,331)
-	-	-	184,627	108,522
-	-	-	(25,945)	(3,416)
(178,711)	(445)	(238,501)	(7,335,171)	8,499,664
47,379	-	5,862	364,871	(229,724)
-	-	-	(428,772)	103,183
<u>1,168,183</u>	<u>35,895</u>	<u>1,073,080</u>	<u>36,623,210</u>	<u>47,420,434</u>
-	-	-	(393,367)	(4,193,412)
-	-	-	298,062	-
(5,876,788)	-	(548,041)	(42,924,887)	(43,642,463)
31,487	-	-	848,302	316,598
-	-	(422,467)	(717,161)	-
-	-	224,524	224,524	-
-	-	-	(5,125,000)	(4,519,025)
-	-	-	(4,663,903)	(5,229,781)
(420,000)	-	-	(8,911,904)	(8,469,729)
(167,380)	-	-	(7,330,519)	(7,983,273)
-	-	35,000,000	46,970,000	24,055,000
-	-	-	(100,940)	(71,052)
-	-	-	-	42,789
1,557,918	-	-	1,557,918	1,552,654
<u>4,701,997</u>	<u>-</u>	<u>-</u>	<u>5,464,011</u>	<u>1,376,481</u>
(172,766)	-	34,254,016	(14,804,864)	(46,765,213)
312,528	-	75,156	15,707,518	16,510,235
(1,193,691)	(34,982)	(263,182)	(32,409,889)	(31,446,500)
-	(3,008)	-	(592,408)	(3,600,054)
-	-	-	-	(424,374)
-	-	-	409,267	1,369,223
<u>(881,163)</u>	<u>(37,990)</u>	<u>(188,026)</u>	<u>(16,885,512)</u>	<u>(17,591,470)</u>
1,151,286	154	11,649,951	39,865,232	71,006,832
(2,974,877)	(17,770)	(41,572,115)	(72,694,239)	(64,983,708)
365,184	-	335,059	5,057,461	6,838,645
<u>(1,458,407)</u>	<u>(17,616)</u>	<u>(29,587,105)</u>	<u>(27,771,546)</u>	<u>12,861,769</u>
(1,344,153)	(19,711)	5,551,965	(22,838,712)	(4,074,480)
1,809,514	28,227	2,836,376	38,656,576	42,731,056
\$ <u>465,361</u>	\$ <u>8,516</u>	\$ <u>8,388,341</u>	\$ <u>15,817,864</u>	\$ <u>38,656,576</u>
\$ <u>-</u>	\$ <u>146</u>	\$ <u>-</u>	\$ <u>2,088,536</u>	\$ <u>1,724,546</u>



# 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.

**Fleet Maintenance Fund** - Established to account for the vehicle service operations.

**Central Warehouse Fund** - Established to account for the central warehouse operations.

**Print Shop and Office Store Fund** - Established to account for the printing services and central office supply provided to City departments.

**Radio Shop Fund** - Established to account for the mobile telephone and radio shop operations.

**Management Information Fund** - Established to account for the data processing services provided to City departments and other governmental agencies.

**Custodial Services Fund** - Established to account for custodial services provided for the City's facilities.

**Building Services Fund** - Established to account for the City's building services.

**Switchboard Operations Fund** - Established to assure customer satisfaction by providing immediate and efficient telecommunications services.

**Communications Fund** - Established to account for communication services provided to City departments.

**Environmental Compliance Fund** - Established to provide for environmental regulations.

**Self-Insurance Risk Management ("Risk Management Fund")** - Established to account for the self-insurance fund which accounts for activities related to general liability, auto liability, public official's liability and worker's compensation liability.

**Self-Insurance Health Fund** - Established to account for the activities of the health and dental insurance fund.

**Capital Projects Fund** - Established to account for the capital projects and permanent capital maintenance activity of the other internal service funds. All assets, liabilities and equity of this fund were transferred to other internal service funds effective October 1, 1999.

**Investment Pool** - Established to account for the purpose of centralizing the activities relative to the City's investment portfolio.

**Legislative Fund** - Established to house the operating costs associated with the legislative support for the City.

**CITY OF LUBBOCK, TEXAS  
INTERNAL SERVICE FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001**

**With Comparative Totals for September 30, 2000**

Assets	Fleet Maintenance Fund	Central Warehouse Fund	Print Shop & Office Store Fund	Radio Shop Fund	Management Information Fund	Custodial Services Fund	Building Services Fund
<b>Current assets:</b>							
Pooled cash and cash equivalents	\$ 52,611	\$ 49,644	\$ 80,497	\$ 19,286	\$ 62,411	\$ 7,718	\$ 79,886
Investments	352,090	332,235	538,713	129,068	417,674	51,648	534,622
Accounts receivable	-	-	-	-	-	-	5,766
Due from others	69,610	-	15,233	-	-	-	-
Interest receivable	-	-	-	-	-	111,005	-
Prepaid expenses	-	-	-	-	-	-	-
Inventory, at average cost	405,093	1,518,008	16,943	7,664	-	-	-
<b>Total current assets</b>	<b>879,404</b>	<b>1,899,887</b>	<b>651,386</b>	<b>156,018</b>	<b>480,085</b>	<b>170,371</b>	<b>620,274</b>
<b>Restricted assets:</b>							
<b>Capital projects:</b>							
Pooled cash and cash equivalents	1,608	-	1,457	1,242,195	702,241	-	-
<b>Facilities/system improvements:</b>							
Pooled cash and cash equivalents	11,318	-	-	2,417	-	-	-
<b>Self-insurance - health:</b>							
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Self-insurance - risk management:</b>							
Investments	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-
<b>Total restricted assets</b>	<b>12,926</b>	<b>-</b>	<b>1,457</b>	<b>1,244,612</b>	<b>702,241</b>	<b>-</b>	<b>-</b>
<b>Property, plant, and equipment:</b>							
Land	-	-	-	65,343	-	-	-
Buildings	1,423,123	138,853	-	14,878	-	-	38,081
Improvements other than buildings	-	7,068	-	-	-	-	179,901
Machinery and equipment	1,014,115	74,495	420,751	5,514,046	2,585,299	12,418	199,435
Construction in progress	213,755	-	-	-	3,772,138	-	-
Total property, plant, and equipment	2,650,993	220,416	420,751	5,594,267	6,357,437	12,418	417,417
Less accumulated depreciation	(872,713)	(201,386)	(84,763)	(3,981,810)	(2,235,882)	-	(326,943)
<b>Net property, plant, and equipment</b>	<b>1,778,280</b>	<b>19,030</b>	<b>335,988</b>	<b>1,612,457</b>	<b>4,121,555</b>	<b>12,418</b>	<b>90,474</b>
<b>Total assets</b>	<b>\$ 2,670,610</b>	<b>\$ 1,918,917</b>	<b>\$ 988,831</b>	<b>\$ 3,013,087</b>	<b>\$ 5,303,881</b>	<b>\$ 182,789</b>	<b>\$ 710,748</b>

(continued)

Switchboard Operations Fund	Communi- cations Fund	Environmental Compliance Fund	Risk Management Fund	Self- Insurance Health Fund	Invest- ment Pool Fund	Legis- lative Fund	Totals	
							2001	2000
\$ 50,868	\$ 241	\$ 1,794	\$ -	\$ -	\$ 675	\$ 3,791	\$ 409,422	\$ 290,558
340,426	1,613	12,005	-	-	4,519	25,369	2,739,982	1,944,501
-	14	-	-	-	-	-	5,780	2,647
-	-	-	-	-	-	-	84,843	91,552
-	-	-	-	-	-	-	111,005	146,913
-	-	-	624,314	-	-	-	624,314	-
-	-	-	-	-	-	-	1,947,708	1,974,125
<u>391,294</u>	<u>1,868</u>	<u>13,799</u>	<u>624,314</u>	<u>-</u>	<u>5,194</u>	<u>29,160</u>	<u>5,923,054</u>	<u>4,450,296</u>
-	8,931	611,854	-	-	-	-	2,568,286	2,975,323
-	-	-	-	-	-	-	13,735	13,138
-	-	-	-	8,790,722	-	-	8,790,722	6,792,513
-	-	-	-	50,824	-	-	50,824	55,690
-	-	-	10,504,899	-	-	-	10,504,899	10,420,094
-	-	-	42,109	-	-	-	42,109	70,107
<u>-</u>	<u>8,931</u>	<u>611,854</u>	<u>10,547,008</u>	<u>8,841,546</u>	<u>-</u>	<u>-</u>	<u>21,970,575</u>	<u>20,326,865</u>
-	-	-	-	-	-	-	65,343	71,182
-	-	-	-	-	-	-	1,614,935	1,624,312
-	-	-	-	-	-	-	186,969	197,471
-	56,750	432,839	-	-	5,300	-	10,315,448	14,903,623
-	-	-	-	-	-	-	3,985,893	2,950,748
<u>-</u>	<u>56,750</u>	<u>432,839</u>	<u>-</u>	<u>-</u>	<u>5,300</u>	<u>-</u>	<u>16,168,588</u>	<u>19,747,336</u>
-	(27,037)	(144,280)	-	-	(147)	-	(7,874,961)	(11,805,720)
<u>-</u>	<u>29,713</u>	<u>288,559</u>	<u>-</u>	<u>-</u>	<u>5,153</u>	<u>-</u>	<u>8,293,627</u>	<u>7,941,616</u>
<u>\$ 391,294</u>	<u>\$ 40,512</u>	<u>\$ 914,212</u>	<u>\$ 11,171,322</u>	<u>\$ 8,841,546</u>	<u>\$ 10,347</u>	<u>\$ 29,160</u>	<u>\$ 36,187,256</u>	<u>\$ 32,718,777</u>

CITY OF LUBBOCK, TEXAS  
INTERNAL SERVICE FUNDS

COMBINING BALANCE SHEET

September 30, 2001

With Comparative Totals for September 30, 2000

Liabilities and Fund Equity	Fleet Maintenance Fund	Central Warehouse Fund	Print Shop & Office Store Fund	Radio Shop Fund	Management Information Fund	Custodial Services Fund	Building Services Fund
<b>Current liabilities:</b>							
Accounts payable	\$ 322,100	\$ 107,683	\$ 275,905	\$ 153,551	\$ 466,576	\$ 17,378	\$ 95,165
Due to other funds	46,000	-	12,000	-	-	61,000	-
Accrued liabilities	<u>21,675</u>	<u>1,931</u>	<u>2,899</u>	<u>2,467</u>	<u>28,083</u>	<u>437</u>	<u>7,415</u>
<b>Total current liabilities</b>	<u>389,775</u>	<u>109,614</u>	<u>290,804</u>	<u>156,018</u>	<u>494,659</u>	<u>78,815</u>	<u>102,580</u>
<b>Liabilities (payable from restricted assets):</b>							
<b>Self-insurance - health:</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Health claims payable	-	-	-	-	-	-	-
<b>Self-insurance - risk management:</b>							
Accounts payable	-	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-	-
Accrued insurance claims	-	-	-	-	-	-	-
<b>Capital projects:</b>							
Accounts payable	-	-	-	159	-	-	-
<b>Total liabilities</b> (payable from restricted assets)	<u>-</u>	<u>-</u>	<u>-</u>	<u>159</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Long-term liabilities:</b>							
Advances from other funds	-	-	-	42,915	484,194	-	-
Accrued insurance claims	-	-	-	-	-	-	-
Accrued vacation and sick leave	<u>119,634</u>	<u>15,278</u>	<u>17,976</u>	<u>7,924</u>	<u>148,734</u>	<u>58,835</u>	<u>40,408</u>
<b>Total long-term liabilities</b>	<u>119,634</u>	<u>15,278</u>	<u>17,976</u>	<u>50,839</u>	<u>632,928</u>	<u>58,835</u>	<u>40,408</u>
<b>Total liabilities</b>	<u>509,409</u>	<u>124,892</u>	<u>308,780</u>	<u>207,016</u>	<u>1,127,587</u>	<u>137,650</u>	<u>142,988</u>
<b>Fund equity:</b>							
Contributed capital	<u>1,936,138</u>	<u>436,032</u>	<u>116,341</u>	<u>4,778</u>	<u>4,609,797</u>	<u>-</u>	<u>65,229</u>
<b>Retained earnings:</b>							
Reserved for capital projects	1,608	-	1,457	1,242,195	702,241	-	-
Reserved for facilities/system improvements	11,318	-	-	2,417	-	-	-
Reserved for self-insurance - health	-	-	-	-	-	-	-
Reserved for self-insurance - risk management	-	-	-	-	-	-	-
Unreserved	<u>212,137</u>	<u>1,357,993</u>	<u>562,253</u>	<u>1,556,681</u>	<u>(1,135,744)</u>	<u>45,139</u>	<u>502,531</u>
<b>Total retained earnings</b>	<u>225,063</u>	<u>1,357,993</u>	<u>563,710</u>	<u>2,801,293</u>	<u>(433,503)</u>	<u>45,139</u>	<u>502,531</u>
<b>Total fund equity</b>	<u>2,161,201</u>	<u>1,794,025</u>	<u>680,051</u>	<u>2,806,071</u>	<u>4,176,294</u>	<u>45,139</u>	<u>567,760</u>
<b>Total liabilities and fund equity</b>	<u>\$ 2,670,610</u>	<u>\$ 1,918,917</u>	<u>\$ 988,831</u>	<u>\$ 3,013,087</u>	<u>\$ 5,303,881</u>	<u>\$ 182,789</u>	<u>\$ 710,748</u>

Switchboard Operations Fund	Communi- cations Fund	Environmental Compliance Fund	Risk Management Fund	Self- Insurance Health Fund	Invest- ment Pool Fund	Legis- lative Fund	Totals	
							2001	2000
\$ -	\$ 22,993	\$ 5,041	\$ -	\$ -	\$ 5,342	\$ -	\$ 1,471,734	\$ 1,131,114
-	136,000	-	-	-	-	-	255,000	331,475
894	29,891	2,690	-	-	1,153	2,297	101,832	89,426
894	188,884	7,731	-	-	6,495	2,297	1,828,566	1,552,015
-	-	-	-	212,861	-	-	212,861	200,247
-	-	-	-	2,602	-	-	2,602	1,718
-	-	-	-	3,264,865	-	-	3,264,865	3,441,879
-	-	-	635,481	-	-	-	635,481	291,346
-	-	-	3,094	-	-	-	3,094	3,174
-	-	-	1,500,000	-	-	-	1,500,000	930,982
-	-	67,679	-	-	-	-	67,838	987
-	-	67,679	2,138,575	3,480,328	-	-	5,686,741	4,870,333
-	100,885	-	-	-	-	-	627,994	957,975
-	-	-	4,500,000	-	-	-	4,500,000	2,803,358
-	102,905	37,566	3,732	6,862	3,830	-	563,684	500,168
-	203,790	37,566	4,503,732	6,862	3,830	-	5,691,678	4,261,501
894	392,674	112,976	6,642,307	3,487,190	10,325	2,297	13,206,985	10,683,849
-	74,993	1,547	-	-	-	-	7,244,855	6,846,827
-	8,931	611,854	-	-	-	-	2,568,286	2,974,336
-	-	-	-	-	-	-	13,735	13,138
-	-	-	-	5,354,356	-	-	5,354,356	3,204,358
-	-	-	4,529,015	-	-	-	4,529,015	9,264,699
390,400	(436,086)	187,835	-	-	22	26,863	3,270,024	(268,430)
390,400	(427,155)	799,689	4,529,015	5,354,356	22	26,863	15,735,416	15,188,101
390,400	(352,162)	801,236	4,529,015	5,354,356	22	26,863	22,980,271	22,034,928
\$ 391,294	\$ 40,512	\$ 914,212	\$ 11,171,322	\$ 8,841,546	\$ 10,347	\$ 29,160	\$ 36,187,256	\$ 32,718,777

