



CITY OF LANCASTER

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDING JUNE 30, 2020



CITY OF LANCASTER
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



R. Rex Parris Mayor
Marvin E. Crist Vice Mayor
Ken Mann Council Member
Raj Malhi Council Member
Darrell Dorris Council Member
Jason Caudle City Manager

April 19, 2021

Honorable Mayor and Members of the City Council:

We are pleased to submit for your consideration the Comprehensive Annual Financial Report (CAFR) of the City of Lancaster, California, for the fiscal year which ended June 30, 2020. This document has been prepared by the City's Finance Department and responsibility for the accuracy and completeness of the presentation, including all disclosures, rests with City staff. To provide a reasonable basis for making these representations, City of Lancaster management has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Lancaster's financial statements.

The cost of internal controls should not outweigh their benefits, therefore Lancaster's internal controls have been designed to provide reasonable, rather than absolute, assurance that the financial statements are free from material misstatement. Management asserts that to the best of our knowledge and belief this financial report is complete and reliable in all material respects. This report includes the annual audit report of the City's independent auditors, Clifton Larson Allen LLP. All disclosures necessary to provide an understanding of the City's financial activities have been included.

The data is designed to factually report the City's financial condition and to present results of City operations as measured by activity among the various fund groups in an easily readable and understandable style. All disclosures necessary for the reader to gain an understanding of the City's financial affairs have been included. Financial statements are prepared in accordance with GAAP, as promulgated by the Government Accounting Standards Board.

The CAFR is presented in three sections: introduction, finances, and statistics. The introduction includes this transmittal letter, the City's organizational chart, and a list of principal officers. The financial section includes the basic financial statements, including the management's discussion and analysis, the combined and individual fund statements and schedules, and the auditor's report on the financial statements and schedules. The statistical section includes selected multi-year financial and demographic information.

This CAFR incorporates all City funds, including the separate entities under the direction of the City Council. These separate entities include the Lancaster Successor Agency, Community Facilities Districts 89-1, 90-1, 91-1, 91-2, and Assessment Districts 92-101 and 93-3. Additionally, contained in the governmental funds section are the component units of the Lancaster Housing Authority, Lancaster Community Services Foundation, Lancaster Public Financing Authority, and Lancaster Power Authority.

The City provides a broad range of services associated with a municipality. These services include highway, street, drainage, sewer, electricity, and infrastructure construction and maintenance; planning and zoning; and parks, recreation, and cultural activities. Law enforcement, fire protection, the library, and animal control services are provided under contract with Los Angeles County. Water, sanitation, and schools are funded by special districts not under City control.

City of Lancaster Profile

Lancaster is located in north Los Angeles County in the Antelope Valley, about seventy miles from downtown Los Angeles. The Antelope Valley is separated from the Los Angeles Basin by the Angeles National Forest. The City is bordered by several unincorporated Los Angeles County communities and the city of Palmdale. Lancaster is served by state route 14 and by two major grade-separated east-west thoroughfares: Avenue H and Avenue L. With 94 square miles of residential communities, recreation and art venues, hi-tech industry, retail businesses, and open, natural space Lancaster fosters an exciting atmosphere for living and a place of limitless opportunity for business.

The City was incorporated on November 22, 1977, and on April 13, 2010, voters approved Measure C which granted the City its Charter City status. The Mayor and City Council are elected at large. Lancaster has grown significantly in size and diversity over the last 42 years. According to the 2010 Census, Lancaster's population was 156,633, an increase of nearly thirty-two percent over the 2000 Census total. The 2019 U.S. Census estimates Lancaster's population at 161,299.

As the first three-time recognized "Most Business Friendly City" by the Los Angeles County Economic Development Corporation, Lancaster understands that communities and families thrive when good jobs are created. Because many businesses can choose to locate those jobs anywhere, job creation depends on business-friendly practices. The City today attracts national and local companies from a diverse field of industries. Affordable housing prices attract families to our close-knit community.

In fact, even as Lancaster grows, we have retained a family-focused, hometown spirit. Thousands of visitors come to Lancaster in the spring to enjoy our beautiful poppy and wildflower fields among the world famous Joshua trees. The film industry has captured the essence of the Antelope Valley in multitudes of movies, television shows, and music videos shot here each year, bringing many additional visitors to patronize our hotels and retail establishments.

Strategic Technology Innovation & Resilience



STIR is a three-pronged initiative aiming to establish a new mindset among City staff and stakeholders regarding our approach to not only development, but also to the way we do business as a whole. STIR anticipates the integration of cutting-edge and future technologies and the impact on the community, as well as implementing smart infrastructure. In addition to incorporating new ideas, approaches and techniques to build a stronger City, from enhancing connectivity and aesthetics to policing and addressing homelessness. STIR maximizes available resources, including land, to generate the greatest value possible for the community.



Technology

The City launched a number of Smart City projects and initiatives, in accordance with its vision of Strategic Technology, Innovation, and Resilience (STIR). Launched in May 2020, the new Advanced Traffic Management System solution, provides City staff with real-time data and predictive intelligence to manage traffic signals at intersections and allows traffic operators to adapt to traffic incidents and congestion. The success of this intelligent traffic system deployment was so successful, it has been utilized as a case study to help other municipalities structure their traffic management programs.



Innovation



Innovation focuses on technology disruptors on the horizon that change the way people interact with the built environment. The *Public Improvement Program* saw many great successes despite the impacts felt by the global COVID pandemic. The City completed the revitalizations at Jane Reynolds Park and opened the doors to Lancaster's very first skate park. Improvements began at Sgt. Steve Owen Memorial Park which will see the deployment of a new and improved ADA compliant playground. Future plans include additional park improvements around town, as well as the modernization of Lancaster City Hall and City Maintenance Yard enhancements.

Simple Changes make a BIG Difference

In January 2020, the City adopted the Lancaster Safer Streets Action Plan. The plan proactively addresses traffic safety concerns by applying engineering countermeasures systemically across Lancaster's roadway network. The City began by converting eight two way stops into four way stops and adding several roundabouts. In doing so, Lancaster reduced fatalities in these intersections by 100%. In addition to saving the lives of our residents, the total crashes in these intersections were reduced 87%. Lancaster continued to implement road diets, which reduced traffic incidents along major thoroughfares by 60%.

The *Hybrid Law Enforcement* initiative will see the creation of a new entity to support public safety in the City of Lancaster. Under the leadership of Interim Police Chief Lee D'Errico, the Public Safety Department will establish a new team to support our existing sworn law enforcement officers. This new team will handle routine, non-violent issues such as larcenies and petty theft – freeing up our deputies to focus on more serious crimes. This unique model will provide an innovative, cost-effective approach to reducing crime.

IMPACT

Lancaster kicked off its IMPACT initiative which envisions a community where blight areas are substantially eliminated. In partnership with the local community, the City hoped to renew civic pride through programs to fill potholes, clean up illegal dumping sites, clean alleyways, trim trees, repair sidewalks, and remove graffiti.



Purchasing and Licensing

In an effort to streamline processes, the City has partnered with Fastenal to open an onsite store, allowing employees a one stop shop for commonly used supplies. Along with increased convenience, the City received more competitive pricing for items as well as a rebate at year end. The City also successfully deployed its business licensing to HDL, which allowed residents to process all of their licensing needs online.

Resilience

Grit and Creativity

In March of 2020, the entire world changed overnight. With the declaration of the global pandemic, City staff worked to not only continue operations, but to do so under unprecedented circumstances. Meetings went from people gathering around a table to gathering virtually from the safety of homes, blurring the lines between home life and professional life. Despite the additional challenges, City staff demonstrated their true grit and passion for public service. From the moment the City's emergency operations center opened, City staff from all departments worked fervently to address community needs and be at the forefront of changing recommendations. The City has stood firm in its determination to make Lancaster the jewel of the Antelope Valley by putting health and safety as a top priority.



Greener and Leaner

SGH₂ Energy Global named Lancaster as the home for the world's *largest green hydrogen plant!* This facility will utilize plastics and recycled paper gasified at temperatures of 7,000 degrees to convert them into hydrogen. These waste products will not only be kept out of landfills, but provide a technology that is more cost effective and environmentally friendly than the traditional use of fossil fuels to create the product. This partnership with SGH₂ will process 40,000 tons of waste annually from the City of Lancaster and save \$50-\$75 per ton in landfill costs.

Medical Main Street, a key example of the tremendous potential for more effective and efficient land use within the City, saw completion of a master plan and environmental impact report. These elements, together with a partnership formed with Antelope Valley Hospital and a private-sector development firm, will lay the groundwork for the implementation of the Medical Main Street vision. In January 2020, High Desert Regional Health center broke ground on the Mental Health Urgent Care clinic. This center will allow residents who normally travel to UCLA's Olive View Medical Center a local facility.



OTHER INFORMATION

Independent Audit

The City requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City. This report was prepared with the assistance of the auditor, the independent certified public accounting firm of Clifton Larson Allen LLP. The auditor's opinion is included in this report.

Financial Awards

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 Lancaster for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized Comprehensive Annual Financial Report. This report must satisfy both Generally Accepted Accounting Principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. The City of Lancaster has received a Certificate of Achievement for the last thirty-three consecutive years.

Acknowledgments

The preparation of this document is the result of the hard work of the entire Finance Department staff who have worked tirelessly to maintain accuracy while balancing additional challenges presented by the global pandemic. Their efforts, coupled with the assistance of our auditors, have culminated in the completion of this report. We are pleased with the product and wish to thank all involved. Special appreciation goes to the members of the City Council for their continuing engagement and support of the City's financial activities. The financial success of the City of Lancaster is directly attributable to the City Council's progressive and responsible manner of addressing the business of this municipality.

Respectfully,



George Harris
Finance Director

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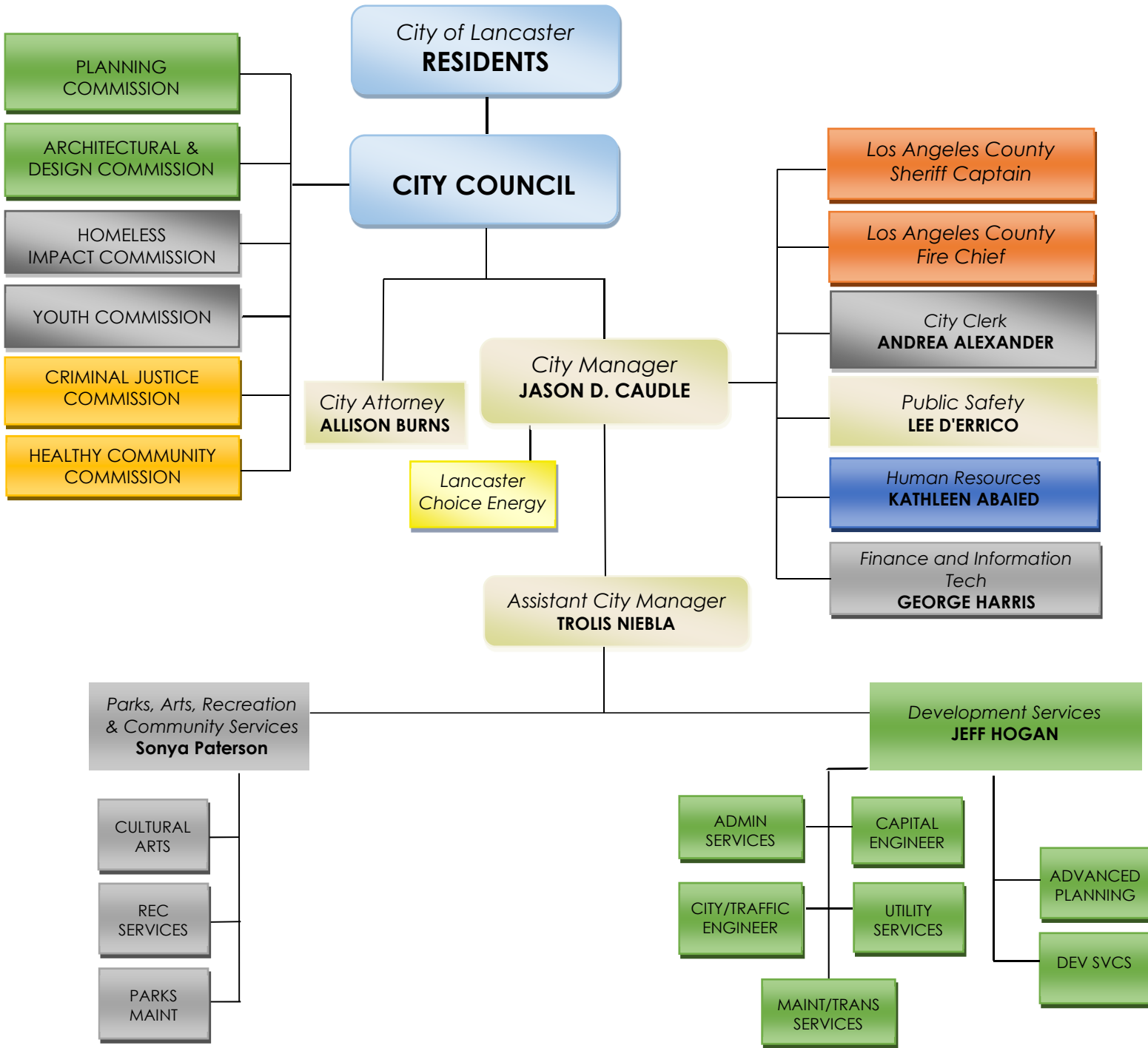
CITY OF LANCASTER

CITY COUNCIL MEMBERS

		<u>Term Expires</u>
R. Rex Parris	Mayor	2024
Marvin E. Crist	Vice Mayor	2022
Darrell Dorris	Council Member	2024
Kenneth G. Mann	Council Member	2024
Raj Malhi	Council Member	2022

CITY OFFICIALS

Jason D. Caudle	City Manager
Allison E. Burns	City Attorney
Trolis Niebla	Assistant City Manager
Jeff Hogan	Development Services Director
George Harris	Finance and Information Technology Director
Sonya Patterson	Parks, Arts, Recreation & Community Services Director
Lee D'Errico	Public Safety Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lancaster
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

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FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor and
Members of the City Council
of the City of Lancaster
Lancaster, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster (the City), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements 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*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lancaster as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof, and the respective budgetary comparisons for the General Fund, the Lancaster Housing Authority Special Revenue Fund, the Federal Grants Special Revenue Fund and the State Grants Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of changes in the net pension liability and related ratios and the schedules of contributions for the CalPERS and PARS pensions plans, the schedule of changes in net OPEB liability and related ratios, the schedule of contributions - OPEB and the average money-weighted rate of return, net of investments - OPEB, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance on it.

Other Information

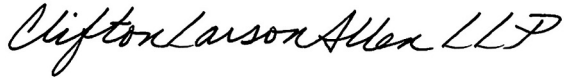
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2021, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Irvine, California
April 19, 2021

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Management's Discussion and Analysis

As management of the City of Lancaster, we offer readers of the City of Lancaster's financial statements this narrative overview and analysis of the financial activities of the City of Lancaster for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal.

Financial Highlights

- The program and general revenues were \$135,697,755
- The cost of governmental activities was \$142,850,861
- The General Fund reported revenues and transfers-in in excess of expenditures and transfers-out of \$2,374,350
- For the General Fund, actual resources available for appropriation (revenue inflows) was greater than final budget by \$3,420,647; while actual appropriations (outflows) were less than the final budget by \$9,651,552.

	<u>Final Budgeted</u> <u>Amounts</u>	<u>Actual</u>	<u>Budget vs Actual</u>
Resources (Inflows)	\$ 78,834,124	\$ 82,157,197	\$ 3,420,647
<u>Appropriations (Outflows)</u>	<u>\$ (89,787,973)</u>	<u>\$ (80,136,421)</u>	<u>\$ 9,651,552</u>
Net of Inflows and Outflows	\$ (10,953,849)	\$ 2,020,776	\$ 13,072,199

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Lancaster's basic financial statements. The City of Lancaster's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Lancaster's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City of Lancaster's assets, deferred outflows, liabilities, and deferred inflow of resources with the net difference reported as net position. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Lancaster is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused, vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lancaster that are principally supported by taxes and intergovernmental revenues (government activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Lancaster include General Government, Public Safety, Community Development, Parks, Recreation and Arts, Development Services, and Housing and Neighborhood Revitalization. The business-type activities include the Lancaster Power Authority, Lancaster Choice Energy and the California Choice Energy Authority.

The government-wide financial statements include the blending of separate legal entities: Lancaster Housing Authority, Lancaster Community Services Foundation, Lancaster Financing Authority, Lancaster Power Authority, and California Choice Energy Authority. Although legally separate, these "component units" are important because the City of Lancaster is financially accountable for them. Separate statements are provided for the fiduciary activities of the Agency Funds and Private Purpose Fund of the Lancaster Successor Agency.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lancaster, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Lancaster can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds. Governmental Funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of Governmental Funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lancaster maintains thirty-six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, one capital project fund, one debt service fund, and three special revenue funds, all of which are considered to be major funds. Data from the other thirty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Lancaster adopts an annual budget for its governmental funds. A fiscal year (FY) 19/20 budgetary comparison statement has been provided for each individual fund to demonstrate compliance with its budget appropriations.

Proprietary Funds. A Proprietary or Enterprise Fund is used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Lancaster uses enterprise funds to account for the activities of the Lancaster Power Authority, Lancaster Choice Energy, and California Choice Energy Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary funds financial statements provide separate information for the Lancaster Power Authority, Lancaster Choice Energy, and California Choice Energy Authority.

Fiduciary Funds. Fiduciary Funds are used to account for resources held for the benefit of parties outside the government. Fiduciary Funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the City of Lancaster's own programs.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statement.

Combining Statements. The combining statements referred to earlier in connection with non-major governmental are presented immediately following the notes.

Government-wide Financial Analysis

Governmental Activities. Governmental activities decreased the City of Lancaster's net position by \$7.1 million .

- Sales tax decreased by \$1,649,658 or 6.99% from the prior year. The decrease in sales tax was a result of a change in distribution timing that caused fiscal year 2019 to recognize revenues that were collected in previous periods. This recognition of revenues as a result of timing caused a one-time spike in revenue. Without this additional revenue, the sales tax remained flat from the prior year.
- Transient Occupancy Tax and Business License Taxes decreased by 11.13% and 21.52% respectively. These losses were caused by a rapid decrease in hotel stays as a result of the pandemic beginning as early as February 2020. Many local businesses chose to defer license payments or were permanently closed as a result of the pandemic business loss.
- The decrease in Net Position is primarily due to an increase in general government expenditures to assist in local pandemic relief projects and a slow collection rate on operating and capital grants.

	Fiscal Year	
	<u>2019</u>	<u>2020</u>
Expenses		
Governmental activities:		
General Government	\$ 36,559,231	34,227,243
Public Safety	30,472,647	31,515,319
Community Development	3,203,719	657,480
Parks, Recreation and Arts	19,055,172	18,323,761
Development Services	53,929,613	53,960,990
Housing and Neighborhood Revitalization	2,115,890	1,850,333
Interest on long-term debt	920,559	2,315,735
Total primary governmental activities expenses	<u>\$ 146,256,831</u>	<u>\$ 142,850,861</u>
Program Revenues		
Governmental activities:		
Charges for services:		
General Government	\$ 619,995	\$ 139,214
Public Safety	1,085,753	853,945
Community Development	639,536	597,666
Parks, Recreation and Arts	4,715,881	2,657,974
Development Services	15,847,319	16,463,307
Housing and Neighborhood Revitalization	237,247	1,042,728
Operating grants and contributions	26,646,632	32,101,550
Capital grants and contributions	18,407,817	13,207,647
Total governmental activities program revenues	<u>\$ 68,200,180</u>	<u>\$ 67,064,031</u>
Governmental activities net expenses	\$ (78,056,651)	\$ (75,786,830)
General revenues:		
Taxes		
Property taxes	22,583,607	24,296,937
Transient occupancy taxes	2,211,230	1,965,102
Intergovernmental - state shared sales taxes	23,611,132	21,961,474
Franchise taxes	7,637,948	7,663,335
Business licenses taxes	920,998	722,837
Other taxes	885,093	1,279,397
Intergovernmental	77,514	127,902
Investment Earnings	1,980,851	4,696,743
Miscellaneous	10,536,241	4,138,146

Gain on sale of land held for resale	\$ 1,220,392	\$ 888,441
Transfers	845,513	893,410
Total general revenues	<u>\$ 72,510,519</u>	<u>\$ 68,633,724</u>
Change in Net Position		
Governmental activities	\$ (5,546,132)	\$ (7,153,106)

Business-Type Activities. Business-type activities increased the City of Lancaster's net position by \$4,322,540 primarily due to increased power sales in Lancaster Choice Energy and California Choice Energy partnered with lower operating costs. The operating cost savings was predominantly caused by decreased power procurement costs. It should be noted that Lancaster Choice Energy approved a rate reduction in late 2020 as a result of the increased revenue activity.

	<u>2019</u>	<u>2020</u>
Expenses		
Lancaster Power Authority	\$ 1,968,698	\$ 1,841,253
Lancaster Choice Energy	36,835,001	39,965,395
California Choice Energy Authority	4,287,401	5,650,866
Total business-type activities expenses	<u>43,091,100</u>	<u>47,397,265</u>
Program Revenues (see Schedule 3)		
Charges for services:		
Lancaster Power Authority	\$ 1,661,277	\$ 1,545,531
Lancaster Choice Energy	37,059,153	43,397,265
California Choice Energy Authority	4,535,102	5,438,167
Total business-type activities program revenues	<u>\$ 43,255,532</u>	<u>\$ 50,380,963</u>
Business-type activities net revenue	164,432	2,923,449
General Revenues		
Investment Earnings	\$ 48,219	\$ 34,247
Miscellaneous		2,258,254
Transfers	(845,51)	(893,410)
Total General Revenues	<u>\$ (797,294)</u>	<u>\$ 1,399,091</u>
Change in Net Position		
Business-type activities	(632,862)	4,322,540

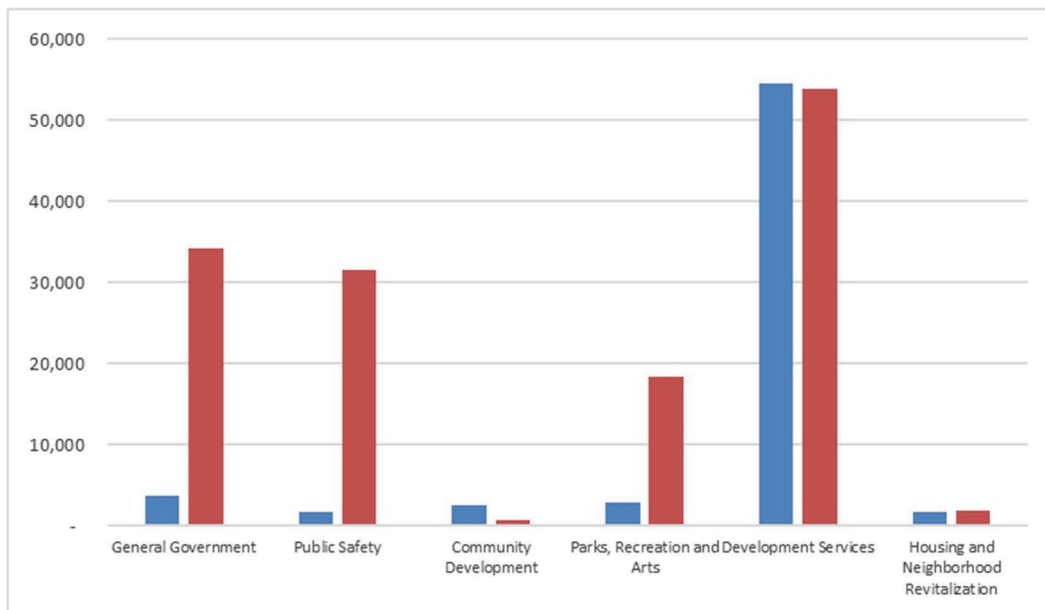
The following presents the cost of each of the City's five largest programs – general government, public safety, parks, recreation and arts, development services, and community development - as well as each program's *net* cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the City's taxpayers by each of these functions.

**City of Lancaster Governmental Activities
(in Thousands)**

	Total Cost of Services	Net Cost of Services
	2020	2020
General Government	\$ 34,227	\$ (30,557)
Public Safety	31,515	(29,873)
Parks, Recreation and Arts	18,324	(15,445)
Development Services	53,961	591
Housing and neighborhood revitalization	1,850	(92)
Community Development	658	1,905
Totals	\$ 140,535	\$ (73,471)

The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program revenues and general revenues.

**City of Lancaster Governmental Activities
Revenue & Expense by Source
(in Thousands)**



Financial Analysis of the City's Funds

The City of Lancaster uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds. The focus of the City of Lancaster's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Lancaster's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Lancaster's governmental funds reported combined ending fund balances of \$247.9 million. This is an increase of \$44 million from last fiscal year mostly due to an increase in property taxes, issuance of 2020 bonds by the Lancaster Financing Authority, and a one-time franchise extension and revenue sharing payment received from Waste Management.

The General Fund is the chief operating fund of the City of Lancaster. At the end of the current fiscal year, including transfers, the General Fund reported actual revenues and transfers-in in excess of actual expenditures and transfers-out of \$2,374,350. This increase in fund balance is due primarily to increases in property tax revenue and one-time intergovernmental revenues as a result of COVID stimulus. Additionally, there was a decrease in primary government expenses of nearly \$4 million as a result of several delayed projects also resulting from COVID.

The Lancaster Housing Authority Fund is a special revenue fund used to capture activities performed by the Lancaster Housing Authority. At the end of the current fiscal year, the Lancaster Housing Authority Fund reported revenues and transfer-in less expenditures and transfers-out of \$(1033,394). The services provided to the community by the Housing and Neighborhood revitalization staff stayed below the budgeted amounts mainly due to project delays caused by COVID. When completed, these efforts will yield beautiful, family-friendly, new housing tracts in formerly blighted areas of the City.

The Federal Grants Fund is used to capture miscellaneous federal grant revenue and expenditures. Most grants are on a reimbursable basis, which resulted in revenues and transfers in exceeding expenditures and transfers out for fiscal year 19/20, in the amount of \$176,580. It is expected that reimbursements will be received in the subsequent Fiscal Year.

The State Grants Fund is used to capture miscellaneous state grant revenue and expenditures. Most grants are on a reimbursable basis, which resulted in expenditures and transfers out exceeding revenues and transfers for fiscal year 19/20, in the amount of \$5,230,855. It is expected that reimbursements will be received in the subsequent Fiscal Year.

The Lancaster Financing Authority Fund is a debt service fund used for debt transactions. At the end of the current fiscal year, Lancaster Financing Authority Fund reported revenues and other financing sources in excess of expenditures and other financing uses of \$55,939,753.

The Capital Projects Fund is used to account for the City's capital improvement project. At the end of the current fiscal year, the Capital Projects Fund reported revenues and transfers-in in excess of expenditures and transfers-out of \$495,819.

Proprietary Funds. The City of Lancaster's proprietary funds provide the same type of information found in the government-wide financial statement, but in more detail. The City of Lancaster has three funds of this type: Lancaster Power Authority, Lancaster Choice Energy, and California Choice Energy Authority.

The net position of the Lancaster Power Authority, Lancaster Choice Energy, and California Choice Energy Authority at the end of the year was \$7,049,566, an increase over last year of \$4,322,540. This is primarily due to higher power sales for Lancaster Choice Energy and a growth in members in the California Choice Energy authority. The increased sales are a result of resource adequacy transactions and carbon free power sales. It is anticipated that these increased sales activities will continue into the foreseeable future.

General Fund Budgetary Highlights

The actual amount of expenditures for the General Fund at year-end were \$9.65 million less than the final budget to include transfers. This variance is mainly a result of project delays resulting from COVID. The global pandemic had an unprecedented impact on city operations. However, it should be noted that Management works very hard to control expenditures, ensuring the city is fiscally sound. Managers citywide diligently tracked division and departmental budgets to ensure overruns did not occur.