CITY OF LUBBOCK, TEXAS  
INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY/RETAINED EARNINGS

Year Ended September 30, 2001

With Comparative Totals for Year Ended September 30, 2000

	Fleet Maintenance Fund	Central Warehouse Fund	Print Shop & Office Store Fund	Radio Shop Fund	Management Information Fund	Custodial Services Fund	Building Services Fund
<b>Operating revenues:</b>							
Charges for services	\$ 5,468,745	\$ 2,723,956	\$ 663,610	\$ 1,155,986	\$ 5,294,985	\$ 814,223	\$ 1,286,632
Administrative charges	<u>273,909</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total operating revenue	<u>5,742,654</u>	<u>2,723,956</u>	<u>663,610</u>	<u>1,155,986</u>	<u>5,294,985</u>	<u>814,223</u>	<u>1,286,632</u>
<b>Operating expenses:</b>							
Personal services	1,439,426	186,480	204,176	166,206	1,785,831	25,095	547,132
Insurance	-	-	-	-	-	-	-
Supplies	67,314	6,880	3,896	3,933	29,260	281	22,816
Materials	3,859,369	2,476,789	286,235	54,662	-	-	-
Maintenance	88,677	11,881	68,455	92,298	1,195,815	2,292	159,201
Other services and charges	137,617	57,575	94,769	51,912	1,361,015	764,400	515,248
Depreciation	<u>75,784</u>	<u>9,704</u>	<u>25,324</u>	<u>896,120</u>	<u>796,490</u>	<u>-</u>	<u>13,399</u>
Total operating expenses	<u>5,668,187</u>	<u>2,749,309</u>	<u>682,855</u>	<u>1,265,131</u>	<u>5,168,411</u>	<u>792,068</u>	<u>1,257,796</u>
Total operating income (loss)	<u>74,467</u>	<u>(25,353)</u>	<u>(19,245)</u>	<u>(109,145)</u>	<u>126,574</u>	<u>22,155</u>	<u>28,836</u>
<b>Nonoperating revenues (expenses):</b>							
Interest earnings	29,949	9,484	26,184	49,532	29,999	6,984	23,722
Disposition of properties	(93,854)	(7,492)	(10,245)	(29,240)	(142,370)	-	(11,455)
Junk sales	-	43,223	-	-	475	-	-
Building rent	-	-	-	-	-	-	15,635
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(63,905)</u>	<u>45,215</u>	<u>15,939</u>	<u>20,292</u>	<u>(111,896)</u>	<u>6,984</u>	<u>27,902</u>
Income (loss) before operating transfers	<u>10,562</u>	<u>19,862</u>	<u>(3,306)</u>	<u>(88,853)</u>	<u>14,678</u>	<u>29,139</u>	<u>56,738</u>
<b>Transfers:</b>							
Operating transfers in	-	-	-	11,100	1,009,500	-	-
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(359,227)</u>	<u>-</u>	<u>-</u>
Total transfers in (out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,100</u>	<u>650,273</u>	<u>-</u>	<u>-</u>
Net income (loss)	10,562	19,862	(3,306)	(77,753)	664,951	29,139	56,738
Retained earnings at beginning of year	214,501	1,338,131	567,016	2,879,046	(1,098,454)	16,000	445,793
Retained earnings at end of year	<u>225,063</u>	<u>1,357,993</u>	<u>563,710</u>	<u>2,801,293</u>	<u>(433,503)</u>	<u>45,139</u>	<u>502,531</u>
Contributed capital at beginning of year	1,518,630	436,032	116,341	4,778	4,609,797	-	68,043
Contributions and other changes	<u>417,508</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,814)</u>
Contributed capital at end of year	<u>1,936,138</u>	<u>436,032</u>	<u>116,341</u>	<u>4,778</u>	<u>4,609,797</u>	<u>-</u>	<u>65,229</u>
Total equity at end of year	<u>\$ 2,161,201</u>	<u>\$ 1,794,025</u>	<u>\$ 680,051</u>	<u>\$ 2,806,071</u>	<u>\$ 4,176,294</u>	<u>\$ 45,139</u>	<u>\$ 567,760</u>

Switchboard Operations Fund	Communi- cations Fund	Environmental Compliance Fund	Risk Management Fund	Self- Insurance Health Fund	Invest- ment Pool Fund	Legis- lation Fund	Totals	
							2001	2000
\$ -	\$ 1,895,689	\$ 225,737	\$ 3,592,020	\$ 12,032,228	\$ -	\$ -	\$ 35,153,811	\$ 33,880,956
-	-	-	-	-	-	-	273,909	186,500
-	1,895,689	225,737	3,592,020	12,032,228	-	-	35,427,720	34,067,456
70,924	1,824,462	189,357	174,554	162,161	72,483	123,734	6,972,021	6,089,665
-	-	-	5,735,258	9,968,099	-	-	15,703,357	13,727,204
-	16,254	7,100	2,583	9,214	3,730	1,256	174,517	188,585
-	-	-	-	-	1,121	-	6,678,176	7,012,499
1,078	35,601	3,162	4,444	3,628	186,205	1,097	1,853,834	1,451,533
38	151,541	143,165	61,990	74,249	-	214,922	3,628,441	3,525,298
-	9,070	144,429	1,474	1,236	-	-	1,973,030	1,755,094
72,040	2,036,928	487,213	5,980,303	10,218,587	263,539	341,009	36,983,376	33,749,878
(72,040)	(141,239)	(261,476)	(2,388,283)	1,813,641	(263,539)	(341,009)	(1,555,656)	317,578
16,209	387	30,976	476,209	389,369	266,800	7,107	1,362,911	1,411,535
-	(24,552)	(3,035)	(4,183)	(3,984)	(3,251)	(6,342)	(340,003)	7,876
-	-	-	-	-	-	-	43,698	20,991
-	-	-	-	-	-	-	15,635	12,764
-	-	-	-	-	-	-	-	120
16,209	(24,165)	27,941	472,026	385,385	263,549	765	1,082,241	1,453,286
(55,831)	(165,404)	(233,535)	(1,916,257)	2,199,026	10	(340,244)	(473,415)	1,770,864
67,119	78,000	-	-	-	-	359,238	1,524,957	735,094
-	-	(100,000)	-	(45,000)	-	-	(504,227)	(548,119)
67,119	78,000	(100,000)	-	(45,000)	-	359,238	1,020,730	186,975
11,288	(87,404)	(333,535)	(1,916,257)	2,154,026	10	18,994	547,315	1,957,839
379,112	(339,751)	1,133,224	6,445,272	3,200,330	12	7,869	15,188,101	13,230,262
390,400	(427,155)	799,689	4,529,015	5,354,356	22	26,863	15,735,416	15,188,101
-	74,993	1,547	2,378	7,277	4,676	2,335	6,846,827	4,190,033
-	-	-	(2,378)	(7,277)	(4,676)	(2,335)	398,028	2,656,794
-	74,993	1,547	-	-	-	-	7,244,855	6,846,827
\$ 390,400	\$ (352,162)	\$ 801,236	\$ 4,529,015	\$ 5,354,356	\$ 22	\$ 26,863	\$ 22,980,271	\$ 22,034,928

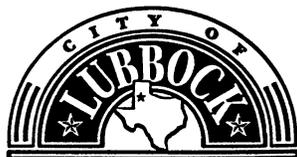
**CITY OF LUBBOCK, TEXAS  
INTERNAL SERVICE FUNDS**

**COMBINING STATEMENT OF CASH FLOWS**

**Year Ended September 30, 2001  
With Comparative Totals for Year Ended September 30, 2000**

	Fleet Maintenance Fund	Central Warehouse Fund	Print Shop & Office Store Fund	Radio Shop Fund	Management Information Fund	Custodial Services Fund	Building Services Fund
<b>Cash flows from operating activities:</b>							
Operating income (loss)	\$ 74,467	\$ (25,353)	\$ (19,245)	\$ (109,145)	\$ 126,574	\$ 22,155	\$ 28,836
Adjustments to reconcile operating income (loss) to net cash from operating activities:							
Depreciation	75,784	9,704	25,324	896,120	796,490	-	13,399
Increase (decrease) in long-term assets/liabilities not requiring cash flow	10,564	8,714	13,563	(221)	(13,432)	54,930	1,498
Other income(expense)	-	43,221	-	-	-	1,230	-
Receipts from building rent	-	-	-	-	-	-	15,635
Change in current assets and liabilities:							
Accounts receivable	-	-	-	-	-	-	(3,133)
Inventory	(6,824)	25,129	3,690	4,422	-	-	-
Prepaid expenses	-	-	-	-	-	-	-
Accounts payable	(68,457)	(45,418)	202,414	124,169	213,037	(42,457)	(28,919)
Due from others	-	-	6,709	-	-	-	-
Accrued liabilities	1,388	(200)	637	316	2,634	71	167
Net cash provided by (used for) operating activities	<u>86,922</u>	<u>15,797</u>	<u>233,092</u>	<u>915,661</u>	<u>1,125,303</u>	<u>35,929</u>	<u>27,483</u>
<b>Cash flows from capital and related financing activities:</b>							
Purchase of property, plant and equipment	(32,819)	-	(227,379)	(275,606)	(1,721,228)	-	(9,116)
Sale of property, plant and equipment	2,171	-	-	-	475	-	3,622
Contributed capital	-	-	-	-	-	-	-
Payments on capital leases	-	-	-	-	-	-	-
Interest paid on capital lease	-	-	-	-	-	-	-
Net cash provided by (used for) capital and related financing activities	<u>(30,648)</u>	<u>-</u>	<u>(227,379)</u>	<u>(275,606)</u>	<u>(1,720,753)</u>	<u>-</u>	<u>(5,494)</u>
<b>Cash flows from noncapital and related financing activities:</b>							
Operating transfers in from other funds	-	-	-	11,100	1,009,500	-	-
Operating transfers out to other funds	-	-	-	-	(359,227)	-	-
Short-term interfund borrowings	15,600	-	-	(146,000)	-	61,000	-
Payments on advances from other funds	-	-	-	(65,567)	(264,414)	-	-
Net cash provided by (used for) noncapital and related financing activities	<u>15,600</u>	<u>-</u>	<u>-</u>	<u>(200,467)</u>	<u>385,859</u>	<u>61,000</u>	<u>-</u>
<b>Cash flows from investing activities:</b>							
Proceeds from sales and maturities of investments	33,031	99,336	200,364	49,552	153,619	29,141	186,630
Purchase of investments	(163,307)	(154,098)	(249,866)	(176,972)	(548,640)	(23,955)	(247,969)
Interest earned on cash investments	67,751	47,148	51,185	49,532	29,999	(102,889)	48,515
Net cash provided by (used for) investing activities	<u>(62,525)</u>	<u>(7,614)</u>	<u>1,683</u>	<u>(77,888)</u>	<u>(365,022)</u>	<u>(97,703)</u>	<u>(12,824)</u>
Net increase (decrease) in pooled cash and cash equivalents	9,349	8,183	7,396	361,700	(574,613)	(774)	9,165
Pooled cash and cash equivalents at beginning of year	56,188	41,461	74,558	902,198	1,339,265	8,492	70,721
Pooled cash and cash equivalents at end of year	<u>\$ 65,537</u>	<u>\$ 49,644</u>	<u>\$ 81,954</u>	<u>\$ 1,263,898</u>	<u>\$ 764,652</u>	<u>\$ 7,718</u>	<u>\$ 79,886</u>
<b>Supplemental cash flow information:</b>							
Noncash capital improvements and other changes	<u>\$ (417,508)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,814</u>

Switchboard Operations Fund	Communi- cations Fund	Environmental Compliance Fund	Risk Management Fund	Self- Insurance Health Fund	Legislative Fund	Investment Pool Fund	Totals	
							2001	2000
\$ (72,040)	\$ (141,239)	\$ (261,476)	\$ (2,388,283)	\$ 1,813,641	\$ (341,009)	\$ (263,539)	\$ (1,555,656)	\$ 317,578
-	9,070	144,429	1,474	1,236	-	-	1,973,030	1,755,094
-	(17,293)	17,698	(16,487)	(176,862)	-	3,830	(113,498)	574,955
-	-	-	-	-	-	-	44,451	24,366
-	-	-	-	-	-	-	15,635	12,764
-	-	-	27,999	4,865	-	-	29,731	508,390
-	-	-	-	-	-	-	26,417	(152,464)
-	-	-	(624,314)	-	-	-	(624,314)	-
(305)	180	75,678	344,134	12,614	(18,466)	4,885	773,089	123,939
-	-	-	-	-	-	-	6,709	(13,902)
19	6,185	218	2,265,580	884	642	329	2,278,870	(67,640)
<u>(72,326)</u>	<u>(143,097)</u>	<u>(23,453)</u>	<u>(389,897)</u>	<u>1,656,378</u>	<u>(358,833)</u>	<u>(254,495)</u>	<u>2,854,464</u>	<u>3,083,080</u>
-	(4,506)	(1,453)	(1,507)	(2,538)	(1,443)	(5,311)	(2,282,906)	(1,265,349)
-	-	-	-	-	-	-	6,268	125,628
-	-	-	-	-	-	-	-	3,000,002
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	<u>(4,506)</u>	<u>(1,453)</u>	<u>(1,507)</u>	<u>(2,538)</u>	<u>(1,443)</u>	<u>(5,311)</u>	<u>(2,276,638)</u>	<u>1,860,281</u>
67,119	78,000	-	-	-	359,238	-	1,524,957	735,094
-	-	(100,000)	-	(45,000)	-	-	(504,227)	(548,119)
-	(4,000)	-	-	-	-	(3,075)	(76,475)	(1,460,325)
-	-	-	-	-	-	-	(329,981)	(857,901)
<u>67,119</u>	<u>74,000</u>	<u>(100,000)</u>	<u>-</u>	<u>(45,000)</u>	<u>359,238</u>	<u>(3,075)</u>	<u>614,274</u>	<u>(2,131,251)</u>
131,560	64,783	4,416	4,787,588	2,079,113	6,487	1,326	7,826,946	16,064,474
(157,897)	(748)	(15,771)	(4,872,393)	(4,077,322)	(11,767)	(4,736)	(10,705,441)	(18,593,644)
35,479	387	32,227	476,209	389,369	7,107	266,800	1,398,819	1,370,961
<u>9,142</u>	<u>64,422</u>	<u>20,872</u>	<u>391,404</u>	<u>(1,608,840)</u>	<u>1,827</u>	<u>263,390</u>	<u>(1,479,676)</u>	<u>(1,158,209)</u>
3,935	(9,181)	(104,034)	-	-	789	509	(287,576)	1,653,901
<u>46,933</u>	<u>18,353</u>	<u>717,682</u>	<u>-</u>	<u>-</u>	<u>3,002</u>	<u>166</u>	<u>3,279,019</u>	<u>1,625,118</u>
<u>\$ 50,868</u>	<u>\$ 9,172</u>	<u>\$ 613,648</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,791</u>	<u>\$ 675</u>	<u>\$ 2,991,443</u>	<u>\$ 3,279,019</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,870</u>	<u>\$ 2,378</u>	<u>\$ 7,276</u>	<u>\$ 2,335</u>	<u>\$ 4,676</u>	<u>\$ (389,159)</u>	<u>\$ 507,226</u>



## **Trust and Agency Funds**

The Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds.

**Community Development Fund (“Community Development”)** - To account for the receipt and disbursement of Community Development Block Grant funds from the United States Department of Housing & Urban Development.

**Urban Renewal Agency (“URA”)** - To account for housing rehabilitation, housing acquisition, and land disposition. The URA is governed by the City Council.

**Community Services Fund (“Community Services”)** - To account for the receipt and disbursement of funds received from the Texas Department of Human Resources, Texas Department of Community Affairs and United States Department of Energy.

**Health Services Fund (“Health”)** - To account for the receipt and disbursement of funds received from the Texas Department of Health and United States Department of Health and Human Services.