Capital Asset and Debt Administration

Capital Assets. At the end of FY 2020, the City had \$863.9 million invested in a broad range of capital assets, including land, buildings, infrastructure, equipment, and intangible assets net of accumulated depreciation.

The City's Capital Improvement Plan projects spending \$43.7 million through fiscal 2020-21 on new projects. Funding will come from current fund balances and projected revenues. The most significant projects include SR 14 interchange projects, the City Hall facelift, the Revive 25 pavement management program, the community center rehabilitation, and other citywide facility upgrades.

	Capital Assets (in Thousands)		
	Governmental Activities	Business-type Activities	Total Capital Assets
Land	\$ 25,345		\$ 25,345
Structures and Improvements	39,935		39,935
Furniture and Equipment	4,125		4,125
Infrastructure	756,559		756,559
Construction in Progress	37,968		37,968
Intangible Assets		15,501	15,501
Net Capital Assets	<u>\$ 863,932</u>	<u>\$ 15,501</u>	<u>\$ 879,433</u>

Note 5 provides a detailed analysis of the Capital Assets.

Long-term Debt. At the end of the current fiscal year, the City of Lancaster's total long-term debt increased by \$52.40 Million from the prior year. This is due to the issuance of \$48,405,000 of Lancaster Financing Authority Lease Revenue Bonds, Series 2019. These bonds will be used to upgrade and revitalize city-owned facilities. As of June 30, 2020, the City of Lancaster had accrued employee benefits outstanding of \$3,034,572.

The Lancaster Power Authority 2012A Solar Renewable Energy Revenue Bonds are paid out of solar utility revenues. At the end of FY 19/20, the unpaid principal on these bonds totaled \$20,830,188.

The City's AA credit rating remained unchanged for FY 19/20.

Note 7 provides a detailed analysis of the Long-term Debt.

Economic Factors and Next Year's Budgets and Rates

On June 09, 2020, the City Council adopted and approved the budget for FY 20/21 along with the Five-Year Capital Improvement Program. Appropriations (including transfers) of \$257.01 million were adopted for the 20/21 fiscal year. Adequate resources are available to fund the proposed expenditures. Consistent with the City's policy, General Fund operating revenues fully cover on-going operating expenses with Fund Balance funding one-time expenses. The ending General Fund balance exceeds the City's policy minimum of 10% of operating expenditures. The city of Lancaster is working on revising the reserve policy in FY 20/21 to better align with its long-term sustainability plan and to assure that there is sufficient working capital available to sustain cash flow variances throughout the fiscal year cycle.

Budgetary revenue estimates have been prepared using a variety of methods. Certain revenue sources, such as federal and state grants and transportation funds are relatively fixed and known. Others, such as sales tax and development related revenues are more difficult to estimate. In those cases, a cautiously optimistic economic outlook has been assumed.

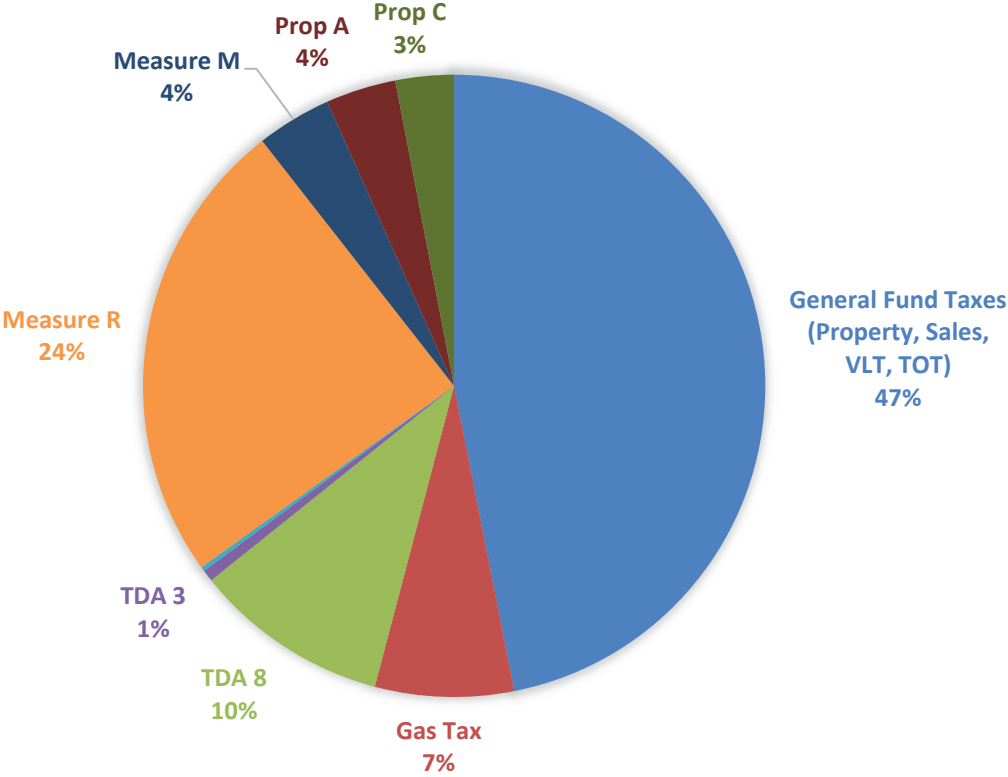
Current economic conditions allow the City to maintain core services, and to maintain current levels of public safety. However, prudent long-term fiscal planning dictates that we remain conservative, focus on the highest priorities, and fund only those enhancements we can sustain financially.

The two largest sources of revenue for the City's Funds are property tax and sales tax. Total tax impacted revenues represent 48% of all city revenues budgeted for the upcoming fiscal year. The revenue and expenditure projections for development related activity are based upon local and regional economic forecasts and trends. Overall, the budget is based on the information supplied by outside agencies, such as the State Department of Finance, California Department of Tax & Fee Administration, and the Los Angeles County Assessor's Office, to predict revenues. The revenue and expenditure projections are intended to serve as a guide in planning for the future.

TOTAL BUDGETED REVENUE FY 2020/2021



**TAX IMPACTED BUDGETED REVENUES BY FUND
FY 2020/2021**



Contacting The City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Nike Noack, Senior Finance Manager, at the City of Lancaster, 44933 Fern Avenue, Lancaster, CA 93534, or by phone at (661)723-6135.

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FINANCIAL STATEMENTS

CITY OF LANCASTER

STATEMENT OF NET POSITION

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and investments	\$ 72,196,537	\$ 4,719,194	\$ 76,915,731
Receivables:			
Accounts	5,111,238	9,559,349	14,670,587
Taxes	5,442,054	-	5,442,054
Accrued interest	97,675	-	97,675
Due from other governments	13,317,312	-	13,317,312
Notes and loans	5,221,302	-	5,221,302
Deposits	-	612,522	612,522
Prepaid items	150,277	1,318,000	1,468,277
Inventories	32,313	-	32,313
Land held for resale	56,075,868	-	56,075,868
Advances to Successor Agency	70,297,045	-	70,297,045
Restricted assets:			
Cash and investments	72,144,247	4,194,999	76,339,246
Capital assets:			
Nondepreciable	63,313,085	-	63,313,085
Depreciable	800,618,509	15,501,271	816,119,780
TOTAL ASSETS	1,164,017,462	35,905,335	1,199,922,797
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts on pension plan	7,241,190	-	7,241,190
Deferred amounts on OPEB	3,751,978	-	3,751,978
TOTAL DEFERRED OUTFLOWS OF RESOURCES	10,993,168	-	10,993,168
LIABILITIES:			
Accounts payable	14,632,788	4,849,526	19,482,314
Accrued liabilities	1,393,815	46,451	1,440,266
Accrued interest	438,827	145,082	583,909
Unearned revenues	1,086,527	1,976,522	3,063,049
Deposits payable	1,070,145	1,008,000	2,078,145
Noncurrent liabilities:			
Due within one year - Other	4,558,129	570,000	5,128,129
Due in more than one year:			
Other	87,387,116	20,260,188	107,647,304
Net pension liability	61,325,669	-	61,325,669
Net OPEB liability	17,310,171	-	17,310,171
TOTAL LIABILITIES	189,203,187	28,855,769	218,058,956
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts on pension plan	1,094,611	-	1,094,611
Deferred amounts on OPEB	1,223,343	-	1,223,343
TOTAL DEFERRED INFLOWS OF RESOURCES	2,317,954	-	2,317,954
NET POSITION:			
Net investment in capital assets	852,525,238	(2,507,045)	850,018,193
Restricted for:			
Community development projects	3,066,269	-	3,066,269
Parks, recreation, and arts	1,577,641	-	1,577,641
Development services	40,358,624	-	40,358,624
Debt service	1,157,694	-	1,157,694
Housing and neighborhood revitalization	94,412,014	-	94,412,014
Capital projects	71,086,928	-	71,086,928
Unrestricted	(80,694,919)	9,556,611	(71,138,308)
TOTAL NET POSITION	\$ 983,489,489	\$ 7,049,566	\$ 990,539,055

See accompanying notes to financial statements.

CITY OF LANCASTER

STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 34,227,243	\$ 139,214	\$ 3,531,041	\$ -
Public safety	31,515,319	853,945	787,618	-
Community development	657,480	597,666	1,965,602	-
Parks, recreation, and arts	18,323,761	2,657,974	221,181	-
Development services	53,960,990	16,463,307	24,880,711	13,207,647
Housing and neighborhood revitalization	1,850,333	1,042,728	715,397	-
Interest and other charges	2,315,735	-	-	-
Total governmental activities	142,850,861	21,754,834	32,101,550	13,207,647
Business-Type Activities:				
Lancaster Power Authority	1,841,253	1,545,531	-	-
Lancaster Choice Energy	39,965,395	43,397,265	-	-
California Choice Energy Authority	5,650,866	5,438,167	-	-
Total business-type activities	47,457,514	50,380,963	-	-
Total primary government	\$ 190,308,375	\$ 72,135,797	\$ 32,101,550	\$ 13,207,647

General revenues:

Taxes:

Property taxes, levied for general purposes

Franchise taxes

Transient occupancy taxes

Business licenses taxes

Other taxes

Intergovernmental

Intergovernmental - state shared sales tax

Investment earnings

Miscellaneous

Gain on sale of property

Transfers

Total general revenues and transfers

Change in net position

Net Position - Beginning of Year

Net Position - End of Year

Net (Expenses) Revenue and Changes in Net Position
Primary Government

Governmental Activities	Business-Type Activities	Total
\$ (30,556,988)	\$ -	\$ (30,556,988)
(29,873,756)	-	(29,873,756)
1,905,788	-	1,905,788
(15,444,606)	-	(15,444,606)
590,675	-	590,675
(92,208)	-	(92,208)
(2,315,735)	-	(2,315,735)
<u>(75,786,830)</u>	<u>-</u>	<u>(75,786,830)</u>
-	(295,722)	(295,722)
-	3,431,870	3,431,870
-	(212,699)	(212,699)
<u>-</u>	<u>2,923,449</u>	<u>2,923,449</u>
<u>(75,786,830)</u>	<u>2,923,449</u>	<u>(72,863,381)</u>
24,296,937	-	24,296,937
7,663,335	-	7,663,335
1,965,102	-	1,965,102
722,837	-	722,837
1,279,397	-	1,279,397
127,902	-	127,902
21,961,474	-	21,961,474
4,696,743	34,247	4,730,990
4,138,146	2,258,254	6,396,400
888,441	-	888,441
893,410	(893,410)	-
<u>68,633,724</u>	<u>1,399,091</u>	<u>70,032,815</u>
(7,153,106)	4,322,540	(2,830,566)
<u>990,642,595</u>	<u>2,727,026</u>	<u>993,369,621</u>
<u>\$ 983,489,489</u>	<u>\$ 7,049,566</u>	<u>\$ 990,539,055</u>

CITY OF LANCASTER

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2020

	General	Special Revenue Funds		
		Lancaster Housing Authority	Federal Grants	State Grants
ASSETS:				
Pooled cash and investments	\$ 22,314,237	\$ 9,173,419	\$ -	\$ 260,858
Receivables:				
Accounts	3,916,687	31,856	134,812	84,984
Taxes	4,954,959	-	-	-
Accrued interest	85,752	-	-	88
Due from other governments	313,398	-	4,284,435	5,217,012
Notes and loans, net	1,150,839	3,480,402	-	-
Prepaid items	150,277	-	-	-
Due from other funds	13,041,586	-	-	-
Inventories	32,313	-	-	-
Land held for resale	2,782,104	52,900,968	-	-
Advances to Successor Agency	42,673,865	27,623,180	-	-
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	-
TOTAL ASSETS	<u>\$ 91,416,017</u>	<u>\$ 93,209,825</u>	<u>\$ 4,419,247</u>	<u>\$ 5,562,942</u>
LIABILITIES:				
Accounts payable	\$ 7,378,812	\$ 219,425	\$ -	\$ 62,146
Accrued liabilities	488,186	12,397	-	358
Unearned revenues	82,260	-	-	386,978
Deposits payable	1,070,145	-	-	-
Due to other funds	-	-	2,899,400	5,373,416
TOTAL LIABILITIES	<u>9,019,403</u>	<u>231,822</u>	<u>2,899,400</u>	<u>5,822,898</u>
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	<u>17,114,647</u>	<u>4,266,174</u>	<u>4,284,435</u>	<u>5,287,275</u>
FUND BALANCES:				
Nonspendable:				
Notes and loans	1,100,888	-	-	-
Prepaid items	150,277	-	-	-
Inventories	32,313	-	-	-
Advances to Successor Agency	25,609,169	-	-	-
Land held for resale	2,782,104	-	-	-
Restricted:				
Community development projects	-	-	-	-
Parks, recreation, and arts	-	-	-	-
Development services	-	-	-	-
Debt service	-	-	-	-
Housing and neighborhood revitalization	-	88,711,829	-	-
Capital projects	-	-	-	-
Committed:				
Contingency reserve	1,614,733	-	-	-
Assigned:				
Employee benefits	3,037,000	-	-	-
Legal claims	2,637,000	-	-	-
Capital projects	-	-	-	-
Encumbrance reserve	3,381,493	-	-	-
Unassigned	24,936,990	-	(2,764,588)	(5,547,231)
TOTAL FUND BALANCES (DEFICIT)	<u>65,281,967</u>	<u>88,711,829</u>	<u>(2,764,588)</u>	<u>(5,547,231)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
	<u>\$ 91,416,017</u>	<u>\$ 93,209,825</u>	<u>\$ 4,419,247</u>	<u>\$ 5,562,942</u>

See accompanying notes to financial statements.

Lancaster Financing Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ 6,528,299	\$ 33,919,724	\$ 72,196,537
-	-	942,899	5,111,238
-	-	487,095	5,442,054
-	-	11,835	97,675
-	-	3,502,467	13,317,312
-	-	590,061	5,221,302
-	-	-	150,277
-	-	-	13,041,586
-	-	-	32,313
-	-	392,796	56,075,868
-	-	-	70,297,045
<u>72,144,247</u>	<u>-</u>	<u>-</u>	<u>72,144,247</u>
<u>\$ 72,144,247</u>	<u>\$ 6,528,299</u>	<u>\$ 39,846,877</u>	<u>\$ 313,127,454</u>
\$ 21,047	\$ 5,324,552	\$ 1,626,806	\$ 14,632,788
-	647,281	245,593	1,393,815
-	-	617,289	1,086,527
-	-	-	1,070,145
<u>3,694,581</u>	<u>-</u>	<u>1,074,189</u>	<u>13,041,586</u>
<u>3,715,628</u>	<u>5,971,833</u>	<u>3,563,877</u>	<u>31,224,861</u>
-	-	3,055,498	34,008,029
-	-	-	1,100,888
-	-	-	150,277
-	-	-	32,313
-	-	-	25,609,169
-	-	-	2,782,104
-	-	2,707,633	2,707,633
-	-	1,577,641	1,577,641
-	-	28,090,052	28,090,052
1,157,694	-	-	1,157,694
-	-	1,434,011	90,145,840
70,986,553	-	100,375	71,086,928
-	-	-	1,614,733
-	-	-	3,037,000
-	-	-	2,637,000
-	556,466	-	556,466
-	-	-	3,381,493
<u>(3,715,628)</u>	<u>-</u>	<u>(682,210)</u>	<u>12,227,333</u>
<u>68,428,619</u>	<u>556,466</u>	<u>33,227,502</u>	<u>247,894,564</u>
<u>\$ 72,144,247</u>	<u>\$ 6,528,299</u>	<u>\$ 39,846,877</u>	<u>\$ 313,127,454</u>

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CITY OF LANCASTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION

June 30, 2020

Fund balances - total governmental funds \$ 247,894,564

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds balance sheet:

Capital assets	\$ 1,866,658,338	
Accumulated depreciation	<u>(1,002,726,744)</u>	863,931,594

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported. Interest on long-term liabilities is not accrued in governmental funds, but rather is recognized as an expenditures when due.

All liabilities, both current and long-term, are reported in the Statement of Net Position. Balances as of June 30, 2019 are:

Bonds, notes, loans, and capital leases payable	(86,273,673)	
Claims and judgments	(2,637,000)	
Compensated absences	<u>(3,034,572)</u>	(91,945,245)

Pension-related debt applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts affect only the government-wide statements for governmental activities:

Deferred outflows of resources	7,241,190	
Deferred inflows of resources	(1,094,611)	
Pension liability	<u>(61,325,669)</u>	(55,179,090)

OPEB-related debt applicable to the City's governmental activities is not due and payable in the current period and accordingly is not reported as fund liabilities. Deferred outflows of resources related to OPEB are only reported in the statement of net position, as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred outflows of resources	3,751,978	
Deferred inflows of resources	(1,223,343)	
Net OPEB liability	<u>(17,310,171)</u>	(14,781,536)

Accrued interest payable for the current portion of interest due on bonds are not reported in the governmental funds (438,827)

Long-term assets are not available to pay for current period expenditures and, therefore, are reported as deferred inflows of resources in the fund financial statements:

Unavailable revenues		<u>34,008,029</u>
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Net position of governmental activities \$ 983,489,489

CITY OF LANCASTER

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the year ended June 30, 2020

	Special Revenue Funds			
	General	Lancaster Housing Authority	Federal Grants	State Grants
REVENUES:				
Taxes	\$ 35,373,412	\$ -	\$ -	\$ -
Licenses and permits	4,640,853	-	-	-
Intergovernmental	23,223,083	-	1,492,428	126,593
Charges for services	2,451,513	-	-	-
Investment earnings	1,932,646	9,650	-	95,631
Fines and forfeitures	805,740	-	-	-
Contributions	-	-	-	-
Rental income	128,893	-	-	-
Gain from sale of land held for resale	-	30,303	-	-
Miscellaneous	4,513,108	1,142,614	-	-
TOTAL REVENUES	<u>73,069,248</u>	<u>1,182,567</u>	<u>1,492,428</u>	<u>222,224</u>
EXPENDITURES:				
Current:				
General government	25,391,804	-	-	-
Public safety	31,325,203	-	-	-
Community development	231	-	-	67,652
Parks, recreation, and arts	14,447,241	-	-	-
Development services	7,484,481	-	-	198,181
Housing and neighborhood revitalization	-	1,566,298	-	-
Capital outlay	383,192	-	-	13,150
Debt service:				
Principal retirement	585,116	-	-	-
Interest and fiscal charges	80,685	-	-	-
TOTAL EXPENDITURES	<u>79,697,953</u>	<u>1,566,298</u>	<u>-</u>	<u>278,983</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(6,628,705)</u>	<u>(383,731)</u>	<u>1,492,428</u>	<u>(56,759)</u>
OTHER FINANCING SOURCES (USES):				
Sale of capital assets	353,574	-	-	-
Issuance of debt	-	-	-	-
Bond premium	-	-	-	-
Transfers in	9,087,949	-	329,265	3,347
Transfers out	(438,468)	(649,663)	(1,645,113)	(5,177,443)
TOTAL OTHER FINANCING SOURCES (USES)	<u>9,003,055</u>	<u>(649,663)</u>	<u>(1,315,848)</u>	<u>(5,174,096)</u>
NET CHANGE IN FUND BALANCES	2,374,350	(1,033,394)	176,580	(5,230,855)
FUND BALANCES (DEFICIT) - BEGINNING OF YEAR	<u>62,907,617</u>	<u>89,745,223</u>	<u>(2,941,168)</u>	<u>(316,376)</u>
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 65,281,967</u>	<u>\$ 88,711,829</u>	<u>\$ (2,764,588)</u>	<u>\$ (5,547,231)</u>

See accompanying notes to financial statements.

Lancaster Financing Authority	Capital Projects	Other Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 4,402,965	\$ 39,776,377
-	-	1,507,982	6,148,835
-	-	31,579,903	56,422,007
-	-	9,205,429	11,656,942
660,840	-	214,639	2,913,406
-	-	190,570	996,310
-	-	2,669	2,669
-	-	-	128,893
-	-	-	30,303
-	-	675,549	6,331,271
<u>660,840</u>	<u>-</u>	<u>47,779,706</u>	<u>124,407,013</u>
443,846	-	2,774,373	28,610,023
-	-	-	31,325,203
-	-	168,943	236,826
-	-	2,595,426	17,042,667
-	-	12,494,233	20,176,895
-	-	284,035	1,850,333
389,436	31,551,844	147,532	32,485,154
2,026,713	-	785,767	3,397,596
1,882,904	-	450,158	2,413,747
<u>4,742,899</u>	<u>31,551,844</u>	<u>19,700,467</u>	<u>137,538,444</u>
<u>(4,082,059)</u>	<u>(31,551,844)</u>	<u>28,079,239</u>	<u>(13,131,431)</u>
-	-	172,604	526,178
48,405,000	-	-	48,405,000
7,268,805	-	-	7,268,805
3,550,301	32,047,663	5,708,533	50,727,058
<u>(3,284,353)</u>	<u>-</u>	<u>(38,638,608)</u>	<u>(49,833,648)</u>
<u>55,939,753</u>	<u>32,047,663</u>	<u>(32,757,471)</u>	<u>57,093,393</u>
51,857,694	495,819	(4,678,232)	43,961,962
16,570,925	60,647	37,905,734	203,932,602
<u>\$ 68,428,619</u>	<u>\$ 556,466</u>	<u>\$ 33,227,502</u>	<u>\$ 247,894,564</u>

CITY OF LANCASTER

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES

For the year ended June 30, 2020

Net change in fund balances - total governmental funds		\$ 43,961,962
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital expense in the current period.		
Capital outlays	\$ 32,796,924	
Contributed capital assets	1,816,401	
Disposals	(176,514)	
Depreciation expense	<u>(36,600,811)</u>	(2,164,000)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.		
Proceeds from bond issuance	(48,405,000)	
Bond premium	(7,268,805)	
Principal payments	3,197,596	
Amortization of bond premium	315,411	
Bond accretion	<u>(63,315)</u>	(52,224,113)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds.		
Change in accrued employee benefits	218,402	
Change in claims payable	(591,000)	
Change in settlement agreement	<u>200,000</u>	(172,598)
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.		(154,084)
OPEB expense reported in the governmental funds includes the actuarial determined contributions. In the Statement of Activities, OPEB expense includes the change in the net OPEB liability and related change in OPEB amounts for deferred outflows of resources and deferred inflows of resources.		929,896
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense included the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.		(5,561,436)
Revenues are deferred in the governmental funds when they are not received soon after year-end to be considered to be available. The availability criteria does not apply to the Statement of Net Position and therefore the revenue is recognized.		<u>8,231,267</u>
Change in net position of governmental activities		<u>\$ (7,153,106)</u>

See accompanying notes to financial statements.

CITY OF LANCASTER

BUDGETARY COMPARISON STATEMENT
GENERAL FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
Budgetary Fund Balance, July 1, as restated	\$ 62,907,617	\$ 62,907,617	\$ 62,907,617	\$ -
Resources (Inflows):				
Taxes	33,660,400	34,822,706	35,373,412	550,706
Licenses and permits	6,058,713	4,650,977	4,640,853	(10,124)
Intergovernmental	22,238,935	19,782,417	23,223,083	3,440,666
Charges for services	3,947,800	2,977,300	2,451,513	(525,787)
Investment earnings	1,174,000	1,007,180	1,932,646	925,466
Fines and forfeitures	898,158	806,000	805,740	(260)
Rental income	155,750	155,750	128,893	(26,857)
Miscellaneous	4,848,387	5,091,209	4,513,108	(578,101)
Proceeds from capital lease	-	-	-	-
Transfers in	8,685,850	9,540,585	9,087,949	(452,636)
Amounts Available for Appropriations	<u>144,831,610</u>	<u>141,997,741</u>	<u>145,418,388</u>	<u>3,420,647</u>
Charges to Appropriations (Outflows):				
General government	24,794,318	30,704,967	25,391,804	5,313,163
Public safety	31,474,754	32,104,691	31,325,203	779,488
Community development	-	-	231	(231)
Parks, recreation, and arts	15,933,702	16,487,573	14,447,241	2,040,332
Development services	8,894,619	8,982,088	7,484,481	1,497,607
Capital outlay	-	-	383,192	(383,192)
Debt service:				
Principal retirement	585,116	585,116	585,116	-
Interest and fiscal charges	80,685	80,685	80,685	-
Transfers out	425,000	842,853	438,468	404,385
Total Charges to Appropriations	<u>82,188,194</u>	<u>89,787,973</u>	<u>80,136,421</u>	<u>9,651,552</u>
Budgetary Fund Balance, June 30	<u>\$ 62,643,416</u>	<u>\$ 52,209,768</u>	<u>\$ 65,281,967</u>	<u>\$ 13,072,199</u>

See accompanying notes to financial statements.

CITY OF LANCASTER

BUDGETARY COMPARISON STATEMENT
LANCASTER HOUSING AUTHORITY SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, as restated	\$ 89,745,223	\$ 89,745,223	\$ 89,745,223	\$ -
Resources (Inflows):				
Investment earnings	19,800	19,800	9,650	(10,150)
Gain from sale of land held for resale	0	109,000	30,303	(78,697)
Miscellaneous	3,262,382	4,211,407	1,142,614	(3,068,793)
Amounts Available for Appropriations	<u>93,027,405</u>	<u>94,085,430</u>	<u>90,927,790</u>	<u>(3,157,640)</u>
Charges to Appropriations (Outflows):				
Housing and neighborhood revitalization	1,221,297	3,109,023	1,566,298	1,542,725
Transfers out	<u>77,590</u>	<u>343,840</u>	<u>649,663</u>	<u>(305,823)</u>
Total Charges to Appropriations	<u>1,298,887</u>	<u>3,452,863</u>	<u>2,215,961</u>	<u>1,236,902</u>
Budgetary Fund Balance, June 30	<u>\$ 91,728,518</u>	<u>\$ 90,632,567</u>	<u>\$ 88,711,829</u>	<u>\$ (1,920,738)</u>

See accompanying notes to financial statements.