**Library Fund (“Library”)** - To account for the receipt and disbursement of funds received from the Texas State Library and Archives Commission, and United States Department of Education.

**Police Fund (“Police”)** - To account for the receipt and disbursement of funds received from the State Department of Highways and Public Transportation and the Office of the Governor, Criminal Justice Division and United States Department of Justice.

**Other Grants Fund (“Other Grants”)** - To account for the receipt and disbursement of funds received from the Texas State Department of Highways, Texas Historical Commission, United States Department of Transportation and United States Department of the Interior, Texas Department of Human Services, and South Plains Association of Governments.

**Deferred Compensation Fund (“Deferred Compensation”)** - To account for assets held by the City pursuant to the employees deferred compensation plan.

**Living Memorial Fund (“Living Memorial”)** - To account for assets held by the City as an agent for individuals and private organizations.

**CITY OF LUBBOCK, TEXAS  
EXPENDABLE TRUST AND  
AGENCY FUNDS**

**COMBINING BALANCE SHEET**

**September 30, 2001  
With Comparative Totals for September 30, 2000**

	Expendable Trust Funds				
	Community Development	Urban Renewal Agency (URA)	Community Services	Health	Library
<b>Assets</b>					
Pooled cash and cash equivalents	\$ 1,281	\$ -	\$ 401	\$ 30,923	\$ 833
Investments	-	-	-	206,950	-
Accounts receivable	-	-	-	-	-
Mortgages receivable	-	5,855,515	-	-	-
Due from other governments	1,412,256	-	-	-	149,600
Investment in property	-	271,510	-	-	-
<b>Total assets</b>	<b>\$ 1,413,537</b>	<b>\$ 6,127,025</b>	<b>\$ 401</b>	<b>\$ 237,873</b>	<b>\$ 150,433</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts and vouchers payable	\$ 1,722,307	\$ -	\$ 2,733	\$ 18,415	\$ 10,089
Deferred revenue	-	-	-	-	98,331
Due to other funds	1,372,001	-	26,000	-	221,400
Accrued liabilities	53	-	-	973	-
<b>Total liabilities</b>	<b>3,094,361</b>	<b>-</b>	<b>28,733</b>	<b>19,388</b>	<b>329,820</b>
<b>Fund balances:</b>					
Reserved for Federal housing programs	-	6,127,025	-	-	-
Reserved for plan participants	-	-	-	-	-
Unreserved	(1,680,824)	-	(28,332)	218,485	(179,387)
<b>Total fund balances</b>	<b>(1,680,824)</b>	<b>6,127,025</b>	<b>(28,332)</b>	<b>218,485</b>	<b>(179,387)</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,413,537</b>	<b>\$ 6,127,025</b>	<b>\$ 401</b>	<b>\$ 237,873</b>	<b>\$ 150,433</b>

Expendable Trust Funds			Agency Fund	Totals	
Police	Other Grants	Deferred Compensation	Living Memorial	2001	2000
\$ 17,866	\$ 69,393	\$ -	\$ 289	\$ 120,986	\$ 220,462
119,566	464,400	10,483,055	1,925	11,275,896	15,546,836
2,982	1,069	-	-	4,051	16,359
-	-	-	-	5,855,515	5,928,880
113,624	30,940	-	-	1,706,420	1,593,166
-	-	-	-	271,510	279,355
<u>\$ 254,038</u>	<u>\$ 565,802</u>	<u>\$ 10,483,055</u>	<u>\$ 2,214</u>	<u>\$ 19,234,378</u>	<u>\$ 23,585,058</u>
\$ 54,711	\$ 128,999	\$ -	\$ 2,214	\$ 1,939,468	\$ 2,419,171
707,173	220,000	-	-	1,025,504	1,663,039
-	-	-	-	1,619,401	1,427,338
-	-	-	-	1,026	65,190
<u>761,884</u>	<u>348,999</u>	<u>-</u>	<u>2,214</u>	<u>4,585,399</u>	<u>5,574,738</u>
-	-	-	-	6,127,025	6,208,235
-	-	10,483,055	-	10,483,055	14,084,187
<u>(507,846)</u>	<u>216,803</u>	<u>-</u>	<u>-</u>	<u>(1,961,101)</u>	<u>(2,282,102)</u>
<u>(507,846)</u>	<u>216,803</u>	<u>10,483,055</u>	<u>-</u>	<u>14,648,979</u>	<u>18,010,320</u>
<u>\$ 254,038</u>	<u>\$ 565,802</u>	<u>\$ 10,483,055</u>	<u>\$ 2,214</u>	<u>\$ 19,234,378</u>	<u>\$ 23,585,058</u>

**CITY OF LUBBOCK, TEXAS  
EXPENDABLE TRUST FUNDS**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES**

**Year Ended September 30, 2001**

**With Comparative Totals for Year Ended September 30, 2000**

	Expendable Trust Funds				
	Community Development	Urban Renewal Agency (URA)	Community Services	Health	Library
<b>Revenues:</b>					
Intergovernmental revenue	\$ 4,758,346	\$ -	\$ 360,856	\$ 483,395	\$ 595,091
Net increase (decrease) in the fair value of investments	-	-	-	-	-
Other revenue	769,519	-	-	222,382	-
<b>Total revenues</b>	<b>5,527,865</b>	<b>-</b>	<b>360,856</b>	<b>705,777</b>	<b>595,091</b>
<b>Expenditures:</b>					
<b>Current - general government:</b>					
Personal services	834,833	-	63,536	525,351	278,760
Supplies	24,709	-	4,363	147,152	151,962
Maintenance	54,183	-	-	-	335
Other charges	4,670,796	81,210	279,381	52,781	121,086
Capital outlay	54,269	-	-	4,830	151,578
<b>Total expenditures</b>	<b>5,638,790</b>	<b>81,210</b>	<b>347,280</b>	<b>730,114</b>	<b>703,721</b>
Excess (deficiency) of revenues over (under) expenditures	(110,925)	(81,210)	13,576	(24,337)	(108,630)
<b>Other financing sources (uses):</b>					
Operating transfers in	-	-	-	-	-
Operating transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(110,925)	(81,210)	13,576	(24,337)	(108,630)
Fund balances at beginning of year	(1,569,899)	6,208,235	(41,908)	242,822	(70,757)
Fund balances at end of year	<u>\$ (1,680,824)</u>	<u>\$ 6,127,025</u>	<u>\$ (28,332)</u>	<u>\$ 218,485</u>	<u>\$ (179,387)</u>

Expendable Trust Funds			Totals	
Police	Other Grants	Deferred Compensation	2001	2000
\$ 659,651	\$ 3,362,345	\$ -	\$ 10,219,684	\$ 9,271,735
-	-	(3,968,766)	(3,968,766)	2,018,271
<u>210,060</u>	<u>337,846</u>	<u>1,306,068</u>	<u>2,845,875</u>	<u>2,788,327</u>
<u>869,711</u>	<u>3,700,191</u>	<u>(2,662,698)</u>	<u>9,096,793</u>	<u>14,078,333</u>
459,466	420,899	-	2,582,845	2,430,661
128,507	98,895	-	555,588	586,047
-	17,556	-	72,074	78,302
24,858	2,556,095	938,434	8,724,641	7,423,345
<u>315,252</u>	<u>30,794</u>	<u>-</u>	<u>556,723</u>	<u>1,038,422</u>
<u>928,083</u>	<u>3,124,239</u>	<u>938,434</u>	<u>12,491,871</u>	<u>11,556,777</u>
<u>(58,372)</u>	<u>575,952</u>	<u>(3,601,132)</u>	<u>(3,395,078)</u>	<u>2,521,556</u>
-	33,737	-	33,737	1,532
-	-	-	-	(1,532)
<u>-</u>	<u>33,737</u>	<u>-</u>	<u>33,737</u>	<u>-</u>
(58,372)	609,689	(3,601,132)	(3,361,341)	2,521,556
<u>(449,474)</u>	<u>(392,886)</u>	<u>14,084,187</u>	<u>18,010,320</u>	<u>15,488,764</u>
<u>\$ (507,846)</u>	<u>\$ 216,803</u>	<u>\$ 10,483,055</u>	<u>\$ 14,648,979</u>	<u>\$ 18,010,320</u>

**CITY OF LUBBOCK, TEXAS  
ALL AGENCY FUNDS**

**COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES**

**For Year Ended September 30, 2001**

	Balance 10/1/00	Additions	Deletions	Balance 9/30/01
<b>Living Memorial Fund</b>				
Pooled Cash and Cash Equivalents	\$ 95,510	\$ 42,540	\$ 137,761	\$ 289
Investments	639,183	284,678	921,936	1,925
Total Assets	<u>\$ 734,693</u>	<u>\$ 327,218</u>	<u>\$ 1,059,697</u>	<u>\$ 2,214</u>
Accounts Payable	\$ 734,693	\$ -	\$ 732,479	\$ 2,214
Total Liabilities	<u>\$ 734,693</u>	<u>\$ -</u>	<u>\$ 732,479</u>	<u>\$ 2,214</u>

**Market Lubbock Economic Development Corporation,  
dba Market Lubbock, Inc.  
ALL AGENCY FUNDS**

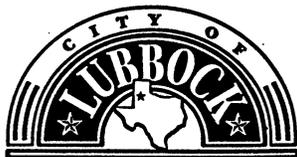
**COMBINING STATEMENT OF CHANGES  
IN ASSETS AND LIABILITIES**

**For Year Ended September 30, 2001**

	Balance 10/1/00	Additions	Deletions	Balance 9/30/01
<b>City of Lubbock Incentives Agency Fund</b>				
Investments	\$ 28,284	\$ 2,768	\$ 150	\$ 30,902
Due from other funds	100,259	-	-	100,259
Total Assets	<u>\$ 128,543</u>	<u>\$ 2,768</u>	<u>\$ 150</u>	<u>\$ 131,161</u>
Incentives payable	\$ 31,469	\$ -	\$ -	\$ 31,469
Due to City of Lubbock	97,074	2,618	-	99,692
Total Liabilities	<u>\$ 128,543</u>	<u>\$ 2,618</u>	<u>\$ -</u>	<u>\$ 131,161</u>

## **General Fixed Assets Account Group**

The General Fixed Assets Account Group is used to account for tangible assets of the City of Lubbock having a useful life of at least 3 years and having a monetary value large enough to warrant maintaining custodial records on the property.



**CITY OF LUBBOCK, TEXAS**

**SCHEDULE OF GENERAL FIXED ASSETS  
BY SOURCE**

**September 30, 2001**

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General Fixed Assets:

Land	\$	7,348,052
Buildings		46,043,445
Improvements other than Buildings		142,591,116
Machinery and Equipment		37,328,030
Construction in Progress		<u>31,851,083</u>
Total General Fixed Assets	\$	<u><u>265,161,726</u></u>

Investments in General Fixed Assets from:

Capital Projects Fund Expenditures	\$	169,466,977
General Fund Expenditures		56,423,078
Community Development Expenditures		23,821,280
Federal Revenue Sharing Fund Expenditures		10,212,850
Contributions and Transfers		3,040,355
Investments prior to October 1, 1956		<u>2,197,186</u>
Total Investments in General Fixed Assets	\$	<u><u>265,161,726</u></u>

**CITY OF LUBBOCK, TEXAS**

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY**

**Year Ended September 30, 2001**

Function and Activity	General Fixed Assets 10-1-00	Additions*	Deletions*	General Fixed Assets 9-30-01
<b>General Government:</b>				
City Council	\$ 151,851	\$ -	\$ 71,984	\$ 79,867
City Manager	54,646	186	49,802	5,030
City Secretary	60,974	106,149	48,542	118,581
City Attorney	1,093,662	36,589	111,953	1,018,298
General Multipurpose	2,087,972	239	64,337	2,023,874
Support Services - Business Dev.	26,660	-	17,660	9,000
<b>Total General     Government</b>	<b>3,475,765</b>	<b>143,163</b>	<b>364,278</b>	<b>3,254,650</b>
<b>Financial Services:</b>				
Finance Administration	3,802	2,033	5,835	-
Accounting and Reporting	136,734	-	57,548	79,186
Purchasing	106,324	287	96,210	10,401
Municipal Court	112,852	15,273	44,181	83,944
<b>Total Financial     Services</b>	<b>359,712</b>	<b>17,593</b>	<b>203,774</b>	<b>173,531</b>
<b>Management Services:</b>				
Budget and Research	54,554	-	35,597	18,957
Personnel	108,665	-	39,130	69,535
Internal Safety	2,435	-	2,435	-
Public Information	153,374	-	27,040	126,334
Community Services	1,428	-	1,428	-
Emergency Services	568,211	1,117	25,940	543,388
Microfilm	-	-	-	-
Building Maintenance	9,565,972	602,009	561,519	9,606,462
<b>Total Management     Services</b>	<b>10,454,639</b>	<b>603,126</b>	<b>693,089</b>	<b>10,364,676</b>
<b>Development Services:</b>				
Planning	128,068	1,088	45,680	83,476
Zoning and Environment	358,841	77,508	66,865	369,484
Community Development	2,947,203	-	23,303	2,923,900
Neighborhood Redevelopment	778,781	85,753	171,599	692,935
Building Inspection	117,190	6,492	38,468	85,214
Traffic Engineering	7,043,946	195,561	153,551	7,085,956
Streets - Paved	90,163,415	7,073,965	717,201	96,520,179
Streets - Unpaved	919,911	400,937	7,911	1,312,937
Street Cleaning	526,849	302,779	3,425	826,203
Storm Sewer	6,066,110	46,627	93,207	6,019,530
Public Service Engineering	561,269	78,225	124,686	514,808
<b>Total Development     Services</b>	<b>\$ 109,611,583</b>	<b>\$ 8,268,935</b>	<b>\$ 1,445,896</b>	<b>\$ 116,434,622</b>

(continued)

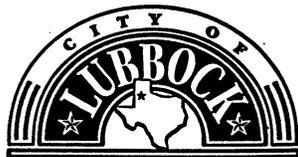
**CITY OF LUBBOCK, TEXAS**

**SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
BY FUNCTION AND ACTIVITY**

**Year Ended September 30, 2001**

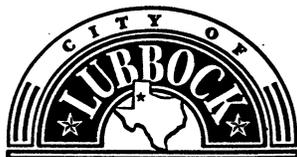
Function and Activity	General Fixed Assets 10-1-00	Additions*	Deletions*	General Fixed Assets 9-30-01
<b>Public Safety and Services:</b>				
Public Safety and Services Admin	\$ 2,285	\$ -	\$ 2,285	\$ -
Parks and Recreation	24,800,022	846,748	945,561	24,701,209
Cemetery	857,946	25,684	30,726	852,904
Swimming Pools	467,149	-	-	467,149
Civic Center/Auditorium/Coliseum	22,465,078	4,297,947	417,536	26,345,489
Canyon Lakes	6,943,235	-	74,374	6,868,861
Library	11,679,838	635,347	339,406	11,975,779
Fire	11,921,419	2,337,739	892,652	13,366,506
Health	2,386,746	33,766	290,268	2,130,244
Animal Shelter	1,099,424	335,833	98,058	1,337,199
Police	9,144,773	2,115,500	1,959,078	9,301,195
Street Lights	5,724,304	119,060	106,735	5,736,629
<b>Total Public Safety and Services</b>	<u>97,492,219</u>	<u>10,747,624</u>	<u>5,156,679</u>	<u>103,083,164</u>
Construction in Progress	<u>40,390,461</u>	<u>13,550,076</u>	<u>22,089,454</u>	<u>31,851,083</u>
<b>Total General Fixed Assets Primary Government</b>	<u>261,784,379</u>	<u>33,330,517</u>	<u>29,953,170</u>	<u>265,161,726</u>
Market Lubbock Inc.	<u>520,542</u>	<u>327,521</u>	<u>312,158</u>	<u>535,905</u>
<b>Total Component Units</b>	<u>520,542</u>	<u>327,521</u>	<u>312,158</u>	<u>535,905</u>
<b>Total General Fixed Asset Account Group-Reporting Entity</b>	<u>\$ 262,304,921</u>	<u>\$ 33,658,038</u>	<u>\$ 30,265,328</u>	<u>\$ 265,697,631</u>

\*Includes Transfers



## **General Long-Term Debt Account Group**

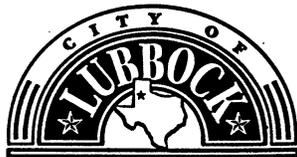
The General Long-term Debt Account Group is used to account for the City's liability for general long-term debt presently consisting of general obligation bonds and obligations for employee vacation, sick-leave benefits and rebatable arbitrage.