CITY OF LANCASTER

BUDGETARY COMPARISON STATEMENT
 FEDERAL GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (2,941,168)	\$ (2,941,168)	\$ (2,941,168)	\$ -
Resources (Inflows):				
Intergovernmental	-	15,357,756	1,492,428	(13,865,328)
Transfers in	-	-	329,265	329,265
Amounts Available for Appropriations	(2,941,168)	12,416,588	(1,119,475)	(13,536,063)
Charges to Appropriations (Outflows):				
Transfers out	-	12,864,396	1,645,113	11,219,283
Total Charges to Appropriations	-	12,864,396	1,645,113	11,219,283
Budgetary Fund Balance (Deficit), June 30	<u>\$ (2,941,168)</u>	<u>\$ (447,808)</u>	<u>\$ (2,764,588)</u>	<u>\$ (2,316,780)</u>

CITY OF LANCASTER

BUDGETARY COMPARISON STATEMENT
STATE GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (316,376)	\$ (316,376)	\$ (316,376)	\$ -
Resources (Inflows):				
Intergovernmental	862,569	8,672,330	126,593	(8,545,737)
Investment earnings	-	-	95,631	95,631
Transfers in	-	-	3,347	3,347
Amounts Available for Appropriations	546,193	8,355,954	(90,805)	(8,446,759)
Charges to Appropriations (Outflows):				
Community development	-	108,990	67,652	41,338
Development services	129,354	384,449	198,181	186,268
Capital outlay			13,150	(13,150)
Transfers out	623,040	7,875,385	5,177,443	2,697,942
Total Charges to Appropriations	752,394	8,368,824	5,456,426	2,912,398
Budgetary Fund Balance (Deficit), June 30	\$ (206,201)	\$ (12,870)	\$ (5,547,231)	\$ (5,534,361)

CITY OF LANCASTER

STATEMENT OF NET POSITION
PROPRIETARY FUNDS

June 30, 2020

	Business-Type Activities Enterprise Funds			Total
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor	
			California Choice Energy Authority	
ASSETS:				
CURRENT ASSETS:				
Cash and investments	\$ 3,241,445	\$ -	\$ 1,477,749	\$ 4,719,194
Receivables:				
Accounts	320,381	8,733,678	505,290	9,559,349
Deposits	-	100,000	512,522	612,522
Due from other funds	-	804,103	-	804,103
Prepaid items	-	790,000	528,000	1,318,000
Restricted assets:				
Cash and investments	2,287,230	1,907,769	-	4,194,999
TOTAL CURRENT ASSETS	5,849,056	12,335,550	3,023,561	21,208,167
NONCURRENT ASSETS:				
Capital assets:				
Depreciable	15,501,271	-	-	15,501,271
TOTAL ASSETS	21,350,327	12,335,550	3,023,561	36,709,438
LIABILITIES:				
CURRENT LIABILITIES:				
Accounts payable	1,800	4,397,809	449,917	4,849,526
Accrued liabilities	-	46,451	-	46,451
Interest payable	145,082	-	-	145,082
Unearned revenues	162,907	1,285,615	528,000	1,976,522
Due to other funds	-	-	804,103	804,103
Deposits	-	200,000	808,000	1,008,000
Current portion of long-term liabilities	570,000	-	-	570,000
TOTAL CURRENT LIABILITIES	879,789	5,929,875	2,590,020	9,399,684
LONG-TERM LIABILITIES:				
Noncurrent portion of long-term liabilities	20,260,188	-	-	20,260,188
TOTAL LONG-TERM LIABILITIES	20,260,188	-	-	20,260,188
TOTAL LIABILITIES	21,139,977	5,929,875	2,590,020	29,659,872
NET POSITION:				
Net investment in capital assets	(2,507,045)	-	-	(2,507,045)
Unrestricted	2,717,395	6,405,675	433,541	9,556,611
TOTAL NET POSITION	\$ 210,350	\$ 6,405,675	\$ 433,541	\$ 7,049,566

See accompanying notes to financial statements.

CITY OF LANCASTER

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS

For the year ended June 30, 2020

	Business-Type Activities Enterprise Funds			Total
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	
OPERATING REVENUES:				
Sales and service charges	\$ 1,545,531	\$ 43,397,265	\$ 5,438,167	\$ 50,380,963
TOTAL OPERATING REVENUES	1,545,531	43,397,265	5,438,167	50,380,963
OPERATING EXPENSES:				
Purchased power	-	36,226,401	-	36,226,401
Administration and general	2,734	3,738,994	5,650,866	9,392,594
Depreciation expense	939,471	-	-	939,471
TOTAL OPERATING EXPENSES	942,205	39,965,395	5,650,866	46,558,466
OPERATING INCOME	603,326	3,431,870	(212,699)	3,822,497
NONOPERATING REVENUES (EXPENSES):				
Interest revenue	34,247	-	-	34,247
Other nonoperating income (loss)	-	2,258,254	-	2,258,254
Interest expense	(899,048)	-	-	(899,048)
TOTAL NONOPERATING REVENUES (EXPENSES)	(864,801)	2,258,254	-	1,393,453
INCOME BEFORE TRANSFERS	(261,475)	5,690,124	(212,699)	5,215,950
TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	(11,246)	(882,164)	-	(893,410)
TOTAL TRANSFERS	(11,246)	(882,164)	-	(893,410)
CHANGE IN NET POSITION	(272,721)	4,807,960	(212,699)	4,322,540
NET POSITION - BEGINNING OF YEAR	483,071	1,597,715	646,240	2,727,026
NET POSITION - END OF YEAR	\$ 210,350	\$ 6,405,675	\$ 433,541	\$ 7,049,566

See accompanying notes to financial statements.

CITY OF LANCASTER

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS

For the year ended June 30, 2020

	Business-Type Activities			
	Enterprise Funds			
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from customers and users	\$ 1,509,334	\$ 44,907,628	\$ 7,152,224	\$ 53,569,186
Cash paid to suppliers for goods and services	(1,931)	(41,849,740)	(6,174,030)	(48,025,701)
NET CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES	1,507,403	3,057,888	978,194	5,543,485
CASH FLOWS FROM NONCAPITAL				
FINANCING ACTIVITIES:				
Cash received from other funds	-	-	301,448	301,448
Cash paid to other funds	(11,246)	(1,183,612)	-	(1,194,858)
NET CASH PROVIDED BY (USED FOR)				
NONCAPITAL FINANCING ACTIVITIES	(11,246)	(1,183,612)	301,448	(893,410)
CASH FLOWS FROM CAPITAL AND				
RELATED FINANCING ACTIVITIES:				
Principal paid on capital debt	(510,000)	-	-	(510,000)
Interest paid on capital debt	(878,144)	-	-	(878,144)
NET CASH USED FOR CAPITAL AND				
RELATED FINANCING ACTIVITIES	(1,388,144)	-	-	(1,388,144)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest received	34,247	-	-	34,247
NET CASH PROVIDED BY INVESTING ACTIVITIES	34,247	-	-	34,247
NET INCREASE IN CASH AND CASH EQUIVALENTS	142,260	1,874,276	1,279,642	3,296,178
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,386,415	33,493	198,107	5,618,015
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,528,675	\$ 1,907,769	\$ 1,477,749	\$ 8,914,193
RECONCILIATION OF OPERATING INCOME TO NET CASH				
PROVIDED BY (USED FOR) OPERATING ACTIVITIES:				
Operating income	\$ 603,326	\$ 3,431,870	\$ (212,699)	\$ 3,822,497
Other income (loss)	-	2,258,254	-	2,258,254
Adjustments to reconcile operating income to net cash provided by (used for) operating activities:				
Depreciation	939,471	-	-	939,471
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(127,879)	(1,686,866)	378,057	(1,436,688)
(Increase) decrease in due from other governments	-	-	-	-
(Increase) decrease in deposits	-	-	(8,649)	(8,649)
(Increase) decrease in prepaid items	-	(789,750)	(493,443)	(1,283,193)
Increase (decrease) in accounts payable	1,787	(1,102,520)	(21,072)	(1,121,805)
Increase (decrease) in accrued liabilities	(984)	7,925	-	6,941
Increase (decrease) in unearned revenues	91,682	738,975	528,000	1,358,657
Increase (decrease) in deposits	-	200,000	808,000	1,008,000
NET CASH PROVIDED BY (USED FOR)				
OPERATING ACTIVITIES	\$ 1,507,403	\$ 3,057,888	\$ 978,194	\$ 4,535,485

See accompanying notes to financial statements.

CITY OF LANCASTER

STATEMENT OF NET POSITION
FIDUCIARY FUNDS

June 30, 2020

	Private-Purpose Trust Fund <u>Successor Agency of the Former RDA</u>	PARS Pension Trust Fund	Agency Funds
ASSETS:			
Pooled cash and investments	\$ 19,693,269	\$ -	\$ 400,755
Receivable:			
Accounts	32,875	-	26,400
Taxes	-	-	-
Notes and loans, net	126,636	-	-
Accrued interest	15,745	-	-
Land held for resale	1,669,501	-	-
Restricted assets:			
Cash and investments with fiscal agents	<u>3,233,161</u>	<u>8,445,237</u>	<u>2,185</u>
TOTAL ASSETS	<u>24,771,187</u>	<u>8,445,237</u>	<u>\$ 429,340</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred losses on debt refundings	<u>5,096,746</u>	<u>-</u>	
LIABILITIES:			
Accounts payable	1,575	-	\$ -
Interest payable	2,531,517	-	-
Deposits payable	-	-	36,465
Due to other governments	-	-	-
Due to bondholders	-	-	392,875
Advances from City of Lancaster	70,297,045	-	-
Advances from Lancaster Housing Authority	-	-	-
Long-term liabilities:			
Due in one year	8,985,000	-	-
Due in more than one year	161,695,036	-	-
TOTAL LIABILITIES	<u>243,510,173</u>	<u>-</u>	<u>\$ 429,340</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred gains on debt refundings	<u>1,110,671</u>	<u>-</u>	
NET POSITION:			
Held in trust for other purposes	(214,752,911)	-	
Net position restricted for pensions	<u>-</u>	<u>8,445,237</u>	
TOTAL NET POSITION	<u>\$ (214,752,911)</u>	<u>\$ 8,445,237</u>	

See accompanying notes to financial statements.

CITY OF LANCASTER

STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND

For the year ended June 30, 2020

	Private-Purpose Trust Fund	
	Successor Agency of the Former RDA	PARS Pension Trust Fund
ADDITIONS:		
Taxes	\$ 17,975,368	\$ -
Intergovernmental - other	1,670,176	-
Investment income	1,490,816	245,412
Rental income	407,272	-
Miscellaneous	304,736	-
	<u>21,848,368</u>	<u>245,412</u>
TOTAL ADDITIONS		
DEDUCTIONS:		
Administrative expenses	456,498	-
Loss on disposal of assets	682,202	-
Distributions	-	705,047
Interest expense	9,773,628	-
	<u>10,912,328</u>	<u>705,047</u>
TOTAL DEDUCTIONS		
CHANGE IN NET POSITION	10,936,040	(459,635)
NET POSITION - BEGINNING OF YEAR	<u>(225,688,951)</u>	<u>8,904,872</u>
NET POSITION - END OF YEAR	<u>\$ (214,752,911)</u>	<u>\$ 8,445,237</u>

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NOTES TO FINANCIAL STATEMENTS

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Lancaster, California (the City), have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

a. Description of the Reporting Entity

The City was incorporated on November 22, 1977, under the laws of the State of California. The City is a charter city administered under a council/manager form of government. The accompanying financial statements present the City of Lancaster and its component units, entities for which the City is considered to be financially accountable. The City is considered to be financially accountable for an organization if the City appoints a voting majority of that organization's governing body and the City is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the City. The City is also considered to be financially accountable for an organization if that organization is fiscally dependent (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the City). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the City are such that their exclusion would cause the City's financial statements to be misleading or incomplete.

The management of the primary government has operational responsibility for each of the component units, and/or receives financial benefits from each component unit, being blended within the financial reporting entity of the City of Lancaster. Component units include the Lancaster Housing Authority, the Lancaster Community Services Foundation, the Lancaster Financing Authority, the Lancaster Power Authority, and the California Choice Energy Authority.

A brief description of each blended component unit follows:

The Lancaster Housing Authority (the Housing Authority) was formed for the purpose of providing affordable, decent housing for lower income residents of the City of Lancaster. The Housing Authority assumed responsibilities for the prior low/moderate Housing Fund. Separate financial statements are not available for the Housing Authority.

The Lancaster Community Services Foundation (the Foundation) was formed to provide certain community services to the residents of the City. Separate financial statements are not available for the Foundation.

The Lancaster Financing Authority (the Financing Authority) was formed for the purpose to provide, through the issuance of debt, financing necessary for various capital improvements. Separate financial statements are not available for the Financing Authority.

The Lancaster Power Authority (the Power Authority) was formed to own and operate a municipal gas and electric utility, for the benefit of the residents of the City and customers, businesses and property owners in the City. Separate financial statements are not available for the Power Authority.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. Description of the Reporting Entity (Continued)

The California Choice Energy Authority (the Energy Authority) was formed to help cities in the Southern California Edison territory participate in community choice aggregation without having to sacrifice control often associated with joint power authorities or taking on the significant liability of a single entity community choice aggregation. Separate financial statements are not available for the Energy Authority.

b. Basis of Accounting and Measurement Focus

The *financial statements* of the City are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the financial statements

Government-Wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole, except for its fiduciary activities. These statements include separate columns for the governmental and business-type activities of the primary government (including its blended component units). Eliminations have been made in the statement of activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the City. Interfund services provided and used are not eliminated in the process of consolidation.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements.

Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments that are restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

Fund Financial Statements

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government's governmental, proprietary, and fiduciary funds are presented after the government-wide financial statements. These statements display information about the major funds individually and other governmental funds in the aggregate for governmental funds. Fiduciary statements, even though excluded from the government-wide financial statements, represent a private-purpose trust fund, a pension trust fund, and agency funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified-accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period.

Revenue recognition is subject to the *measurable* and *available* criteria for the governmental funds in the fund financial statements. Significant revenues subject to the criteria include taxes, licenses and permits, and intergovernmental revenues. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of Accounting and Measurement Focus (Continued)

Governmental Funds (Continued)

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. The principal portion of advances to other funds reported in the General Fund financial statements is offset by a nonspendable amount to indicate that it is not available for appropriation and is not an expendable available financial resource.

Revenues, expenses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available where cash is received by the government. The availability period for these revenues is 60 days.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Proprietary and Fiduciary Funds

The City’s enterprise funds are proprietary funds. In the fund financial statements, the proprietary funds and fiduciary funds are presented using the *accrual basis of accounting*. Revenues are recognized when they are earned and expenses are recognized when the related goods or services are delivered. In the fund financial statements, proprietary funds and fiduciary funds are presented using the *economic resources measurement focus*. This means that all assets, deferred outflows of resources, all liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statements of net position. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in total net position.

Proprietary funds operating revenue, such as charges for services, result from exchange transactions associated with the principal activities of the funds. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, taxes, and investment earnings, result from nonexchange transactions or ancillary activities. Amounts paid to acquire capital assets are capitalized as assets in the enterprise funds financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the enterprise fund financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the enterprise fund are reported as a reduction of the related liability, rather than as an expenditure.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

b. Basis of Accounting and Measurement Focus (Continued)

Proprietary and Fiduciary Funds (Continued)

The City's fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. The City's fiduciary agency funds have no measurement focus but utilize the accrual basis for reporting its assets and liabilities. Because these funds are not available for use by the City, fiduciary funds are not included in the governmental-wide statements.

c. Fund Classifications

The City reports the following major governmental funds:

General Fund - This is the primary operating fund of the City. It accounts for all unrestricted resources, except those required to be accounted for in another fund.

Lancaster Housing Authority Special Revenue Fund - This fund is used to account for the purpose of providing affordable, decent housing for lower income residents of the City. Also, to account for the housing assets and functions previously performed by the former redevelopment agency and is funded by revenues generated by the housing assets.

Federal Grants Special Revenue Fund - This fund is used to account for the accumulation of resources from, and the payment of expenditures financed by federal grants.

State Grants Special Revenue Fund - This fund is used to account for the accumulation of resources from, and the payment of expenditures financed by state grants.

Lancaster Financing Authority Debt Service Fund - This fund is used to account for resources restricted or assigned for expenditures of principal and interest.

Capital Projects - This fund is used to account for the City's capital improvement project activities not required to be accounted for in other funds.

The City reports the following major proprietary funds:

Lancaster Power Authority - This fund is used to account for the ownership and operation of a municipal gas and electric utility for the benefit of the residents of the City and customers, businesses, and property owners in the City.

Lancaster Choice Energy (LCE) - This fund is used to account for the operations of the new not-for-profit power provider.

Additionally, the City reports the following fund types:

Governmental Fund Types

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

c. Fund Classifications (Continued)

Governmental Fund Types (Continued)

Debt Service Fund is used to account the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs other than those being financed by the proprietary fund.

Fiduciary Fund Types

Private-Purpose Trust Fund - This fund is used to account for the assets and liabilities of the former redevelopment agency. The City, in its capacity as the Successor Agency, receives revenue to pay estimated installment payments of enforceable obligations until obligations of the former redevelopment agency are paid in full and assets have been liquidated.

PARS Pension Trust Fund - This fund is used to account for the assets placed in trust for future benefit payments to former employees covered by the employee pension administered by Public Agency Retirement Services (PARS).

Agency Funds - These funds are used to report resources held by the City in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments.

The City reports the following Agency Funds:

- Assessment District - to account for the City, acting in the capacity as an agent, for various 1915 Act Assessment District Bonds.
- Community Facilities Districts (CFD) - to account for collection of special assessments within the Mello-Roos District to provide public waterworks improvements and basic infrastructure within the Districts.
- Agency - to account for various performance and construction deposits.

d. New Accounting Pronouncements

Current-Year Standards

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authority Guidance*, which was effective immediately. This statement provided temporary relief to governments and other stakeholders in light of the COVID-19 pandemic and postponed the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New Accounting Pronouncements (Continued)

Current-Year Standards (Continued)

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. Paragraph 4 of this statement requires that for purposes of determining whether a primary government is financially accountable for a potential component unit, except for a potential component unit that is a defined contribution pension plan, a defined contribution OPEB plan, or an other employee benefit plan (for example, certain Section 457 plans), the absence of a governing board should be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform. Paragraph 5 of this statement also requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively.

The requirements of these statements did not impact the City.

Pending Accounting Standards

GASB has issued the following statements, which may impact the City's financial reporting requirements in the future:

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and post-employment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the financial statements. This statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset for leases with a term of more than 12 months. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. For leases with a term of 12 months or less, lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract. The requirements of this statement are effective for reporting periods beginning after June 15, 2021, and early application is encouraged.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

d. New Accounting Pronouncements (Continued)

Pending Standards (Continued)

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this statement are effective for reporting periods beginning after December 15, 2020, and early application is encouraged. The requirements of this statement should be applied prospectively.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. This statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to leases, fiduciary activities, measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition, reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers, reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature and terminology used to refer to derivative instruments. The requirements of this statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to post-employment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.

The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

e. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. The City pools idle cash from all funds for the purpose of increasing income through investment activities.

Investments for the City, as well as for its component units, are reported at fair value which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The State Treasurer's Investment Pool operates in accordance with appropriate state laws and regulations. The fair value of the City's investment in this pool is reported at an amount based upon the City's prorated share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

f. Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to / from other funds” (i.e., the current portion of interfund loans) or “advances to / from other funds” (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as “due to / from other funds.”

g. Property Taxes

Property tax revenue is recognized in the fiscal year for which the taxes have been levied providing they become available. Available means then due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter (not to exceed 60 days) to be used to pay liabilities of the current period. The County of Los Angeles collects property taxes for the City. Tax liens attach annually as of 12:01 a.m. on the first day in January preceding the fiscal year for which the taxes are levied. Taxes are levied on both real and personal property as it exists on that date. The tax levy covers the fiscal period July 1 to June 30. All secured personal property taxes and one-half of the taxes on real property are due November 1; the second installment is due February 1. All taxes are delinquent, if unpaid, on December 10 and April 10, respectively. Unsecured personal property taxes become due on the first of March each year and are delinquent on August 31.

h. Inventories and Prepaid Items

Inventories of materials and supplies are carried at cost on a moving average basis. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The consumption method of accounting is used for both inventories and prepaid items.

i. Restricted Assets

Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets in the financial statements because their use is limited by applicable bond covenants. In addition, funds have been assigned for future capital improvements by City resolution.

j. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$5,000 or plant and infrastructure capital projects that are in excess of \$125,000 (amounts not rounded) and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

j. Capital Assets (Continued)

Property, plant, and equipment of the primary government, as well as the component units, are depreciated using the straight-line method over the following estimated useful lives:

Building and structures	40 years
Machinery and equipment	7-10 years
Public domain infrastructure	50 years

k. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has the following item that qualifies for reporting in this category:

- Deferred loss on refunding, net of accumulated amortization reported in the fiduciary private-purpose trust fund. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to pensions and other post-employment benefits (OPEB) equal to employer contributions made after the measurement date of the net pension liability and net OPEB liability.
- Deferred outflows related to pensions and OPEB for differences between expected and actual experience. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions and OPEB through the plans.
- Deferred outflows related to other post-employment benefits (OPEB) equal to employer contributions made after the measurement date of the net OPEB liability.

In addition to liabilities, the statement of net position and the governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category:

- Deferred inflows from unavailable revenues, which are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources, which are taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

k. Deferred Outflows/Inflows of Resources (Continued)

- Deferred gain on refunding, net of accumulated amortization reported in the fiduciary private-purpose trust fund. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows from pensions resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred inflows related to pensions and OPEB resulting from the difference in projected and actual earnings on investments of the pension plans' fiduciary net position. These amounts are amortized over five years.

l. Net Position Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

It is the City's practice to consider restricted - net position to have been depleted before unrestricted - net position is applied.

m. Land Held for Resale

The former Lancaster Redevelopment Agency acquired parcels of land as part of its primary purpose to develop or redevelop blighted properties and creating affordable housing. The Successor Agency to the Lancaster Redevelopment Agency and the Housing Successor Agency record these parcels as land held for resale in their financial records.

The Lancaster Housing Authority acquired property via the Neighborhood Stabilization Program to reduce blight and provide affordable housing to our citizens. These parcels are shown in the Lancaster Housing Authority Special Revenue Fund and the Housing and Community Development Special Revenue Fund.

The City acquired properties from the Successor Agency to the Lancaster Redevelopment Agency for strategic economic development. These properties are recorded as assets in the General Fund.

All land held for resale is recorded at lower of cost or fair value.

n. Compensated Absences

It is the government's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation pay is payable to employees at the time a vacation is taken or upon termination of employment. Additionally, employees may elect to cash in accrued vacation in excess of 80 hours once per fiscal year up to a maximum of 40 hours. Vacation accruals are based on years of service, with the maximum balance of unused accruals set at 362 hours after 10 years of service.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

n. Compensated Absences (Continued)

Sick leave is payable when an employee is unable to work because of illness. Accrued sick leave may be accumulated without limit. Employees resigning in good standing from City service shall receive payment up to a maximum of 50% of unused sick leave, depending on years of service. The maximum hours payable is set at 1,000 after 15 years of service.

All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. The liability is generally liquidated by the General Fund.

o. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period as other financing sources and uses, respectively. The face amount of debt issued is reported as other financing sources.

p. Fund Balance Classification

In the fund financial statements, fund balances are classified as follows:

Nonspendable includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash (for example, inventories and prepaid amounts). In the General Fund only, it also includes the long-term portion of notes and loan’s receivable with no constraints on how the eventual proceeds can be spent.

Restricted includes amounts that are constrained on the use of resources by either (a) external creditors, grantors, contributors, or laws of regulations of other governments or (b) by law through constitutional provisions or enabling legislation.

Committed includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest authority, City Council. The formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution.

Pursuant to Resolution 96-111, a minimum of 10% unallocated fund balance shall be designated to provide contingency in case of unexpected decreases in revenues or unexpected expenditures. In accordance with the resolution, these funds can only be used for specific expenditure(s) following a formal vote of the City Council.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

p. Fund Balance Classification (Continued)

Assigned includes amounts that are constrained by the government's intent to be used for specific purposes but are neither restricted nor committed. The City Manager and/or Finance Director is authorized to assign amounts to a specific purpose, which was established by the governing body in Resolution 11-35.

Unassigned includes the residual amounts that have not been restricted, committed, or assigned to specific purposes. The General Fund is the only fund that reports a positive unassigned fund balance amount. In other funds, deficit balance amounts resulting from overspending for specific purposes for which amounts have been restricted, committed, or assigned are classified as unassigned.

An individual governmental fund could include nonspendable resources and amounts that are restricted or unrestricted (committed, assigned, or unassigned) or any combination of those classifications. Restricted amounts are to be considered spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and committed, assigned, then unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications can be used.

q. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) plans and the Public Agency Retirement Services (PARS) plan (collectively, the Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and PARS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

r. Post-Employment Benefits Other Than Pensions

For purposes of measuring the net OPEB liability (asset) and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB plan and additions to/deductions from the OPEB plan's fiduciary net position have been determined on the same basis as they are reported by the plan. For this purpose, the City's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

s. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred inflows of resources, liabilities, and deferred outflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

General Budget Policies

The City Council approves each year’s budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the Council. Supplemental appropriations, where required during the period, are also approved by the Council. Intradepartmental budget changes are approved by the City Manager or designee. Expenditures may not exceed appropriations at the function level. At fiscal year end, all unencumbered operating budget appropriations lapse with the exception of those for unfinished capital projects, special projects, and grant programs. For these specific projects and programs, unused appropriations at the end of the fiscal year are carried forward and become part of the next year’s budget. During the year, several supplementary appropriations were necessary.

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the General, Special Revenue, and similar governmental funds. Total encumbrances of \$3,381,493 are included in the General Fund’s assigned fund balance. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in process at year-end are completed. They do not constitute expenditures or estimated liabilities.

Budget Basis of Accounting

Budgets for all governmental funds, except the Community Services Foundation, Zero-Net Energy Solar Mitigation In Lieu Special Revenue Fund, Mariposa Lily Special Revenue Fund, Lancaster Financing Authority Debt Service Fund, and the Capital Projects Fund, which are budgeted on a project basis, are adopted on a basis consistent with generally accepted accounting principles.

Excess of Expenditures over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2020:

	Final Budget	Actual	Variance with Final Budget
Major Funds			
General Fund			
Community development	\$ -	\$ 231	\$ (231)
Capital outlay	-	383,192	(383,192)
Lancaster Housing Authority Special Revenue Fund			
Transfers out	343,840	649,663	(305,823)
State Grants Special Revenue Fund			
Capital outlay	-	13,150	(13,150)
Other Governmental Special Revenue Funds			
Landscape Maintenance District			
Debt Service - Principal retirement	-	30,767	(30,767)
Debt service - Interest and fiscal charges	-	3,932	(3,932)
Capital outlay	480,918	631,754	(150,836)
Proposition C			
Development services	207,360	210,391	(3,031)
Measure R			
Development services	-	1,025	(1,025)
Measure M			
Development services	-	1,025	(1,025)
Lancaster Lighting District			
Transfers out	741,044	332,347	408,697

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Fund Balances

The following funds contained deficit fund balances as of June 30, 2020:

	<u>Deficit Amount</u>
Lancaster Housing Authority Special Revenue Fund	\$ 4,257,016 (3)
Federal Grants Special Revenue Fund	2,764,588 (1)
State Grants Special Revenue Fund	5,547,231 (1)
Other Governmental Special Revenue Funds	
Bikeway Improvement	46,687 (2)
AQMD	39,252 (2)
Traffic Safety	49,629 (1)
LA County Reimbursement	110,892 (1)
MTA Grant	435,750 (1)

These fund balance deficits will be eliminated as (1) grant reimbursements become available, (2) when transfers are made, or (3) future revenues are received.

3. CASH AND INVESTMENTS

Cash and Investments

Cash and investments held by the City at June 30, 2020, are reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and investments	\$ 76,915,731
Restricted	
Cash and investments	76,339,246
Statement of Fiduciary Assets and Liabilities:	
Pooled cash and investments	20,094,024
Restricted	
Cash and investments with fiscal agents	11,680,583
Total cash and investments	<u>\$ 185,029,584</u>

Cash and investments consisted of the following:

Cash on hand	\$ 6,300
Deposits with financial institutions	14,466,828
Investments	170,556,456
Total cash and investments	<u>\$ 185,029,584</u>

The City of Lancaster maintains a cash and investment pool that is available for use for all funds. Each fund type's position in the pool is reported in the financial statements as pooled cash and investments. The City has adopted an investment policy, which authorizes it to invest in various investments.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

3. CASH AND INVESTMENTS (CONTINUED)

Deposits

The California Government Code requires California banks and savings and loan associations to secure a City's deposits by pledging government securities with a value of 110% of a City's deposits. California law also follows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of a City's total deposits. The City Treasurer may waive the collateral requirement for deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The collateral for deposits in federal and state chartered banks is held in safekeeping by an authorized Agent of Depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California, as an Agent of Depository. These securities are physically held in an undivided pool for all California public agency depositors. Under Government Code Section 53655, the placement of securities by a bank or savings and loan association with an "Agent of Depository" has the effect of perfecting the security interest in the name of the local governmental agency. Accordingly, all collateral held by California Agents of Depository is considered to be held for, and in the name of, the local governmental agency. As of June 30, 2020, all the City's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

Under provision of the City's investment policy, and in accordance with the California Government Code, the following investments are authorized:

- United States Treasury Securities
- United States Government Sponsored Agency Securities
- Certificates of Deposit
- Medium-Term Notes
- Prime Commercial Paper
- Banker's Acceptances
- Repurchase Agreements
- Local Agency Investment Fund (State Pool)
- Money Market Mutual Funds
- Municipal Bonds

Investments Authorized by Debt Agreements

The above investments do not address investment of debt proceeds held by a bond trustee. Investments of debt proceeds held by a bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy.