**CITY OF LUBBOCK, TEXAS**  
**SCHEDULE OF GENERAL LONG-TERM DEBT**

As of September 30, 2001  
With Comparative Totals as of September 30, 2000

	2001	2000
<u>Amount Available and to be Provided for the Payment of General Long-Term Debt</u>		
Amount available in debt service fund	\$ 1,415,094	\$ 1,260,450
Amount to be provided	<u>64,192,724</u>	<u>58,501,212</u>
Total available and to be provided	<u>\$ 65,607,818</u>	<u>\$ 59,761,662</u>
 <u>General Long-Term Debt Payable</u>		
General obligation bonds payable	\$ <u>53,082,808</u>	\$ <u>48,380,346</u>
 <u>Other Long-Term Obligations</u>		
Arbitrage Rebate	621,657	301,269
Accumulated unpaid vacation and sick leave	<u>11,903,353</u>	<u>11,080,047</u>
Total other long-term obligations	<u>12,525,010</u>	<u>11,381,316</u>
 Total general long-term debt payable	 <u>\$ 65,607,818</u>	 <u>\$ 59,761,662</u>



## **Statistical/ Supplementary Information**

The statistical/supplementary information section contains certain bond and financial information presented in proactive compliance with Securities and Exchange Commission Rule 15c2-12, as amended.

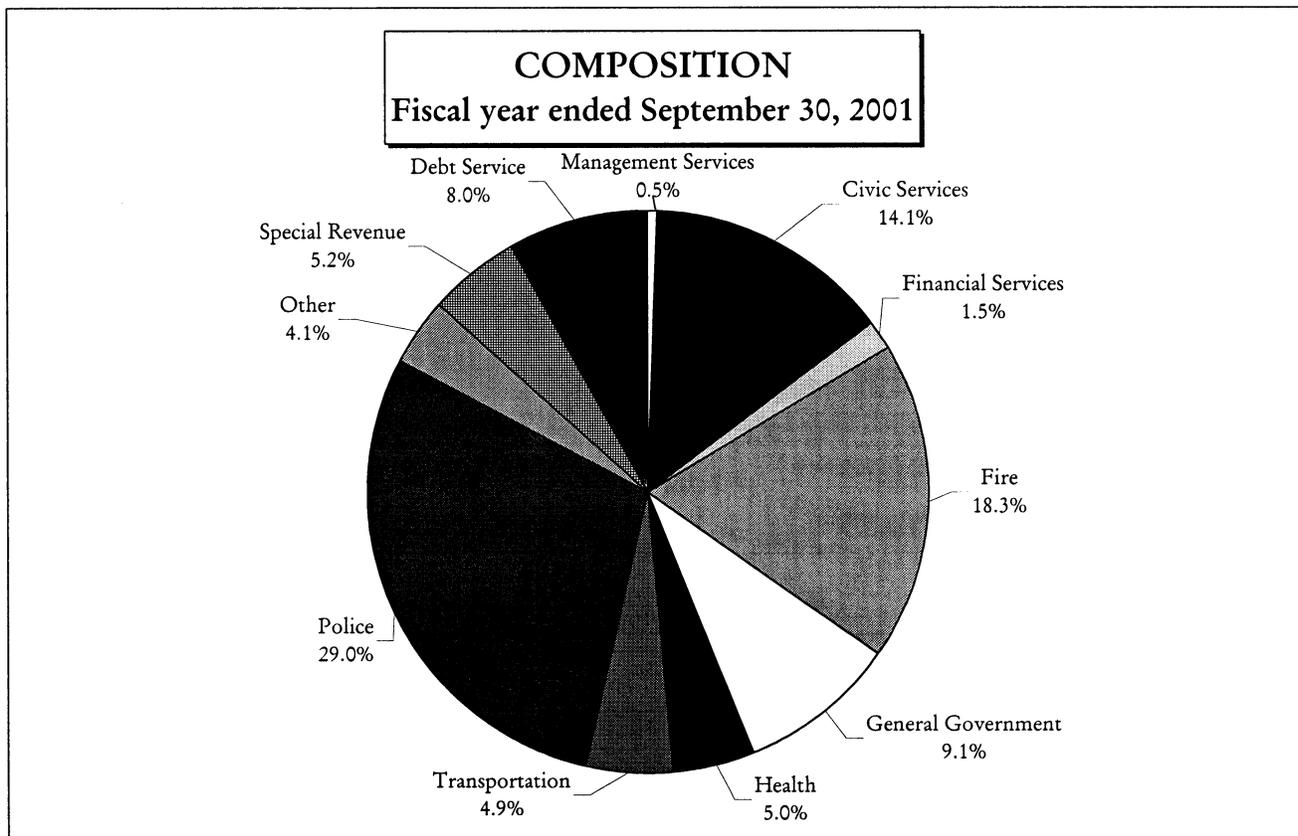
# CITY OF LUBBOCK, TEXAS

## TABLE A - General Government Expenditures by Function <sup>(1)</sup>

Last Ten Fiscal Years

Fiscal year	Civic Services	Fire	General Government <sup>(2)</sup>	Health & Community	Police	Financial Services	Transportation	Other <sup>(3)</sup>
1992	\$ -	\$ -	\$ 2,394,150	\$ -	\$ -	\$ 2,023,360	\$ -	\$ -
1993	-	-	2,671,138	-	-	2,065,725	-	-
1994	-	-	2,748,219	-	-	2,071,418	-	-
1995	-	-	4,143,860	-	-	1,780,443	-	-
1996	-	-	4,356,679	-	-	1,834,463	-	-
1997	12,347,987	13,897,682	6,044,225	4,398,348	20,519,946	1,067,281	4,993,564	3,338,030
1998	12,667,406	14,468,027	6,887,593	4,519,880	22,013,906	1,196,779	5,007,496	3,434,158
1999	12,630,738	15,616,543	7,069,279	4,522,041	23,478,729	1,366,006	5,195,459	3,469,495
2000	12,893,179	17,080,371	7,261,034	4,744,830	25,561,261	1,458,232	5,439,855	3,618,579
2001	13,668,823	17,785,641	8,846,645	4,831,348	28,139,048	1,499,967	4,771,680	4,007,975

Fiscal year	Management Services	Development Services	Fire and Police	Total General Fund	Special Revenue Fund	Debt Service Fund <sup>(4)</sup>	Total Governmental Funds
1992	\$ 2,368,479	\$ 6,593,869	\$ 44,624,486	\$ 58,004,344	\$ 2,161,088	\$ 7,682,351	\$ 67,847,783
1993	2,037,481	6,397,086	45,611,706	58,783,136	1,054,188	7,318,519	67,155,843
1994	1,989,477	6,662,148	47,253,201	60,724,463	985,985	14,022,347	75,732,795
1995	2,320,670	6,716,104	48,339,953	63,301,030	2,120,405	7,159,419	72,580,854
1996	2,526,119	7,041,640	50,891,276	66,650,177	8,830,171	8,510,658	83,991,006
1997	1,170,948	-	-	67,778,011	4,634,697	8,995,150	81,407,858
1998	389,583	-	-	70,584,828	4,366,757	8,717,935	83,669,520
1999	396,216	-	-	73,744,506	4,495,736	9,642,546	87,882,788
2000	561,653	-	-	78,618,994	4,529,238	7,738,784	90,887,016
2001	629,903	-	-	84,181,030	5,044,166	7,757,392	96,982,588



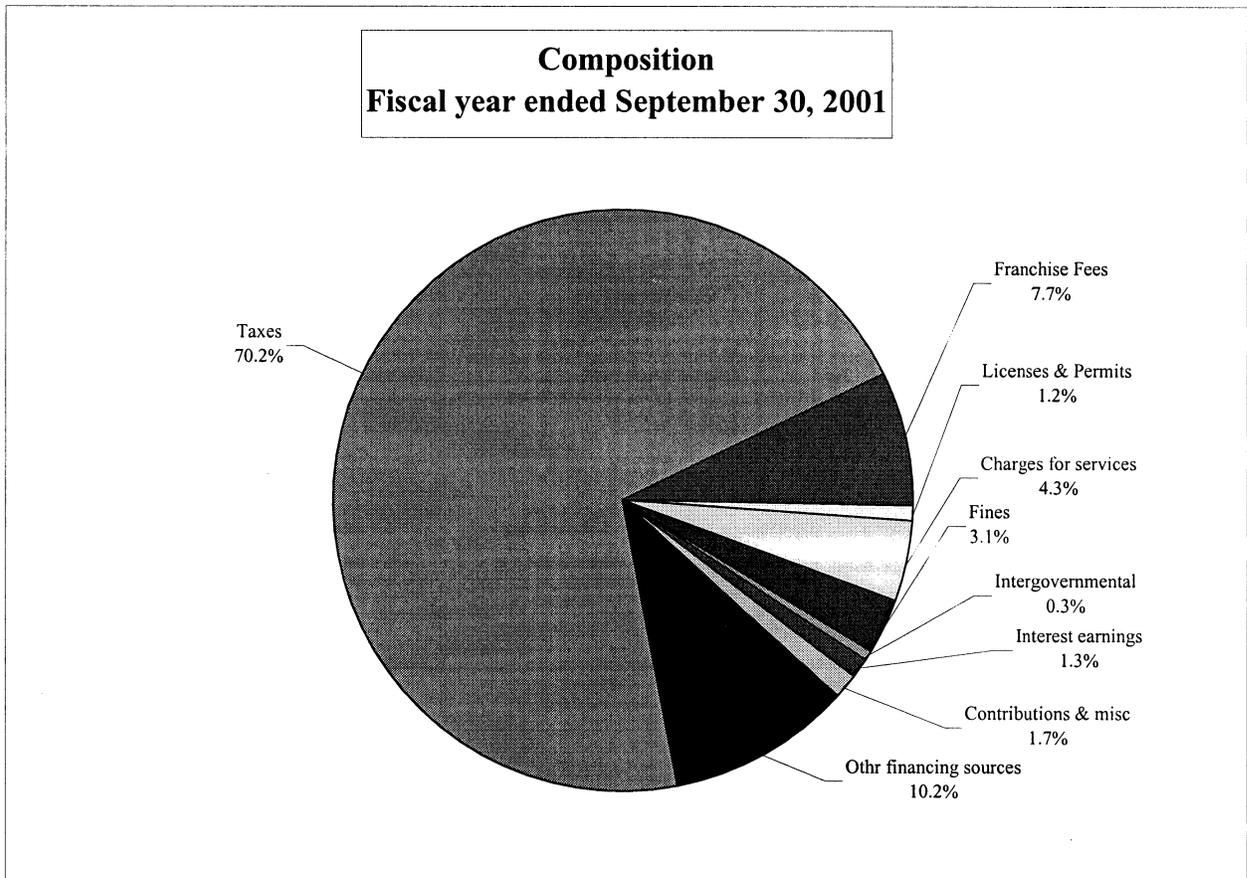
Notes:

- (1) Includes General, Special Revenue, and Debt Service Funds. Capital outlay expenditures in these funds have been included in the appropriate classification.
- (2) Includes general government, non-departmental and communication/legislation.
- (3) Includes strategic planning, information and communication services, street lighting, and human resources.
- (4) Includes paying agent fees.

# CITY OF LUBBOCK, TEXAS

**TABLE B - Revenues and Other Financing Sources (Uses)<sup>(1)</sup>**  
**Last Ten Fiscal Years**

Fiscal year	Taxes <sup>(2)</sup>	Franchise Fees	Licenses and Permits	Inter-governmental	Charges for services	Fines	Interest earnings <sup>(3)</sup>	Contributions and miscellaneous	Other financing sources(uses)	Total
1992	\$ 48,441,169	\$ 4,196,663	\$ 753,667	\$ 1,286,662	\$ 2,287,530	\$ 2,152,145	\$ 2,024,599	\$ 1,548,007	\$ 6,600,771	\$ 69,291,213
1993	51,643,376	4,498,921	882,878	1,280,182	2,160,504	2,421,749	2,378,192	1,256,326	6,090,710	72,612,838
1994	55,578,276	5,247,351	1,038,772	1,310,604	2,326,521	2,141,811	3,196,127	1,599,040	2,238,369	74,676,871
1995	55,065,681	5,168,825	1,184,292	1,422,117	2,420,122	2,339,288	2,305,215	2,093,493	6,223,434	78,222,467
1996	57,273,421	5,180,874	1,125,809	1,417,496	2,725,584	3,144,431	2,222,370	1,722,038	5,170,052	79,982,075
1997	60,084,471	5,438,688	1,077,878	884,834	3,522,397	3,460,453	1,847,277	2,802,657	1,909,102	81,027,757
1998	61,950,477	7,128,034	1,037,458	917,572	4,016,475	3,313,233	1,386,946	1,328,086	4,252,063	85,330,344
1999	63,444,256	6,235,099	976,091	576,136	4,032,665	3,335,340	1,347,527	2,122,618	6,780,947	88,850,679
2000	66,650,111	6,619,755	1,138,924	365,671	4,210,334	2,834,208	1,368,623	1,800,728	8,083,364	93,071,718
2001	69,905,631	7,684,683	1,202,794	333,171	4,299,958	3,051,055	1,296,818	1,670,899	10,096,023	99,541,032



**Notes:**

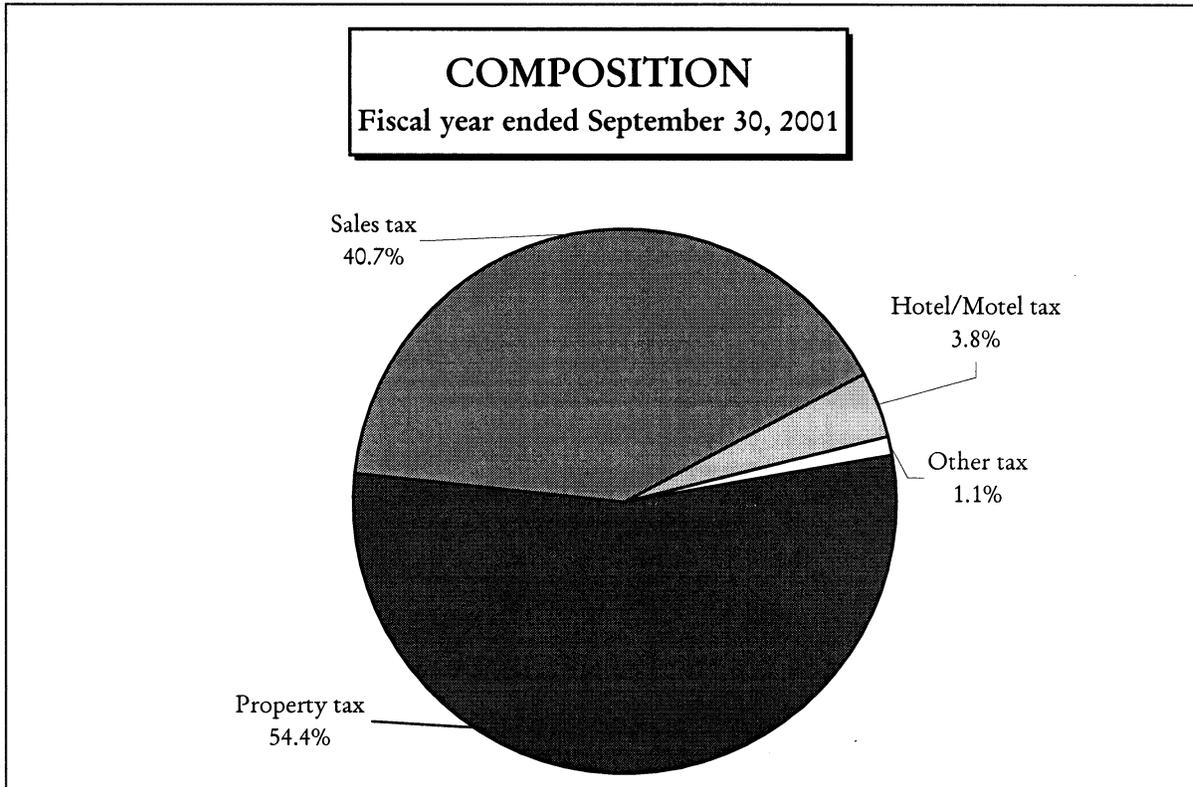
- (1) Includes General, Special Revenue, and Debt Service Funds.
- (2) See schedule of Tax Revenues by Source (Table C).
- (3) Interest earnings are separated from contributions and miscellaneous revenue for purposes of this schedule.