Investments in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute. The State Treasurer's Office audits the fund annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

3. **CASH AND INVESTMENTS (CONTINUED)**

Investments - Public Agency Retirement Services (PARS) Trust

The City established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the City's OPEB plan. The PARS Trust's specific cash and investments are managed by a third-party portfolio manager and invested under a pool arrangement using certain investment guidelines offered by PARS and approved by the City.

The City-approved guidelines are as follows:

Risk Tolerance:	Moderate high
Risk Management:	The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers, and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.
Investment Objective:	To provide growth of principal and income. It is expected that dividend and interest income will comprise a significant portion of total return, although growth through capital appreciation is equally important.
Strategic Ranges:	0% - 20% Cash 40% - 60% Fixed income 40% - 60% Equity

Credit Risk

The City's investment policy limits investments in medium term notes (MTNs) and municipal bonds to those rated AA- or better by a nationally recognized statistical rating organization. At June 30, 2020, the City invested in various MTNs and municipal bonds which were rated AA- or better by Standard & Poor's (S&P). At June 30, 2020, the City's investments with US Government Sponsored Agency Securities were rated AA+ and money market mutual funds were rated AAA by S&P. Investments in US government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

As of June 30, 2020, the City's investment in LAIF is unrated. The City has amounts invested in investment agreements held with fiscal agents and invested under the direction of the City, which are unrated.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. As of June 30, 2020, none of the City's deposits or investments were exposed to custodial credit risk.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

3. CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The City’s investment policy imposes restrictions on the maximum percentage it can invest in a single type of investment. These limitations are 25% of the City’s invested funds for nonnegotiable certificates of deposit, 15% of the City’s invested funds for banker acceptances with no more than 2% in any one issuer, 25% of the City’s invested funds for commercial paper with no more than 5% in any one issuer, 30% of the City’s invested funds for medium term notes with no more than 5% in any one issuer, and 20% of the City’s invested funds for money market funds with no more than 10% in any one issuer. If the City has invested more than 5% of its total investments in any one issuer then it is exposed to credit risk.

As of June 30, 2020, none of the City’s investments had issuers exceeding 5% of the City investment pool.

Interest Rate Risk

The City’s investment policy limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City’s investment policy states that investments in United States Treasury Securities and securities for which the full faith and credit of the United States is pledged should have a maturity no longer than five years. Reserve funds relating to the bonds issues may be invested in securities for more than five years if the maturity of such investments is made to coincide as nearly as practicable with the expected use of the funds. The City has elected to use the segmented time distribution method of disclosure for its interest rate risk.

As of June 30, 2020, the City had the following investments and original maturities:

Investment Type	Remaining Maturity (in Years)				Total
	1 Year or Less	1 Year to 3 Years	3 Years to 5 Years	5 Years and More	
City Investment Pool:					
United States Treasury Securities	\$ 5,128,260	\$ 10,682,356	\$ 1,221,413	\$ -	\$ 17,032,029
United States Government Sponsored Agency Securities	2,271,030	4,314,872	4,068,420	-	10,654,322
Medium-Term Corporate Notes	3,398,895	6,429,679	2,267,608	-	12,096,182
Municipal Bonds	-	1,563,195	-	-	1,563,195
California Local Agency Investment Fund (LAIF)	43,038,310	-	-	-	43,038,310
Money Market Mutual Funds	60,262	-	-	-	60,262
Held by Fiscal Agent:					
Money Market Mutual Funds	76,961,919	-	-	-	76,961,919
Municipal Bonds	705,000	-	-	-	705,000
PARS Trust Pooled Investments	8,445,237	-	-	-	8,445,237
Total	<u>\$ 140,008,913</u>	<u>\$ 22,990,102</u>	<u>\$ 7,557,441</u>	<u>\$ -</u>	<u>\$ 170,556,456</u>

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements), inputs are quoted price of similar assets in active markets (Level 2 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

3. CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2020:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Treasury Securities	\$ -	\$ 17,032,029	\$ -	\$ 17,032,029
United States Government Sponsored Agency Securities	-	10,654,322	-	10,654,322
Medium-Term Corporate Notes	-	12,096,182	-	12,096,182
Municipal Bonds	-	2,268,195	-	2,268,195
Total Subject to Hierarchy	<u>\$ -</u>	<u>\$ 42,050,728</u>	<u>\$ -</u>	<u>42,050,728</u>
LAIF (1)				43,038,310
Money Market Mutual Funds (1) Held by Fiscal Agent:				60,262
Money Market Mutual Funds (1)				76,961,919
PARS Trust Pooled Investments (1)				8,445,237
Total Investment Portfolio				<u>\$ 170,556,456</u>

(1) Investment is not subject to fair value hierarchy measurements.

4. NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 2020, were as follows:

	Loans and Notes Receivable Repayments	Loan Forgiveness Terms	Long-Term Lump-Sum Repayment Terms	Total
General Fund	\$ 1,898,095	\$ (713,770)	\$ (33,486)	\$ 1,150,839
Lancaster Housing Authority Special Revenue Fund	3,480,402	-	0	3,480,402
Other Governmental Funds HOME Program Special Revenue Fund	14,984,178	-	(14,394,117)	590,061
	<u>\$ 20,362,675</u>	<u>\$ (713,770)</u>	<u>\$ (14,427,603)</u>	<u>\$ 5,221,302</u>
Fiduciary Private-Purpose Trust Fund	<u>\$ 880,669</u>	<u>\$ (754,033)</u>	<u>\$ -</u>	<u>\$ 126,636</u>

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

Governmental Activities

	Balance at June 30, 2019	Construction in Progress Transfers	Additions	Deletions	Balance at June 30, 2020
Governmental Activities					
Capital assets, not depreciated:					
Land	\$ 25,521,229	\$ -	\$ -	\$ (176,514)	\$ 25,344,715
Construction in progress	<u>31,809,914</u>	<u>(25,704,057)</u>	<u>31,902,505</u>	<u>(39,992)</u>	<u>37,968,370</u>
Total capital assets, not depreciated	<u>57,331,143</u>	<u>(25,704,057)</u>	<u>31,902,505</u>	<u>(216,506)</u>	<u>63,313,085</u>
Capital assets, being depreciated:					
Structures and improvements	76,456,526	-	-	-	76,456,526
Furniture and equipment	16,416,741	-	934,411	(803,107)	16,548,045
Infrastructure	<u>1,682,820,224</u>	<u>25,704,057</u>	<u>1,816,401</u>	<u>-</u>	<u>1,710,340,682</u>
Total capital assets, being depreciated	<u>1,775,693,491</u>	<u>25,704,057</u>	<u>2,750,812</u>	<u>(803,107)</u>	<u>1,803,345,253</u>
Less accumulated depreciation for:					
Structures and improvements	(34,747,775)	-	(1,774,490)	-	(36,522,265)
Furniture and equipment	(12,244,885)	-	(980,929)	803,107	(12,422,707)
Infrastructure	<u>(919,936,380)</u>	<u>-</u>	<u>(33,845,392)</u>	<u>-</u>	<u>(953,781,772)</u>
Total accumulated depreciation	<u>(966,929,040)</u>	<u>-</u>	<u>(36,600,811)</u>	<u>803,107</u>	<u>(1,002,726,744)</u>
Total capital assets, being depreciated, net	<u>808,764,451</u>	<u>25,704,057</u>	<u>(33,849,999)</u>	<u>-</u>	<u>800,618,509</u>
Governmental Activities Capital Assets, net	<u>\$ 866,095,594</u>	<u>\$ -</u>	<u>\$ (1,947,494)</u>	<u>\$ (216,506)</u>	<u>\$ 863,931,594</u>

Depreciation expense was charged in the following functions in the statement of activities for the year ended June 30, 2020, as follows:

General government	\$ 613,082
Public safety	190,116
Development services	33,615,155
Community development	420,654
Parks, recreation, and arts	<u>1,761,804</u>
Total	<u>\$ 36,600,811</u>

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

5. CAPITAL ASSETS (CONTINUED)

Business-Type Activities

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance at June 30, 2019	Additions	Deletions	Balance at June 30, 2020
Capital assets, not depreciated:				
Intangible assets	\$23,486,774	\$ -	\$ -	\$23,486,774
Less accumulated depreciation for:				
Intangible assets	<u>(7,046,032)</u>	<u>(939,471)</u>	<u>-</u>	<u>(7,985,503)</u>
Total business-type activities capital assets, net	<u>\$17,380,213</u>	<u>\$ (939,471)</u>	<u>\$ -</u>	<u>\$15,501,271</u>

The depreciation expense of \$939,471 was charged to the Lancaster Power Authority program for the year ended June 30, 2020.

6. INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

Due To/From Other Funds

Interfund receivable and payable balances at June 30, 2020, are as follows:

Receivable	Payable	Amount
General Fund	Federal Grants Special Revenue Fund	\$ 2,899,400
	State Grants Special Revenue Fund	5,373,416
	Lancaster Financing Authority	3,694,581
	Other Governmental Funds	1,074,189
Lancaster Choice Energy Enterprise Fund	California Choice Energy Authority Enterprise Fund	804,103
		<u>\$ 13,845,689</u>

The due to General Fund was a result of temporary deficit cash balances in those funds.

The due to Lancaster Choice Energy from the California Choice Energy Authority to provide for funds for collateral deposit and reimbursement of expenses.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS (CONTINUED)

Transfers

The following schedule summarizes the City's transfer activity:

Transfers In	Transfers Out	Amount
General Fund	Lancaster Housing Authority	
	Special Revenue Fund	\$ 575,968
	Federan Grants Special Revenue Fund	71
	State Grants Special Revenue Fund	121,040
	Other Governmental Funds	7,522,906
	Lancaster Power Authority	
	Enterprise Fund	11,246
	Lancaster Choice Energy	
	Enterprise Fund	856,718
Federal Grants Special Revenue Fund	Other Governmental Funds	329,265
State Grants Special Revenue Fund	General Fund	2,522
	Other Governmental Funds	825
Lancaster Financing Authority		
Debt Service Fund	General Fund	398,651
	State Grants Special Revenue Fund	195,084
	Other Governmental Funds	2,931,120
	Lancaster Choice Energy	
	Enterprise Fund	25,446
Capital Projects	General Fund	33,932
	Lancaster Housing Authority	
	Special Revenue Fund	49,306
	Federan Grants Special Revenue Fund	1,306,193
	State Grants Special Revenue Fund	4,861,319
	Lancaster Financing Authority	
	Debt Service Fund	3,284,353
	Other Governmental Funds	22,512,560
Other Governmental Funds	General Fund	3,363
	Lancaster Housing Authority	
	Special Revenue Fund	24,389
	Federan Grants Special Revenue Fund	338,849
	Other Governmental Funds	5,341,932
		<u>\$ 50,727,058</u>

The City uses the Capital Projects Fund to account for all of its capital projects. The funding sources for those projects were reported as transfers from various funds to the Capital Projects fund.

Transfers made to the General Fund were for administrative and retiree health benefit costs incurred.

Transfers made to the Lancaster Financing Authority Debt Service Fund were for debt service requirements.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

6. INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS (CONTINUED)

Transfers (Continued)

Transfers from the General Fund to Other Governmental Funds were to cover to cover ineligible grant expenditures in LA County Reimbursement Fund.

Transfers from the Other Governmental Funds to the Other Governmental Funds were to cover various operations.

7. LONG-TERM LIABILITIES

Governmental Activities

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deletions	June 30, 2020	Due One Year	Due in One Year
Direct Borrowings:						
Section 108 Notes:						
Series 2015-A1	\$ 475,000	\$ -	\$ (88,000)	\$ 387,000	\$ 91,000	\$ 296,000
Series 2015-A2	581,000	-	(87,000)	494,000	91,000	403,000
Series 2010-A	30,000	-	(30,000)	-	-	-
Capital leases	1,415,474	-	(301,643)	1,113,831	282,827	831,004
Loans	807,494	-	(114,240)	693,254	117,755	575,499
Settlement agreement	1,600,000	-	(200,000)	1,400,000	200,000	1,200,000
Other Debt:						
Streetlight Acquisition						
Issue of 2016	13,180,000	-	(550,000)	12,630,000	570,000	12,060,000
Public Improvements Project						
Issue of 2018	14,340,000	-	(255,000)	14,085,000	265,000	13,820,000
Measure M & R Street Improvement						
Project Issue of 2018	-	48,405,000	(1,445,000)	46,960,000	725,000	46,235,000
Unamortized bond premium	844,082	7,268,805	(315,411)	7,797,476	-	7,797,476
1997 Series A	480,000	-	(230,000)	250,000	250,000	-
1997 Series B - CIB	199,825	-	(96,713)	103,112	103,112	-
1997 Series B - CAB	296,685	63,315	-	360,000	360,000	-
Other Long-term Liabilities:						
Accrued employee benefits	3,252,974	2,421,779	(2,640,181)	3,034,572	846,820	2,187,752
Claims and judgements (Note 13)	2,046,000	1,071,000	(480,000)	2,637,000	655,615	1,981,385
Total Governmental Activities	<u>\$ 39,548,534</u>	<u>\$ 59,229,899</u>	<u>\$ (6,833,188)</u>	<u>\$ 91,945,245</u>	<u>\$ 4,558,129</u>	<u>\$ 87,387,116</u>

The liability for accrued employee benefits is fully liquidated by the general fund. The liability for pension-related debt is recorded in the fund incurring the current pension expense. For pension-related debt, the general fund normally liquidates 67%, and 33% is liquidated by the other governmental funds.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Section 108 Notes

Series 2015-A1

On August 7, 2003, the City issued \$1,450,000 of US Government Guaranteed Notes, Series 2003-A, guaranteed by the Secretary of Housing and Urban Development. The City has pledged as security for repayment of the notes from (a) future entitlements that the City may become eligible for under Section 108 of Title I of the Housing and Community Development Act of 1974 and (b) program income. During fiscal year 2015-2016, the City refinanced the 2003 Series notes at a lower interest rate by issuing Series 2015-A1 notes. The notes mature from 2004-2023 and bear varying rates of interest. The principal balance outstanding as of June 30, 2020, was \$387,000.