# CITY OF LUBBOCK, TEXAS

## TABLE C - Tax Revenues by Source

Last Ten fiscal years

Fiscal year	Property tax revenues <sup>(1)</sup>	Sales tax revenues	Hotel and motel tax revenues <sup>(1)</sup>	Other tax revenues <sup>(2)</sup>	Total tax revenues
1992	\$ 30,378,863	\$ 16,386,350	\$ 1,537,504	\$ 138,452	\$ 48,441,169
1993	30,110,166	20,036,081	1,396,788	100,341	51,643,376
1994	31,536,341	22,022,223	1,884,274	135,438	55,578,276
1995	32,924,887	20,082,629	1,850,499	207,666	55,065,681
1996	32,006,813	22,983,167	2,077,604	205,837	57,273,421
1997	32,955,182	24,391,081	2,050,634	687,574	60,084,471
1998	34,171,004	25,002,759	2,101,020	675,694	61,950,477
1999	35,121,964	25,231,686	2,368,699	721,907	63,444,256
2000	35,940,214	27,397,170	2,568,957	743,770	66,650,111
2001	38,030,370	28,436,970	2,663,704	774,587	69,905,631



**Notes:**

(1) Includes General, Special Revenue, and Debt Service Funds. Also includes Penalty and Interest on Delinquent Taxes, and Reimbursement by BCD (1992 - 1993).

(2) Includes bingo tax.

**CITY OF LUBBOCK, TEXAS**

**TABLE D - Property Tax Levies and Collections**

**Last Ten Fiscal Years**

Fiscal year	Total tax levy	Current tax collections	Percent of levy collected	Delinquent tax collections	Total tax collections	Percent of total tax collections to tax levy	Outstanding delinquent taxes	Percent of delinquent taxes to tax levy
1992	\$ 30,313,029	\$ 29,518,830	97.4%	\$ 605,173	\$ 30,124,003	99.4%	\$ 4,049,539	13.4%
1993	29,879,149	29,142,236	97.5%	654,639	29,796,875	99.7%	4,182,940	14.0%
1994	31,334,334	30,674,554	97.9%	861,787	31,536,341	100.6%	3,897,536	12.4%
1995	32,481,841	31,944,366	98.3%	741,546	32,685,912	100.6%	3,693,465	11.4%
1996	31,634,830	31,063,085	98.2%	579,893	31,642,978	100.0%	3,113,571	9.8%
1997	32,617,479	31,962,038	98.0%	583,746	32,545,784	99.8%	3,012,718	9.2%
1998	33,817,813	33,069,903	97.8%	595,604	33,665,507	99.5%	3,594,390	10.6%
1999	34,988,031	34,174,361	97.7%	547,498	34,721,859	99.2%	2,923,225	8.4%
2000	35,831,812	34,880,119	97.3%	552,775	35,432,894	98.9%	2,733,017	7.6%
2001	37,841,145	36,925,573	97.6%	646,658	37,572,231	99.3%	2,486,192	6.6%

Source: Lubbock Central Appraisal District Collection Activity Report for September 30, 2001

**Table E - Assessed and Estimated Actual Value of Taxable Property**

**Last Ten Fiscal Years**

Fiscal year	Real Property		Personal Property		Total		Ratio of total assessed value to total estimated actual value
	Assessed value	Estimated actual value	Assessed value	Estimated actual value	Assessed value	Estimated actual value	
1992	\$ 3,869,593,943	\$ 4,039,878,723	\$ 872,013,837	\$ 910,388,372	\$ 4,741,607,780	\$ 4,950,267,095	95.8%
1993	3,830,815,430	4,005,375,749	836,934,738	875,071,287	4,667,750,168	4,880,447,036	95.6%
1994	4,002,181,680	4,218,743,456	908,581,368	908,581,368	4,910,763,048	5,127,324,824	95.8%
1995	4,114,545,547	4,341,014,405	972,766,473	972,766,473	5,087,312,020	5,313,780,878	95.7%
1996	4,335,043,928	4,569,711,436	1,064,312,534	1,064,312,534	5,399,356,462	5,634,023,970	95.8%
1997	4,581,834,893	4,833,288,787	985,237,748	985,237,748	5,567,072,641	5,818,526,535	95.7%
1998	4,753,046,144	5,017,598,349	1,077,203,029	1,077,203,029	5,830,249,173	6,094,801,378	95.7%
1999	4,925,727,049	5,231,934,736	1,093,861,300	1,093,861,300	6,019,588,349	6,325,796,036	95.2%
2000	5,049,788,819	5,306,197,556	1,209,373,598	1,267,062,431	6,259,162,417	6,573,259,987	95.2%
2001	5,524,769,736	5,786,749,443	1,229,735,158	1,289,565,602	6,754,504,894	7,076,315,045	95.5%

Source: Lubbock Central Appraisal District

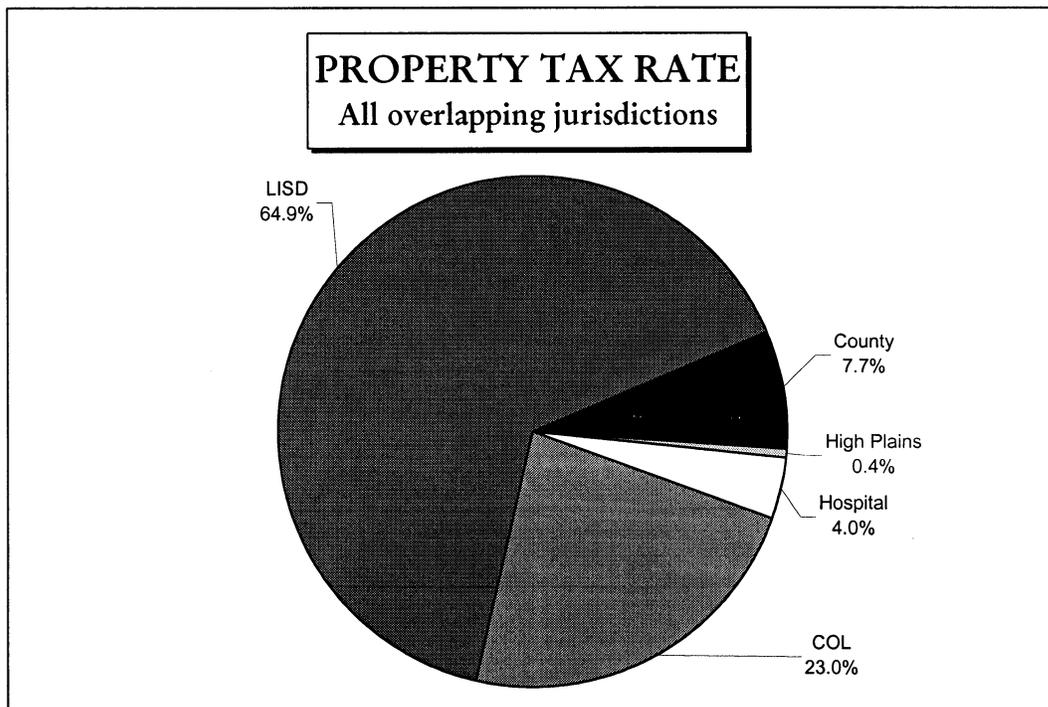
Notes: Assessed and estimated actual value amounts for each fiscal year are based on the prior tax roll including supplemental and error rolls.

## CITY OF LUBBOCK, TEXAS

### TABLE F - Property Tax Rates - All Direct and Overlapping Governments (per \$100 of Assessed Value)

Last Ten Fiscal Years

Fiscal year	City of Lubbock			Lubbock	High Plains	Lubbock	Total		
	General Fund	Economic Development	Interest & Sinking Fund (COL)	Independent School District (LISD)	Underground Water District (High Plains)	County Hospital District (Hospital)			
1992	\$0.38	\$0.03	\$0.23	\$0.64	\$1.31	\$0.18	\$0.00	\$0.11	\$2.24
1993	\$0.40	\$0.04	\$0.20	\$0.64	\$1.46	\$0.17	\$0.01	\$0.11	\$2.39
1994	\$0.42	\$0.02	\$0.20	\$0.64	\$1.47	\$0.17	\$0.01	\$0.11	\$2.40
1995	\$0.43	\$0.03	\$0.18	\$0.64	\$1.48	\$0.17	\$0.01	\$0.11	\$2.41
1996	\$0.40	\$0.03	\$0.16	\$0.59	\$1.47	\$0.17	\$0.01	\$0.10	\$2.34
1997	\$0.38	\$0.03	\$0.18	\$0.59	\$1.48	\$0.17	\$0.01	\$0.10	\$2.35
1998	\$0.40	\$0.03	\$0.15	\$0.58	\$1.57	\$0.17	\$0.01	\$0.10	\$2.43
1999	\$0.42	\$0.03	\$0.13	\$0.58	\$1.57	\$0.19	\$0.01	\$0.10	\$2.45
2000	\$0.43	\$0.03	\$0.12	\$0.58	\$1.59	\$0.19	\$0.01	\$0.10	\$2.47
2001	\$0.43	\$0.03	\$0.11	\$0.57	\$1.61	\$0.19	\$0.01	\$0.10	\$2.48



Source: Lubbock Central Appraisal District

**CITY OF LUBBOCK, TEXAS**

**Table G - Special Assessment Billings and Collections**

Last Ten Fiscal Years			
Fiscal year	Assessments billed	Assessments collected	
1992	\$ 82,768	\$ 34,537	
1993	27,030	28,135	
1994	-	50,510	
1995	-	53,634	
1996	-	40,688	
1997	-	37,644	
1998	172,437	114,454	
1999	-	32,020	
2000	24,777	57,998	
2001	-	44,087	

**Table H - 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	Debt payable from enterprise revenues	Net bonded debt	Ratio of net bonded debt to assessed value	Net bonded debt per capita
1992	187,493	\$ 4,741,608	\$ 131,813,752	\$ 882,147	\$ 88,771,330	\$ 42,160,275	0.89%	\$ 224.86
1993	187,981	4,667,750	137,358,752	1,175,197	98,284,227	37,899,328	0.81%	201.61
1994	190,038	4,910,763	152,633,955	268,630	103,465,477	48,899,848	1.00%	257.32
1995	191,020	5,087,312	148,130,295	1,614,523	96,590,300	49,925,472	0.98%	261.36
1996	193,064	5,399,356	151,720,965	1,676,182	88,631,753	61,413,030	1.14%	318.10
1997	195,367	5,567,073	138,039,535	505,449	81,601,282	55,932,804	1.00%	286.30
1998	196,679	5,830,249	137,104,242	1,420,101	85,538,141	50,146,000	0.86%	254.96
1999	197,117	6,019,588	158,117,749	1,151,270	112,274,771	44,691,708	0.74%	226.73
2000	199,445	6,176,964	176,847,762	1,260,450	128,467,416	47,119,896	0.76%	236.26
2001	201,097	6,638,911	210,408,321	1,415,094	157,325,512	51,667,715	0.78%	256.93

\*Source: City of Lubbock Business Development estimates.

Note:

(1) Includes all long-term general obligation debt.

**Table I- Tax Rate Limitation**

September 30, 2001

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 Assessed Valuation. Administratively, the Attorney General of the State of Texas will permit allocation of \$1.50 of the \$2.50 maximum tax rate for general obligation debt service.

# CITY OF LUBBOCK, TEXAS

## Table J - Computation of Direct and Overlapping Debt

	Funded debt outstanding at 09/30/2001	Percentage applicable to City of Lubbock	Amount applicable to City of Lubbock
City of Lubbock	\$ 58,122,809 <sup>(1)</sup>	100.00%	\$ 58,122,809
Lubbock County	520,000	82.94%	431,288
Lubbock County Hospital District	-	82.94%	-
Lubbock Independent School District	73,729,957	98.91%	72,926,300
Lubbock- Cooper Independent School District	15,454,555	15.30%	2,364,547
Frenship Independent School District	36,394,414	64.44%	23,452,560
Roosevelt Independent School District	-	4.72%	-
Idalou Independent School District	1,925,000	1.10%	21,175
New Deal Independent School District	-	0.03%	-
High Plains Underground Water Conservation District No. 1	-	82.94%	-
Total	<u>\$ 186,146,735</u>		<u>\$ 157,318,679</u>

<sup>(1)</sup> General Purpose funded debt payable from ad valorem taxes (self-supporting electric, waterworks system, sewer system, solid waste disposal system and storm drainage system general obligation debt excluded).

## Table K - Ratio of Annual Debt Service Expenditures for General Bonded Debt to Total General Expenditures

### Last Ten Fiscal Years

Fiscal year	Principal	Interest	Total debt service <sup>(1)</sup>	Total general expenditures <sup>(2)</sup>	Percentage of debt service to total general expenditures
1992	\$ 8,675,000	\$ 7,134,459	\$ 15,809,459	\$ 67,851,116	23.30%
1993	8,935,000	8,753,951	17,688,951	67,155,843	26.34
1994	9,015,000	8,786,704	17,801,704	75,732,795	23.51
1995	11,515,000	8,036,548	19,551,548	72,580,854	26.93
1996	12,920,000	8,369,841	21,289,841	83,991,006	25.35
1997	13,519,434	7,376,805	20,896,239	81,407,858	25.67
1998	13,400,076	7,323,705	20,723,781	83,669,520	24.77
1999	13,846,493	7,137,266	20,983,760	87,882,788	23.88
2000	13,069,986	10,882,679	23,952,665	90,887,016	26.35
2001	13,309,441	10,051,694	23,361,135	96,982,588	24.09

Notes:

(1) Includes debt service requirements on General Obligation bonds included in Enterprise Funds.

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

CITY OF LUBBOCK, TEXAS

TABLE L - Revenue Bond Coverage - Electric, Water and Airport Bonds

Last Ten Fiscal Years

**ELECTRIC BONDS:**

Fiscal year	Net revenue <sup>(1)</sup>	Direct operating expenses <sup>(2)</sup>	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
1992	\$ 54,277,305	\$ 33,900,204	\$ 20,377,101	\$ 4,060,000	\$ 2,849,297	\$ 6,909,297	2.95
1993	56,843,700	39,574,526	17,269,174	3,930,000	2,681,852	6,611,852	2.61
1994	57,599,720	41,725,274	15,874,446	3,640,000	2,367,970	6,007,970	2.64
1995	57,272,355	39,873,027	17,399,328	3,635,000	2,081,845	5,716,845	3.04
1996	60,714,224	44,756,958	15,957,266	3,560,000	1,483,753	5,043,753	3.16
1997	63,185,595	50,199,268	12,986,327	2,644,243	2,028,480	4,672,723	2.78
1998	70,903,644	55,780,777	15,122,867	2,298,598	1,909,172	4,207,770	3.59
1999	64,296,441	50,968,221	13,328,220	2,798,098	2,373,385	5,171,483	2.58
2000	74,319,223	66,100,345	8,218,878	3,064,025	2,389,340	5,453,365	1.51
2001	114,607,693	99,288,733	15,318,960	3,625,000	1,569,418	5,194,418	2.95

**WATER BONDS:**

Fiscal year	Net revenue <sup>(1)</sup>	Direct operating expenses <sup>(2)</sup>	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
1992	\$ 24,945,645	\$ 9,856,223	\$ 15,089,422	\$ 630,000	\$ 4,116,303	\$ 4,746,303	3.18
1993	25,843,263	10,339,316	15,503,947	670,000	4,058,772	4,728,772	3.28
1994	29,323,656	10,666,555	18,657,101	710,000	3,997,558	4,707,558	3.96
1995	29,560,731	10,871,374	18,689,357	755,000	1,966,329	2,721,329	6.87
1996	28,950,626	11,002,625	17,948,001	710,000	3,687,828	4,397,828	4.08
1997	27,873,916	11,664,279	16,209,637	1,350,000	3,032,047	4,382,047	3.70
1998	30,851,142	14,115,431	16,735,711	1,380,000	2,976,698	4,356,698	3.84
1999	29,354,414	12,952,686	16,401,728	1,420,000	2,918,048	4,338,048	3.78
2000	32,598,266	14,082,918	18,515,348	1,455,000	2,856,278	4,311,278	4.29
2001	33,048,984	15,996,460	17,052,524	1,500,000	2,791,530	4,291,530	3.97

**AIRPORT BONDS:**

Fiscal year	Gross revenue <sup>(3)</sup>	Direct operating expenses <sup>(2)</sup>	Net revenue available for debt service	Debt service requirements			Coverage
				Principal	Interest	Total	
1992	\$ 4,208,565	\$ 3,462,854	\$ 745,711	\$ 85,000	\$ 33,258	\$ 118,258	6.31
1993	4,661,266	3,778,187	883,079	90,000	28,710	118,710	7.44
1994	4,444,384	3,245,354	1,199,030	90,000	23,850	113,850	10.53
1995	6,329,224	3,414,114	2,915,110	90,000	18,900	108,900	26.77
1996	6,510,573	3,351,803	3,158,770	0	0	0	N/A
1997	6,627,691	2,980,113	3,647,578	0	0	0	N/A
1998	6,491,547	2,616,391	3,875,156	0	0	0	N/A
1999	6,505,172	2,746,225	3,758,947	0	0	0	N/A
2000	6,544,479	3,042,164	3,502,315	0	0	0	N/A
2001	6,879,716	3,745,069	3,134,647	0	0	0	N/A

Notes:

- (1) Net Revenue is gross revenue less refunds and allowances plus net nonoperating revenues.
- (2) Direct Operating expenses exclude depreciation. For Water, it includes CRMWA debt payment in years 1992-1998.
- (3) Airport revenue is based on gross revenue.

CITY OF LUBBOCK, TEXAS

**TABLE M - Demographic Statistics**

Last Ten Fiscal Years

Fiscal year	Popu- lation <sup>(1)</sup>	Per capita income <sup>(2)</sup>	Median age <sup>(1)</sup>	Education level in median school years completed <sup>(1)</sup>		School enrollment <sup>(2)</sup>	Unemployment rate <sup>(4)</sup>
1992	187,493	\$ 14,364	28	12.3		31,103	5.8%
1993	187,981	14,651	29	12.4		30,631	5.0%
1994	190,038	14,795	29	12.4		30,414	4.0%
1995	191,020	15,091	29	12.4		30,442	4.5%
1996	193,064	15,468	30	12.4		30,154	4.4%
1997	195,367	15,885	30	12.4		29,918	4.4%
1998	196,679	14,237	31	12.4		30,082	3.6%
1999	197,117	16,890	31	12.6		29,397	2.9%
2000 <sup>(3)</sup>	199,445	16,890	31	12.6		29,150	2.7%
2001	201,097	17,312	30	12.4		29,020	2.4%

Sources:

- (1) City of Lubbock Planning Department estimates.
- (2) City of Lubbock Business Development Department
- (3) Census
- (4) TWC

**TABLE N - Construction and Bank Deposits**

Last Ten Fiscal Years

Fiscal year	Commercial construction <sup>(2)</sup>		Residential construction <sup>(2)</sup>		Bank Deposits <sup>(3)</sup> (in billions)
	Number of units <sup>(4)</sup>	Value	Number of units	Value	
1992	1,925	\$ 102,510,152	527	\$ 51,136,160	2.13 <sup>(1)</sup>
1993	1,339	71,715,175	1,034	77,752,059	2.27 <sup>(1)</sup>
1994	1,696	93,740,449	1,084	86,362,010	2.40
1995	1,483	100,781,405	956	78,392,716	2.46
1996	1,016	59,872,232	587	68,735,630	2.54
1997	5,950	11,299,542	1,012	78,014,771	2.64
1998	2,098	135,587,515	1,053	87,779,078	2.67
1999	1,732	156,970,341	743	97,005,882	2.76
2000	2,630	219,094,150	886	101,697,154	2.56
2001	5,243	155,941,718	1,362	135,936,681	2.78

Notes:

- (1) Does not include City Bank. Figures were unavailable.

Source:

- (2) For 1992, the source was the Board of City Development. For 1993 - 1995, the source was the Business Development Support Services Department at the City of Lubbock. Since 1996, numbers are provided by the Building Inspection Department monthly reports.
- (3) Amounts obtained from applicable banks for 1992 to 1993; amounts subsequent to 1993 were obtained from FDIC (amounts are as of 06/30 of the respective year).
- (4) Estimated

**CITY OF LUBBOCK, TEXAS**

**TABLE O - Principal Taxpayers**

September 30, 2001

Name of Taxpayer	Type of Business	2001 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Macerich Lubbock LTD Partnership	Regional Shopping Mall	\$ 111,202,074	1.61%
Southwestern Bell Telephone Co.	Telephone Utility	73,111,866	1.06%
Southwestern Public Service	Electric Utility	52,730,368	0.76%
X-Fab Texas, Inc.	Electronics Manufacturer	28,597,483	0.41%
Plains Co-Op Oil Mills Inc.	Agricultural Processing	24,949,410	0.36%
Fleming Companies, Inc.	Wholesale Grocers	22,775,855	0.33%
Methodist Hospital	Hospital and Medical Office Building	22,305,805	0.32%
Farmers Co-op Compress	Agricultural Processing	19,044,584	0.28%
Energas	Natural Gas Utility	18,897,635	0.27%
Southern Cotton Oil Company	Agricultural Processing	16,420,828	0.24%
		<u>\$ 390,035,908</u>	<u>5.64%</u>

Source: Lubbock Central Appraisal District

**TABLE P - Miscellaneous Statistics**

Last Five Fiscal Years

Date of incorporation	1909				
Form of Government	Council - Manager				
Date present Charter adopted	December 27, 1917				
Date Charter amended	January 18, 1992				
Area	115 square miles				
	2001	2000	1999	1998	1997
Miles of streets:					
Paved	946	945	919	890	878
Unpaved	79	77	70	59	65
Number of street lights	14,157	14,093	14,105	14,034	13,995
Fire protection:					
Number of stations	14	14	14	13	13
Number of fire fighters and officers	251	251	251	236	233
Police protection:					
Number of stations	1	1	1	1	1
Number of police officers and other personnel	308	310	321	321	320
Municipal employees:					
Full-time equivalents	1,943	1,935	1,907	1,858	1,809

(continued)

CITY OF LUBBOCK, TEXAS

TABLE P - Miscellaneous Statistics

Last Five Fiscal Years

	2001	2000	1999	1998	1997
<b>Education:</b>					
<b>Colleges (enrollment):</b>					
Texas Tech University	24,558	22,078	22,040	24,158	N/A
Lubbock Christian University	1,617	1,406	1,400	1,363	N/A
South Plains College	3,967	3,596	2,811	2,495	N/A
Wayland Baptist University	550	550	380	405	N/A
Other business colleges	458	458	458	458	N/A
<b>Public schools (number of):</b>					
High schools	4	4	4	4	4
Junior high schools	9	10	10	10	10
Elementary schools	36	38	40	40	40
Private schools	10	10	10	10	10
Building permits issued (annualized)	3,081	3,270	1,421	1,780	6,962
<b>Recreation and culture:</b>					
Number of parks and playgrounds	125	117	115	115	115
Number of recreation centers	18	18	18	18	18
Number of golf courses	8	8	7	7	7
Number of swimming pools	11	10	10	10	11
Number of auditoriums/coliseums	2	1	1	1	1
Number of amphitheatres	1	0	0	0	0
Number of civic centers	1	1	1	1	1
Number of libraries (excl. education)	4	4	4	4	4
Number of volumes	334,744	323,374	323,835	325,338	319,586
<b>News media:</b>					
Number of daily newspapers	1	1	1	1	1
Number of radio stations	21	21	21	21	22
Number of television stations	10	10	9	9	7
<b>Medical facilities:</b>					
Number of hospitals	4	4	5	5	6
Number of beds	1,535	1,518	1,861	1,796	1,931
Number of clinics	102	125	82	82	62
Number of medical schools	1	1	1	1	1
Number of nursing schools	3	3	3	3	3
<b>Churches:</b>					
Number of churches all denominations	305	271	271	271	271

(continued)

CITY OF LUBBOCK, TEXAS

**TABLE P - Miscellaneous Statistics**

**Last Five Fiscal Years**

	2001	2000	1999	1998	1997
<b>Banks:</b>					
Number of national banks	8	8	8	8	8
Number of state banks	9	8	8	9	5
Number of savings banks	0	0	0	0	1
<b>Municipal electric system:</b>					
Number of meters	62,196	58,431	57,411	56,293	54,085
Average daily consumption (kwh)	3,532,489	3,387,493	3,206,647	3,182,523	2,917,657
Number of sub-stations	12	12	11	11	11
Number of steam turbines	6	6	6	5	5
Number of diesel engines	2	2	2	2	2
Number of gas turbo engines	5	5	4	4	4
Miles of distribution lines	1,044	928	913	907	890
Miles of transmission lines	79	79	78	78	78
<b>Municipal water system:</b>					
Number of meters	70,148	69,232	68,449	68,127	66,405
Average daily consumption (gal)	39,510,000	37,500,000	36,983,000	36,680,000	35,580,000
Miles of distribution lines	1,250	1,211	1,198	1,182	1,175
Number of fire hydrants	3,826	3,600	3,534	3,484	3,448
Number of water wells	248	251	251	251	279
Acres of water rights	99,152	99,152	99,152	99,152	99,152
Number of gallons allocated annually by Canadian River Municipal Water Authority (in millions of gallons)	12,438	11,194	11,193	9,950	9,950
<b>Municipal sewer system:</b>					
Miles of sanitary sewer lines	848	834	816	807	800
Miles of storm sewer lines	59	46	46	41	41
<b>Municipal solid waste system (# of records billed):</b>					
Number of residential customers	55,112	55,172	54,135	54,692	54,306
Number of commercial customers	2,931	2,931	2,684	3,038	2,966
<b>Municipal airport:</b>					
Number of airline passengers enplaned (annual projection)	565,000	585,000	574,780	597,333	615,053
Daily average of airplane departures and landings	275	360	258	482	270
Number of major airlines	4	4	4	4	5
Number of scheduled daily flights	65	68	68	70	40

# CITY OF LUBBOCK, TEXAS

## Table 1 - Valuation, Exemptions, and General Obligation Debt

2001 Market Valuation Established by Lubbock Central Appraisal District	\$	7,343,557,446
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions	\$	195,956,553
Homestead Cap Adjustment		38,599,250
Disabled Veterans		13,462,515
Agricultural/Open-Space Land Use Reductions		48,109,382
Pollution Exemptions		2,578,780
Freeport Exemptions		36,164,355
House Bill 366		110,094
Tax Abatement Reductions <sup>(1)</sup>		99,183,962
Prorated Exempt Property		82,848
Property Under Protest (add)		(1,267,464)
		432,980,275
2001 Taxable Assessed Valuation	\$	6,910,577,171
City Funded Debt Payable from Ad Valorem Taxes		
General Obligation Debt (as of 9/30/01) <sup>(2)</sup>	\$	210,408,321
Total Funded Debt Payable from Ad Valorem Taxes	\$	210,408,321
Less: Self Supporting Debt <sup>(3)</sup>		
Waterworks System General Obligation Debt	\$	60,490,981
Sewer System General Obligation Debt		50,620,214
Solid Waste Disposal System General Obligation Debt		6,174,318
Storm Drainage System General Obligation Debt		35,000,000
		152,285,512
General Purpose Funded Debt Payable from Ad Valorem Taxes <sup>(4)</sup>	\$	58,122,809
General Obligation Interest and Sinking Fund as of 09/30/01	\$	1,415,094
Ratio Total Funded Debt to Taxable Assessed Valuation		3.04%
Ratio General Purpose Funded Debt to Taxable Assessed Valuation		0.84%

2001 Estimated Population - 201,097<sup>(5)</sup>  
 Per Capita Taxable Assessed Valuation - \$34,364  
 Per Capita Funded Debt Payable from Ad Valorem Taxes - \$1,046  
 Per Capita General Purpose Funded Debt Payable from Ad Valorem Taxes - \$289

<sup>(1)</sup> See above, "Tax Information - Tax Abatement Policy".

<sup>(2)</sup> The statement of indebtedness does not include outstanding \$38,805,000 Electric Light and Power System Revenue Bonds, as these Bonds are payable solely from the net revenues of the Electric Light and Power System.

<sup>(3)</sup> The City provides for debt service on general obligation debt issued to fund Waterworks System improvements, Sewer System improvements Solid Waste Disposal System improvements and Storm Drainage System improvements from surplus revenues of these Systems (see "Table 8 - General Obligation Debt Service Requirements--Division of Debt Service Requirements", "Table 9 - Interest and Sinking Fund Budget Projection" and "Table 10 - Computation of Self-Supporting Debt").

"Waterworks System General Obligation Debt" includes \$60,490,981 principal amount of outstanding general obligation bonds and certificates of obligation that were issued to finance Waterworks System improvements, and are being paid from or are 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. See "The Waterworks System".

# CITY OF LUBBOCK, TEXAS

"Sewer System General Obligation Debt" includes \$50,620,214 principal amount of outstanding general obligation bonds and certificates of obligation that were issued to finance sewer system improvements, and are being paid from sewer system revenues. The City has no outstanding Sewer System Revenue Bonds.

"Solid Waste Disposal system General Obligation Debt" consists of \$6,174,318 principal amount of outstanding general obligation debt that was issued for solid waste disposal improvements, and is being paid from revenues derived from solid waste service fees. The city has no outstanding Solid Waste Disposal System Revenue Bonds.

"Storm Drainage General Obligation Debt" consists of \$35,000,000 principal amount of outstanding general obligation debt that was issued for storm drainage system improvements, and is being paid from revenues derived from storm drainage fees. The city has no outstanding Storm Drainage System Revenue Bonds.

<sup>(4)</sup> "General Purpose Funded Debt Payable from Ad Valorem Taxes" includes \$2,365,000 principal amount of outstanding Tax and Airport Surplus Revenue Certificates of Obligation on which debt service is provided from Passenger Facility Charge ("PFC") revenues (see Footnote <sup>(3)</sup>, "Table 9 - Interest and Sinking Fund Budget Projection").

<sup>(5)</sup> Source: City of Lubbock, Texas.

## Table 2 - Taxable Assessed Valuations by Category

Category	Taxable Appraised Value for Fiscal Year Ended September 30,					
	2002		2001		2000	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,935,486,660	53.59%	\$ 3,771,725,980	53.71%	\$ 3,417,179,021	51.99%
Real, Residential, Multi-Family	466,775,473	6.36%	453,863,141	6.46%	411,487,582	6.26%
Real, Vacant Lots/Tracts	96,407,484	1.31%	88,108,541	1.25%	87,184,492	1.33%
Real, Acreage (Land Only)	60,171,506	0.82%	60,125,617	0.86%	46,378,532	0.71%
Real, Farm and Ranch Improvements	12,003,318	0.16%	11,000,161	0.16%	7,166,908	0.11%
Real, Commercial and Industrial	1,445,748,160	19.69%	1,348,046,123	19.20%	1,322,413,335	20.12%
Real, Oil, Gas and Other Mineral Reserves	8,849,390	0.12%	7,000,000	0.10%	4,540,780	0.07%
Real and Tangible Personal, Utilities	185,588,935	2.53%	181,228,303	2.58%	180,418,060	2.74%
Tangible Personal, Commercial and Industrial	1,039,521,384	14.16%	1,072,713,960	15.28%	1,072,361,347	16.31%
Tangible Personal, Other	15,296,446	0.21%	14,786,889	0.21%	14,283,024	0.22%
Real Property, Inventory	10,279,056	0.14%	13,320,136	0.19%	9,846,906	0.15%
Special Inventory	67,429,634	0.92%	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 7,343,557,446	100.00%	\$ 7,021,918,851	100.00%	\$ 6,573,259,987	100.00%
Less: Total Exemptions/Reductions	(432,980,275)		(383,007,758)		(396,296,005)	
Taxable Assessed Value	\$ 6,910,577,171		\$ 6,638,911,093		\$ 6,176,963,982	

Category	Taxable Appraised Value for Fiscal Year Ended September 30,			
	1999		1998	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 3,219,691,355	50.90%	\$ 3,112,040,906	51.06%
Real, Residential, Multi-Family	396,277,540	6.26%	382,170,749	6.27%
Real, Vacant Lots/Tracts	93,912,543	1.48%	96,312,775	1.58%
Real, Acreage (Land Only)	45,494,120	0.72%	46,128,990	0.76%
Real, Farm and Ranch Improvements	6,778,453	0.11%	6,671,096	0.11%
Real, Commercial and Industrial	1,272,262,327	20.11%	1,180,704,813	19.37%
Real, Oil, Gas and Other Mineral Reserves	7,862,650	0.12%	10,638,260	0.17%
Real and Tangible Personal, Utilities	178,399,714	2.82%	171,889,877	2.82%
Tangible Personal, Commercial and Industrial	1,081,053,583	17.09%	1,065,115,428	17.48%
Tangible Personal, Other	12,807,717	0.20%	12,087,601	0.20%
Real Property, Inventory	11,256,034	0.18%	11,040,883	0.18%
Special Inventory	-	0.00%	-	0.00%
Total Appraised Value Before Exemptions	\$ 6,325,796,036	100.00%	\$ 6,094,801,378	100.00%
Less: Total Exemptions/Reductions	(306,207,687)		(264,552,205)	
Taxable Assessed Value	\$ 6,019,588,349		\$ 5,830,249,173	

NOTE: Valuations shown are certified taxable assessed values reported by the Lubbock County Appraisal District 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.

## CITY OF LUBBOCK, TEXAS

### Table 3A - Valuation and General Obligation Debt History

Fiscal Year Ended 9/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	General Purpose Funded Tax Debt Outstanding at End of Year <sup>(3)</sup>	Ratio Tax Debt to Taxable Assessed Valuation	Funded Debt Per Capita
1997	195,367	\$ 5,567,072,641	\$ 28,495	\$ 61,728,036	1.11%	\$ 316
1998	196,679	5,830,249,173	29,643	57,156,101	0.98%	291
1999	197,117	6,019,588,349	30,538	51,222,980	0.85%	260
2000	199,445	6,176,926,680	30,971	53,455,346	0.87%	268
2001	201,097	6,638,911,093	33,013	58,122,809	0.88%	289
2002	202,000	6,910,577,171	34,211	54,444,170 <sup>(4)</sup>	0.79% <sup>(4)</sup>	270 <sup>(4)</sup>

<sup>(1)</sup> Source: Estimates by City of Lubbock, Texas.

<sup>(2)</sup> As reported by the Lubbock Central Appraisal District on City's annual State Property Tax Reports; subject to change during the ensuing year.

<sup>(3)</sup> Does not include self-supporting debt.

<sup>(4)</sup> Projected; includes \$9,400,000 General Obligation Bonds, Series 2002.

### Table 3B - Derivation of General Purpose Funded Tax Debt

Fiscal Year Ended 9/30	Funded Tax Debt Outstanding at End of Year	Less: Self-Supporting Funded Tax Debt	General Purpose Funded Tax Debt Outstanding at End of Year <sup>(1)</sup>
1997	\$ 138,914,318	\$ 77,186,282	\$ 61,728,036
1998	137,104,242	79,948,141	57,156,101
1999	158,117,749	106,944,771	51,222,980
2000	176,847,762	123,392,416	53,455,346
2001	175,408,321	117,285,512	58,122,809
2002	206,729,682 <sup>(2)</sup>	152,285,512 <sup>(2)</sup>	54,444,170 <sup>(2)</sup>

<sup>(1)</sup> On September 18, 1999 voters approved the issuance of general obligation bonds in the principal sum of \$37,385,000 to finance various capital improvements over a 5 year period. The City has issued the first two installments of the approved bonds. \$7 million was issued in 1999 and \$9.1 million was issued in 2000. See Table 11.

<sup>(2)</sup> Projected; includes \$9,400,000 General Obligation Bonds, Series 2002.

### Table 4 - Tax Rate, Levy and Collection History

Fiscal Year Ended 9/30	Tax Rate	Distribution			Tax Levy	% of Current Tax Collections to Tax Levy	% of Total Tax Collections to Tax Levy
		General Fund	Economic Development	Interest and Sinking Fund			
1997	\$ 0.58590	\$ 0.37771	\$ 0.03000	\$ 0.17819	\$ 32,617,479	97.99%	99.78%
1998	0.58000	0.39689	0.03000	0.15311	33,817,813	97.80%	99.55%
1999	0.58000	0.41691	0.03000	0.13309	34,988,031	97.67%	99.24%
2000	0.58000	0.42750	0.03000	0.12250	35,831,812	97.35%	98.89%
2001	0.57000	0.42718	0.03000	0.11282	37,841,145	97.58% <sup>(1)</sup>	99.29% <sup>(1)</sup>
2002	0.57000	0.42844	0.03000	0.11156	39,391,179	In process of collection	

<sup>(1)</sup> Unaudited

# CITY OF LUBBOCK, TEXAS

## Table 5 - Ten Largest Taxpayers

Name of Taxpayer	Nature of Property	2000/2001 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Macerich Lubbock LTD Partnership	Regional Shopping Mall	\$ 111,202,074	1.61%
Southwestern Bell Telephone Co.	Telephone Utility	73,111,866	1.06%
Southwestern Public Service	Electric Utility	52,730,368	0.76%
X-Fab Texas, Inc.	Electronics Manufacturer	28,597,483	0.41%
Plains Co-Op Oil Mills Inc.	Agricultural Processing	24,949,410	0.36%
Fleming Companies, Inc.	Wholesale Grocers	22,775,855	0.33%
Methodist Hospital	Hospital and Medical Office Building	22,305,805	0.32%
Farmers Co-op Compress	Agricultural Processing	19,044,584	0.28%
Energas	Natural Gas Utility	18,897,635	0.27%
Southern Cotton Oil Company	Agricultural Processing	16,420,828	0.24%
		<u>\$ 390,035,908</u>	<u>5.64%</u>

## Table 6 - Tax Adequacy<sup>(1)</sup>

Maximum Principal and Interest Requirements, All General Obligation Debt (Pro-Forma), 2002 <sup>(2)</sup> .....	\$ 24,650,602
\$0.3640 Tax Rate at 98% Collection Produces .....	\$ 24,651,411
Maximum Principal and Interest Requirements, General Purpose General Obligation Debt (Pro-Forma), 2002 <sup>(3)</sup> .....	\$ 7,999,723
\$0.1182 Tax Rate at 98% Collection Produces .....	\$ 8,004,936

<sup>(1)</sup> Based on 2001-2002 taxable assessed valuation.

<sup>(2)</sup> See Table 8A.

# CITY OF LUBBOCK, TEXAS

## Table 7 - 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 and the Lubbock County Central Appraisal District. 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 bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the City.

Taxing Jurisdiction	2001/02 Taxable Assessed Value	Tax Rate <sup>(1)</sup>	Total Funded Debt As Of 09-30-01	Estimated % Applicable	City's Overlapping G.O. Debt As of 09-30-01	Authorized But Unissued Debt As Of 09-30-01
City of Lubbock	\$ 6,910,577,171	\$0.57000	\$ 58,122,809	100.00%	\$ 58,122,809	\$ 25,027,000
Lubbock Independent School District	5,771,383,915	1.60620	73,729,957	98.91%	72,926,300	3,400,275
Lubbock County	8,154,782,666	0.19170	520,000	82.94%	431,288	500,000
Lubbock County Hospital District	8,154,942,166	0.09905	-	82.94%	-	
High Plains Underground Water Conservation District No. 1	8,154,105,887	0.00830	-	82.94%	-	
Frenship Independent School District	909,360,034	1.58930	36,394,414	64.44%	23,452,560	-
Idalou Independent School District	112,085,028	1.48000	1,925,000	1.10%	21,175	-
Lubbock-Cooper Independent School District	321,002,498	1.58000	15,454,555	15.30%	2,364,547	-
New Deal Independent School District	84,092,988	1.50000	-	0.03%	-	-
Roosevelt Independent School District	103,727,668	1.50000	-	4.72%	-	-
<b>Total Direct and Overlapping G.O. Debt</b>					<b>\$ 157,318,679</b>	
Ratio of Direct and Overlapping G.O. Debt to Taxable Assessed Valuation . . . . .						2.28%
Per Capita Overlapping G.O. Debt . . . . .						\$ 782

<sup>(1)</sup> General Purpose Funded Tax Debt; excludes self-supporting General Obligation Debt (see "Table 1-Valuation, Exemptions and General Obligation Debt"). Preliminary, subject to change.

# CITY OF LUBBOCK, TEXAS

## Table 8 - General Obligation Debt Service Requirements -- Division of Debt Service Requirements

Fiscal Year Ended 9/30	Combined Total Requirements			Less: Waterworks System General Obligation Requirements	Less: Sewer System General Obligation Requirements	Less: Solid Waste Disposal System General Obligation Requirements	Less: Storm Drainage System General Obligation Requirements	General Purpose General Obligation Requirements
	Principal	Interest	Total					
2002	\$ 13,078,639	\$ 11,571,963	\$ 24,650,601	\$ 7,034,507	\$ 6,347,280	\$ 951,300	\$ 2,317,792	\$ 7,999,723
2003	13,239,682	9,782,040	23,021,722	6,467,033	6,206,463	579,021	2,321,441	7,447,763
2004	12,270,000	8,666,527	20,936,527	5,837,717	5,891,824	558,710	2,318,316	6,329,960
2005	12,340,000	8,054,713	20,394,713	5,856,331	5,579,685	540,403	2,318,816	6,099,478
2006	12,400,000	7,453,808	19,853,808	5,686,217	5,390,592	524,361	2,317,816	5,934,821
2007	12,460,000	6,864,162	19,324,162	5,554,168	5,195,380	512,440	2,320,191	5,741,983
2008	11,905,000	6,291,059	18,196,059	5,134,833	4,865,127	498,859	2,320,816	5,376,423
2009	11,565,000	5,742,735	17,307,735	4,974,058	4,576,149	485,035	2,319,691	4,952,801
2010	11,160,000	5,211,174	16,371,174	4,803,703	4,291,177	470,852	2,321,691	4,483,751
2011	11,260,000	4,690,604	15,950,604	4,693,810	4,119,069	456,390	2,319,261	4,362,074
2012	10,165,000	4,193,933	14,358,933	3,808,857	3,884,763	441,730	2,321,559	3,902,023
2013	10,275,000	3,716,061	13,991,061	3,743,124	3,690,326	426,786	2,320,755	3,810,070
2014	10,420,000	3,227,539	13,647,539	3,682,347	3,525,421	411,540	2,322,163	3,706,069
2015	7,575,000	2,793,701	10,368,701	3,540,385	1,653,895	396,125	2,320,470	2,457,825
2016	6,805,000	2,436,852	9,241,852	3,482,728	876,476	376,171	2,320,463	2,186,015
2017	6,170,000	2,110,451	8,280,451	3,425,091	839,845	361,663	2,317,463	1,336,390
2018	6,385,000	1,789,718	8,174,718	3,366,024	802,729	347,071	2,320,997	1,337,898
2019	6,095,000	1,469,736	7,564,736	2,986,137	765,393	151,875	2,320,778	1,340,553
2020	4,645,000	1,187,483	5,832,483	2,021,003	-	145,125	2,321,880	1,344,475
2021	2,180,000	1,005,275	3,185,275	-	-	138,375	2,319,151	727,749
2022	1,405,000	912,910	2,317,910	-	-	-	2,317,910	-
2023	1,480,000	837,900	2,317,900	-	-	-	2,317,900	-
2024	1,560,000	758,470	2,318,470	-	-	-	2,318,470	-
2025	1,645,000	674,339	2,319,339	-	-	-	2,319,339	-
2026	1,735,000	585,614	2,320,614	-	-	-	2,320,614	-
2027	1,830,000	491,575	2,321,575	-	-	-	2,321,575	-
2028	1,925,000	392,068	2,317,068	-	-	-	2,317,068	-
2029	2,030,000	287,260	2,317,260	-	-	-	2,317,260	-
2030	2,145,000	176,623	2,321,623	-	-	-	2,321,623	-
2031	2,260,000	59,890	2,319,890	-	-	-	2,319,890	-
	<u>\$ 210,408,321</u>	<u>\$ 103,436,179</u>	<u>\$ 313,844,500</u>	<u>\$ 86,098,073</u>	<u>\$ 68,501,594</u>	<u>\$ 8,773,832</u>	<u>\$ 69,593,158</u>	<u>\$ 80,877,843</u>

# CITY OF LUBBOCK, TEXAS

## Table 9 - Interest and Sinking Fund Budget Projection

General Obligation Debt Service Requirements (Pro-Forma), Fiscal Year Ending 09/30/02	\$ 24,650,601
Fiscal Agent, Tax Collection and Other Uses	<u>16,000</u>
Total Requirements	<u>\$ 24,666,601</u>
 <u>Sources of Funds</u>	
Interest and Sinking Fund, 09/30/01	\$ 1,415,094
Budgeted Ad Valorem Tax Receipts	7,708,026
 Budgeted Transfers From:	
Water Fund <sup>(1)</sup>	6,899,408
Sewer Fund <sup>(1)</sup>	6,482,379
Solid Waste Fund <sup>(1)</sup>	951,300
Storm Drainage Fund <sup>(1)</sup>	2,317,792
Airport Fund - from Passenger Facility Charges ("PFCs") <sup>(2)</sup>	290,495
Budgeted Interest Earned	<u>52,500</u>
Total Sources of Funds	<u>\$ 26,116,994</u>
 Estimated Balance, 09/30/02	 <u><u>\$ 1,450,393</u></u>

<sup>(1)</sup> See "Table 10 - Computation of Self-Supporting Debt".

<sup>(2)</sup> PFCs are authorized by the Federal Aviation Administration ("FAA"). PFC revenues must be used for allowable costs of FAA approved airport projects including debt service on airport obligations issued to carry out approved projects. The City issued Tax and Airport Surplus Revenue Certificates of Obligation (the "Airport Certificates") in 1993 and 1995. The outstanding principal balance of the Airport Certificates 09/30/01 was \$2,365,000; debt service on the Airport Certificates is provided from PFC revenues. PFC revenues in fiscal year ending 09/30/01 were \$1,557,918. Debt service on other airport general obligation debt (principal balance outstanding at 09/30/01 \$3,750,016) is provided from ad valorem taxes.

# CITY OF LUBBOCK, TEXAS

## Table 10 - Computation of Self-Supporting Debt

### The Waterworks System<sup>(1)</sup>

Net System Revenue Available, Fiscal Year Ended 9-30-01	\$ 12,760,994
Less: Requirements for Revenue Bonds, Fiscal Year Ended 9-30-02	-
Balance Available for Other Purposes	\$ 12,760,994
Requirements for System General Obligation Debt (Pro-Forma), Fiscal Year Ending 9-30-02	\$ 6,899,408
Percentage of System General Obligation Debt Self-Supporting	100.00%

<sup>(1)</sup> Each Fiscal Year the City transfers from net revenues of the Waterworks Enterprise Fund to the General Obligation Interest and Sinking Fund an amount equal to debt service requirements on System general obligation debt.

### The Sewer System<sup>(1)</sup>

Net System Revenue Available, Fiscal Year Ended 9-30-01	\$ 8,176,778
Less: Requirements for Revenue Bonds, Fiscal Year Ending 9-30-02	-
Balance Available for Other Purposes	\$ 8,176,778
Requirements for System General Obligation Debt (Pro-Forma), Fiscal Year Ending 9-30-02	\$ 6,482,379
Percentage of System General Obligation Debt Self-Supporting	100.00%

<sup>(1)</sup> Each Fiscal Year the City transfers from net revenues of the Sewer Enterprise Fund to the General Obligation Interest and Sinking Fund an amount equal to debt service requirements on System general obligation debt.

### The Solid Waste Disposal System<sup>(1)</sup>

Net System Revenue Available, Fiscal Year Ended 9-30-01	\$ 5,932,931
Less: Requirements for Revenue Bonds, Fiscal Year Ending 9-30-02	-
Balance Available for Other Purposes	\$ 5,932,931
Requirements for System General Obligation Debt (Pro-Forma), Fiscal Year Ending 9-30-02	\$ 951,300
Percentage of System General Obligation Debt Self-Supporting	100.00%

<sup>(1)</sup> Each Fiscal Year the City transfers from net revenues of the Solid Waste Enterprise Fund to the General Obligation Interest and Sinking Fund an amount equal to debt service requirements on System general obligation debt.

### The Storm Drainage System<sup>(1)</sup>

Revenue Available, Fiscal Year Ended 9-30-01	\$ 1,603,949
Less: Requirements for Revenue Bonds, Fiscal Year Ending 9-30-02	-
Balance Available for Other Purposes <sup>(2)</sup>	\$ 1,603,949
Requirements for System General Obligation Debt (Pro-Forma), Fiscal Year Ending 9-30-02	\$ 2,317,792
Percentage of System General Obligation Debt Self-Supporting	100.00%

<sup>(1)</sup> Each Fiscal Year the City transfers from net revenues of the Storm Drainage Enterprise Fund to the General Obligation Interest and Sinking Fund an amount equal to debt service requirements on System general obligation debt.

<sup>(2)</sup> Storm Drainage Utility Fees were increased on 10/01/01 for residential and commercial customers. The residential rate increased from \$1.71 to \$4.99 and the commercial rate increased from \$11.35 to \$33.12. The rate increase will provide sufficient revenues that will exceed the requirements for System General Obligation Debt in the Storm Drainage Enterprise Fund.

# CITY OF LUBBOCK, TEXAS

## Table 11 - Authorized But Unissued General Obligation Bonds

<u>Purpose</u>	<u>Date Authorized</u>	<u>Amount Authorized</u>	<u>Amount Previously Issued</u>	<u>Unissued Balance</u>
Waterworks System	10/17/87	\$ 2,810,000	\$ 200,000	\$ 2,610,000
Sewer System	05/21/77	3,303,000	2,175,000	1,128,000
Street Improvements	05/01/93	10,170,000	10,166,000	4,000
Street Improvements	9/18/99	17,165,000	7,725,000	9,440,000
Drainage	9/18/99	2,160,000	1,025,000	1,135,000
Traffic Signals	9/18/99	3,295,000	1,080,000	2,215,000
Parks	9/18/99	14,765,000	6,270,000	8,495,000
		<u>\$53,668,000</u>	<u>\$28,641,000</u>	<u>\$25,027,000</u>

## Table 12 - Other Obligations

The City has no unfunded debt outstanding as of September 30, 2001.

# CITY OF LUBBOCK, TEXAS

## Table 13 - General Fund Revenues and Expenditure History

<u>Revenues</u>	Fiscal Year Ended September 30,				
	2001	2000	1999	1998	1997 <sup>(1)</sup>
Ad Valorem Taxes	\$ 28,604,141	\$ 26,595,709	\$ 25,338,127	\$ 23,271,939	\$ 22,440,626
Sales Taxes	28,183,746	27,121,078	25,196,203	24,914,523	24,251,491
Franchise Fees	7,684,683	6,619,755	6,235,099	7,128,034	5,438,688
Miscellaneous Taxes	774,587	743,771	721,907	675,694	687,574
Licenses and Permits	1,202,794	1,138,924	976,091	1,037,458	1,077,878
Intergovernmental	333,171	365,671	576,136	917,572	884,834
Charges for Services	4,299,958	4,210,334	4,032,665	4,016,475	3,522,397
Fines	3,051,055	2,834,208	3,335,340	3,313,233	3,460,453
Miscellaneous	995,494	1,143,226	947,636	1,011,559	1,118,578
Interest	1,058,096	1,108,662	1,118,016	1,239,562	1,623,818
Operating Transfers <sup>(2)</sup>	14,276,074	13,636,764	13,451,796	16,030,636	15,284,140
<b>Total Revenues and Transfers</b>	<b>\$ 90,463,799</b>	<b>\$ 85,518,102</b>	<b>\$ 81,929,016</b>	<b>\$ 83,556,685</b>	<b>\$ 79,790,477</b>
 <u>Expenditures</u>					
General Government	\$ 7,130,478	\$ 6,654,192	\$ 6,143,076	\$ 5,762,283	\$ 5,003,806
Financial Services	1,499,967	1,458,232	1,366,006	1,196,779	1,067,281
Management Services	629,903	561,653	396,216	389,583	1,170,948
Non-departmental	1,716,167	606,842	926,203	1,125,310	1,040,419
Health & Community Services	4,831,348	4,744,830	4,522,041	4,519,880	4,398,348
Strategic Planning	948,514	823,399	839,814	774,878	727,448
Culture/Leisure Services	13,668,823	12,893,179	12,630,738	12,667,406	12,347,987
Police	28,139,048	25,561,261	23,478,729	22,013,906	20,519,946
Fire	17,785,641	17,080,371	15,616,543	14,468,027	13,897,682
Transportation Services	4,771,680	5,439,855	5,195,459	5,007,496	4,993,564
Electric Utilities	2,146,211	1,923,584	1,759,509	1,848,283	1,778,824
Human Resources	913,250	871,596	870,172	810,997	831,758
Operating Transfers	6,187,379	7,526,481	9,926,784	12,454,461	11,211,948
<b>Total Expenditures and Transfers</b>	<b>\$ 90,368,409</b>	<b>\$ 86,145,475</b>	<b>\$ 83,671,290</b>	<b>\$ 83,039,289</b>	<b>\$ 78,989,959</b>
 Excess of Revenues and Transfers					
(In) Over Expenditures & Transfers (Out)	\$ 95,390	\$ (627,373)	\$ (1,742,274)	\$ 517,396	\$ 800,518
Fund Balance at Beginning of Year	16,620,652	17,248,025	18,990,299	18,472,903	17,672,385
Fund Balance at End of Year	\$ 16,716,042	\$ 16,620,652	\$ 17,248,025	\$ 18,990,299	\$ 18,472,903
Less: Reserves and Designations <sup>(3)</sup>	(2,361,860)	(2,857,096)	(4,432,834)	(5,442,847)	(4,997,379)
 Undesignated Fund Balance	 <b>\$ 14,354,182</b>	 <b>\$ 13,763,556</b>	 <b>\$ 12,815,191</b>	 <b>\$ 13,547,452</b>	 <b>\$ 13,475,524</b>

<sup>(1)</sup> The presentation of the City's General Fund income statements in its audited financial statements was changed in 1997, resulting in different categorizations of expenditure items.

<sup>(2)</sup> The City's financial policies provide for transfers to the General Fund from the City's enterprise funds. The policies provide that the water, waste water and solid waste funds transfer an amount sufficient to cover the pro rata share of the City's general and administrative expenses, an amount representing a franchise payment equal to 3% of gross receipts and an amount representing a payment in lieu of ad valorem taxes. The Electric System makes transfers for the foregoing purposes, and, in addition, makes a transfer reflecting the System's share of street lighting expense.

<sup>(3)</sup> The City's financial policies target a General Fund balance of at least two months of General Fund expenditures. Amounts representing fund balances in excess of the target are reserved for future capital expenditures.

# CITY OF LUBBOCK, TEXAS

## Table 14 - Municipal Sales Tax History

Fiscal Year Ended 9/30	Total Collected <sup>(1)</sup>	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita <sup>(2)</sup>
1997	\$24,391,081	74.78%	\$ 0.4381	\$ 124.85
1998	25,002,693	73.94%	0.4288	127.12
1999	25,196,203	72.01%	0.4186	127.82
2000	27,121,078	71.67%	0.4391	135.98
2001 <sup>(3)</sup>	28,183,746	74.48%	0.4245	140.15

<sup>(1)</sup> Excludes bingo tax receipts.

<sup>(2)</sup> Based on population estimates of the City.

<sup>(3)</sup> Unaudited

The sales tax breakdown for the City is as follows:

City Sales & Use Tax	1.000¢
Property Tax Relief	0.125¢
County Sales & Use Tax	0.500¢
State Sales & Use Tax	6.250¢
<b>Total</b>	<b>7.875¢</b>

## Table 15 - Current Investments

As of 09/30/01, the City's investable funds were invested in the following categories:

Type	Par Value	Book Value		Estimated Fair Market Value <sup>(1)</sup>		Weighted Average Maturity
		Value	% of Total Book Value	Value	% of Total Book Value	
United States Treasury Obligations	\$ 2,000,000	\$ 1,999,395	1.11%	\$ 2,025,625	1.12%	123 days
United States Agency Obligations	71,826,000	71,618,729	39.60%	72,467,249	40.07%	503 days
Bank Certificates of Deposit	283,600	283,600	0.16%	283,600	0.16%	286 days
Local government investment pools <sup>(2)</sup>	106,954,984	106,954,984	59.14%	106,954,984	59.14%	1 days
	<u>\$ 181,064,584</u>	<u>\$ 180,856,708</u>	<u>100.00%</u>	<u>\$ 181,731,458</u>	<u>100.48%</u>	<u>188 days</u>

<sup>(1)</sup> As determined by Patterson & Associates, the City's investment adviser. As of such date, the market value of such investments was approximately 100.00% of their book value. No funds of the City are invested in mortgage-backed securities. The City holds all investments to maturity which minimizes the risk of market price volatility.

<sup>(2)</sup> Local government investment pools consist of entities with investment objectives that include achieving a stable net asset value of \$1.00 per share. The investment pools used by the City include TexPool and LOGIC.

# CITY OF LUBBOCK, TEXAS

## Table 16 - Monthly Water Rates

On August 26, 1999, the Lubbock City Council adopted a three year 12% increase in water rates which is expected to generate revenues sufficient to pay the debt service on the the \$24,800,000 Tax & Waterworks System Surplus Revenue Certificates of Obligation, Series 1999, and which represents the City's share of the construction cost of the North Panhandle Plains Project of the Canadian River Municipal Water Authority (CRMWA). The new water rates are set forth below.

<u>Base Rate</u> <sup>(1)</sup>	<u>Current Rate</u>	<u>Effective 10/1/2002</u>
3/4" meter	\$8.89	\$9.16
1" meter (single family residential)	11.32	11.66
1" meter (other than residential)	18.98	19.55
 <u>Flow Rate Charge per 1,000 Gallons</u>		
Single Family Residential	1.63	1.68
Multi-Family Residential	1.38	1.42
Commercial	1.50	1.55
Schools	1.53	1.58
Sprinkler System	1.91	1.96

<sup>(1)</sup> The Base Rate is for water service; higher Base Rates apply to larger meters ranging from 1.5" to 10".

## Table 17 - Historical Water Consumption (Million Gallons)

<u>Calendar Year</u>	<u>Average Daily Consumption</u>	<u>Maximum Consumption Day/Year</u>
1997	30.070	63.372
1998	44.010	84.173
1999	36.985	68.925
2000	39.413	67.815
2001	38.255	73.086

# CITY OF LUBBOCK, TEXAS

## Table 18 - Waterworks System Condensed Statement of Operations

	Fiscal Year Ended September 30,				
	2001	2000	1999	1998	1997
<b>REVENUE</b>					
Operating Revenues	\$ 30,463,694	\$ 27,117,510	\$ 29,037,723	\$ 29,125,673	\$ 25,441,028
Non-Operating Revenues	2,491,890	3,404,850	2,126,606	1,663,078	960,963
Gross Revenues	32,955,584	30,522,360	31,164,329	30,788,751	26,401,991
<b>EXPENSE</b>					
Operating Expense <sup>(1)</sup>	20,194,590	18,238,503	17,180,436	18,710,947	17,356,117
Net Revenues	\$ 12,760,994	\$ 12,283,858	\$ 13,983,893	\$ 12,077,804	\$ 9,045,874
 Water Meters	 70,756	 70,037	 69,962	 68,127	 66,405

<sup>(1)</sup> Operating expense includes construction repayment costs and operating and maintenance charges paid to CRMWA and BRA and excludes depreciation and capital expenditures.

Note: The City has no outstanding or authorized Waterworks System Revenue Bonds, however, there is \$60,490,981 general obligation debt outstanding which was issued for water system purposes on which annual debt service is provided from revenues of the System.

## Table 19 - Monthly Sewer Rates

	Current Rates
<u>Residential</u>	
Base Rate <sup>(1)</sup>	\$3.46
Flow Rate (Water Consumption)	1.44
 <u>Commercial/Industrial</u> <sup>(2)</sup>	
Base Rate <sup>(1)</sup>	\$7.95
Flow Rate (Water Consumption)	1.44

<sup>(1)</sup> The Base Rate is for sewer service; Base Rates shown are for a 3/4" water meter for residential consumers and a 1" water meter for commercial consumers; higher Base Rates apply to larger meters ranging from 1" 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 \$0.2256/lb. and for T.S.S. is \$0.1459/lb.

# CITY OF LUBBOCK, TEXAS

## Table 20 - Sewer System Condensed Statement of Operations

	Fiscal Year Ended September 30,				
	2001	2000	1999	1998	1997
REVENUE					
Operating Revenues	\$ 16,575,673	\$ 16,447,324	\$ 15,118,621	\$ 15,874,343	\$ 15,332,893
Non-Operating Revenues	727,565	874,684	621,079	751,828	952,911
Gross Revenues	17,303,238	17,322,008	15,739,700	16,626,171	16,285,804
EXPENSE					
Operating Expense <sup>(1)</sup>	9,126,460	8,104,859	7,584,302	6,632,390	6,393,894
Net Revenues	\$ 8,176,778	\$ 9,217,149	\$ 8,155,398	\$ 9,993,781	\$ 9,891,910
Number of Sewer Records	73,794	71,561	71,467	70,022	68,646

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