Series 2015-A2

On June 30, 2004, the City issued \$1,500,000 of US Government Guaranteed Notes, Series 2004-A, guaranteed by the Secretary of Housing and Urban Development. The City has pledged as security for repayment of the notes from (a) future entitlements that the City may become eligible for under Section 108 of Title I of the Housing and Community Development Act of 1974 and (b) program income. During fiscal year 2015-2016, the City refinanced the 2004 Series notes at a lower interest rate by issuing Series 2015-A2 notes. The notes mature from 2006-2024 and bear varying rates of interest. The principal balance outstanding as of June 30, 2020, was \$494,000.

Series 2010-A

On April 28, 1999, the City issued \$3,100,000 of US Government Guaranteed Notes, Series 1999-A, guaranteed by the Secretary of Housing and Urban Development. The City has pledged as security for repayment of the notes from (a) future entitlements that the City may become eligible for under Section 108 of Title I of the Housing and Community Development Act of 1974 and (b) program income. The notes were consolidated into the series 2010-A note. The consolidated notes mature from 2011 to 2018 and bear varying rates of interest. The note was paid off during the fiscal year.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 182,000	\$ 19,879	\$ 201,879
2022	190,000	15,845	205,845
2023	198,000	11,187	209,187
2024	205,000	5,891	210,891
2025	106,000	1,510	107,510
Total	<u>\$ 881,000</u>	<u>\$ 54,312</u>	<u>\$ 935,312</u>

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Limited Obligation Bonds

Series 1997 A

The Limited Obligation Bonds, Series 1997 A in the original issue amount of \$3,740,000, were issued by the Lancaster Financing Authority for the purchase of certain refunding bonds of the Community Facilities District Number 89-1. The bonds mature in both serial and term fashion through September 1, 2020, and interest is payable semiannually at a rate of 6%. The bonds are subject to optional and mandatory sinking fund redemption prior to maturity in denomination of \$5,000. The bonds are payable from a special tax assessed on the properties within the community facilities districts. The bonds do not have reserve requirement. The principal balance outstanding as of June 30, 2020, was \$250,000.

Series 1997 B

The Limited Obligation Bonds, Series 1997 B in the original issue amount of \$2,643,890, were issued by the Lancaster Financing Authority for the purchase of certain refunding bonds of the Community Facilities District Number 89-1. The bonds include \$1,185,535 term current interest bonds with interest payable semiannually on March 1 and September 1 of each year, commencing March 1, 1998, and \$2,664,400 capital appreciation bonds payable at maturity. The bonds are payable from a special tax assessed on the properties within the community facilities districts. The bonds do not have reserve requirement. At June 30, 2020, the balance includes \$103,112 principal and \$360,000 accreted interest.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 353,112	\$ 11,496	\$ 364,608
Plus: Accreted Interest	360,000		
Total	<u>\$ 713,112</u>		

Capital Leases

On March 1, 2011, the City entered into an equipment lease/purchase agreement for various capital improvements including lighting upgrades, athletic field lighting upgrades, HVAC system replacement, plumbing fixture upgrades, irrigation weather stations, and solar hot water heating. This lease agreement qualifies as a capital lease for accounting purpose (title transfers at end of lease) and therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$1,600,000. The financing was obtained from Municipal Finance Corporation on March 1, 2011, for \$1,600,000 with an interest rate of 4.35% per annum and annual payments of \$146,341 through the end of the lease (March 2026). The outstanding balance at June 30, 2020, is \$765,550.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Leases (Continued)

On March 2, 2016, the City entered into an equipment lease/purchase agreement for vehicles. This lease agreement qualifies as a capital lease for accounting purpose (bargaining purchase option at end of lease) and, therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$255,981. The financing was obtained from National Cooperative Leasing on March 2, 2016, for \$255,981 with an interest rate of 4.2% per annum and annual payments of \$57,058 through the end of the lease (July 2020). The outstanding balance at June 30, 2020, is \$23,724.

On August 1, 2016, the City entered into an equipment lease/purchase agreement for vehicles. This lease agreement qualifies as a capital lease for accounting purpose (bargaining purchase option at end of lease) and, therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$222,438. The financing was obtained from Caterpillar Financial Services Corp. on August 1, 2016, for \$222,438 with an interest rate of 3.05% per annum and annual payments of \$34,699 through the end of the lease (August 2023). The outstanding balance at June 30, 2020, is \$98,144.

On February 22, 2017, the City entered into an equipment lease/purchase agreement for vehicles. This lease agreement qualifies as a capital lease for accounting purpose (bargaining purchase option at end of lease) and, therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$86,376. The financing was obtained from Caterpillar Financial Services Corp. on February 22, 2017, for \$86,376 with an interest rate of 4.2% per annum and annual payments of \$18,707 through the end of the lease (July 2022). The outstanding balance at June 30, 2020, is \$35,261.

On May 2, 2017, the City entered into an equipment lease/purchase agreement for vehicles. This lease agreement qualifies as a capital lease for accounting purpose (bargaining purchase option at end of lease) and therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$246,407. The financing was obtained from National Cooperative Leasing on May 2, 2017, for \$246,407 with an interest rate of 5.09% per annum and annual payments of \$54,519 through the end of the lease (May 2022). The outstanding balance at June 30, 2020, is \$51,880.

On July 27, 2018, the City entered into an equipment lease/purchase agreement for vehicles. This lease agreement qualifies as a capital lease for accounting purpose (bargaining purchase option at end of lease) and therefore has been recorded at the present value of future minimum lease payments as of the date of inception. The total cost of the equipment acquired under the lease agreement was \$232,545. The financing was obtained from De Lage Landen Public Finance LLC on July 27, 2018, for \$232,545 with an interest rate of 5.37% per annum and annual payments of \$51,498 through the end of the lease (July 2023). The outstanding balance at June 30, 2020, is \$139,272.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Capital Leases (Continued)

The calculation of present value of the future lease payments is as follows:

Year Ending June 30,	
2021	\$ 330,503
2022	232,538
2023	232,538
2024	146,341
2025	146,341
2026	146,341
Subtotal	<u>1,234,602</u>
Less: Amount representing interest	<u>(120,771)</u>
Total	<u><u>\$ 1,113,831</u></u>

Loans

In January 2011, the City entered into a loan agreement with the State of California Energy Resources Conservation and Development Commission for loan of \$1,469,146 to be used for energy savings projects consisting of athletic field lighting upgrades, HVAC retrofit, weather station installation, and solar hot water. The loan is at an interest rate of 3%. Principal, together with interest thereon, is due and payable in semiannual installments beginning on December 22, 2012 through December 22, 2025. The outstanding balance at June 30, 2020, is \$693,254.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 117,755	\$ 19,924	\$ 137,679
2022	121,314	16,364	137,678
2023	124,980	12,697	137,677
2024	128,737	8,943	137,680
2025	132,649	5,029	137,678
2026	67,819	1,020	68,839
Total	<u>\$ 693,254</u>	<u>\$ 63,977</u>	<u>\$ 757,231</u>

Assessment Revenue Bonds

On October 26, 2016, the Lancaster Financing Authority issued \$14,250,000 of 2016 Assessment Revenue Streetlights Acquisition Bonds. These bonds were used to finance the purchase of streetlights throughout the City. Interest on these bonds is due semiannually on March 2 and September 2 of each year, commencing March 2, 2017. Interest rates vary from 2% to 4%. The principal portion of these bonds is payable from September 2, 2017 to September 2, 2036. The outstanding balance at June 30, 2020, is \$12,630,000.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Assessment Revenue Bonds (Continued)

The bond indenture requires the City to maintain a bond reserve in the amount of \$975,606. To satisfy this requirement, the City purchased a municipal bond insurance policy. The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 570,000	\$ 405,606	\$ 975,606
2022	585,000	388,281	973,281
2023	605,000	370,431	975,431
2024	620,000	352,056	972,056
2025	640,000	333,156	973,156
2026 - 2030	3,520,000	1,328,681	4,848,681
2031 - 2035	4,210,000	632,991	4,842,991
2036 - 2037	1,880,000	59,219	1,939,219
Total	<u>\$ 12,630,000</u>	<u>\$ 3,870,421</u>	<u>\$ 16,500,421</u>

Lease Revenue Bonds

Public Improvements Project, Issue of 2018

On December 1, 2018, the Lancaster Financing Authority issued \$14,955,000 of Lease Revenue Bonds, Series 2018, Public Improvements Project Bonds. These bonds were issued to finance improvements to City facilities. Interest on these bonds is due semiannually on May 1 and November 1 of each year, commencing May 1, 2019. Interest rates vary from 3% to 5%. The principal portion of these bonds is payable from May 1, 2019 to May 1, 2048. The outstanding balance at June 30, 2020, is \$14,085,000.

The bond indenture requires the City to maintain a bond reserve in equal to the maximum annual debt service. The City purchased a reserve body insurance policy to satisfy this requirement. The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 265,000	\$ 583,981	\$ 848,981
2022	275,000	573,381	848,381
2023	290,000	559,631	849,631
2024	305,000	545,131	850,131
2025	320,000	529,881	849,881
2026 - 2030	1,825,000	2,427,906	4,252,906
2031 - 2035	2,305,000	1,946,219	4,251,219
2036 - 2040	2,780,000	1,477,232	4,257,232
2041 - 2045	3,360,000	885,800	4,245,800
2046 - 2048	2,360,000	191,400	2,551,400
Total	<u>\$ 14,085,000</u>	<u>\$ 9,720,562</u>	<u>\$ 23,805,562</u>

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Lease Revenue Bonds (Continued)

Street Improvements Project, Issue of 2019

On October 1, 2019, the Lancaster Financing Authority issued \$48,405,000 of Lease Revenue Bonds, Series 2019, Measure M & R Street Improvements Project Bonds. These bonds were issued to finance certain local roadway and street improvements. Interest on these bonds is due semiannually on December 1 and June 1 of each year, commencing May 1, 2020. Interest rates vary from 3% to 4%. The principal portion of these bonds is payable from May 1, 2020 to May 1, 2049. The outstanding balance at June 30, 2020, is \$46,960,000.

The bond indenture requires the City to maintain a bond reserve in equal to the maximum annual debt service. The City purchased as reserve body insurance policy to satisfy this requirement. The Bonds are payable from the revenues pledged, which consist of:

- all Measure M Receipts, which consist of certain amounts received by the City from a 0.5% retail transactions and use tax that is collected by the County, to the extent that the applicable Project constitutes a Measure M Project; and
- all Measure R Receipts, which consist of certain amounts received by the City from a 0.5% retail transactions and use tax that is collected by the County through June 30, 2039), to the extent that the applicable Project constitutes a Measure R Project

The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 725,000	\$ 1,977,000	\$ 2,702,000
2022	755,000	1,948,000	2,703,000
2023	785,000	1,917,800	2,702,800
2024	825,000	1,878,550	2,703,550
2025	865,000	1,837,300	2,702,300
2026 - 2030	5,010,000	8,494,250	13,504,250
2031 - 2035	6,360,000	7,148,300	13,508,300
2036 - 2040	7,780,000	5,729,000	13,509,000
2041 - 2045	12,210,000	3,832,200	16,042,200
2046 - 2049	11,645,000	1,187,200	12,832,200
Total	<u>\$ 46,960,000</u>	<u>\$ 35,949,600</u>	<u>\$ 82,909,600</u>

Settlement Agreement

In September 2015, the City entered into a settlement agreement for \$2,400,000. The terms of the agreement allow for payments of the settlement in annual installments of \$200,000 beginning on September 1, 2015 through August 1, 2026. The outstanding balance at June 30, 2020, is \$1,400,000.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

7. LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities

Changes in long-term liabilities for the business-type activities for the year ended June 30, 2020, are as follows:

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020	Due Within One Year	Due in More Than One Year
Other Debt:						
2012A Solar Renewable Energy Revenue Bonds	\$ 21,735,000	\$ -	\$ (510,000)	\$ 21,225,000	\$ 570,000	\$ 20,655,000
Unamortized bond discount	(418,266)	-	23,454	(394,812)	-	(394,812)
Total Business-type Activities	<u>\$ 21,316,734</u>	<u>\$ -</u>	<u>\$ (486,546)</u>	<u>\$ 20,830,188</u>	<u>\$ 570,000</u>	<u>\$ 20,260,188</u>

2012A Solar Renewable Energy Revenue Bonds

On May 17, 2012, the Lancaster Power Authority issued \$26,895,000 of 2012A Solar Renewable Energy Revenue Bonds. These bonds were used to finance the prepayment for specified supply of electricity from a 7,319.98 DC kW capacity system. Interest on these bonds is due semiannually on May 1 and November 1 of each year, commencing November 1, 2012. Interest rates vary from 2.000% to 4.375%. The principal portion of these bonds is payable from November 1, 2013 to November 1, 2036. The outstanding balance at June 30, 2020, is \$21,225,000.

The bond indenture requires the Lancaster Power Authority to maintain a bond reserve in the amount of \$2,222,578. The balance in the reserve account as of June 30, 2020, amounted to \$2,270,784.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 570,000	\$ 861,944	\$ 1,431,944
2022	625,000	843,706	1,468,706
2023	690,000	822,806	1,512,806
2024	755,000	796,494	1,551,494
2024	830,000	764,794	1,594,794
2025 - 2029	5,445,000	3,230,266	8,675,266
2030 - 2034	8,115,000	1,841,834	9,956,834
2035 - 2037	4,195,000	186,922	4,381,922
Total	<u>\$ 21,225,000</u>	<u>\$ 9,348,766</u>	<u>\$ 30,573,766</u>

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

8. DEFINED BENEFIT PENSION PLANS

The following is a summary of pension-related items for the year ended June 30, 2020:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalPERS Miscellaneous	\$ 58,306,114	\$ 7,241,190	\$ (1,070,749)	\$ 10,895,700
PARS	3,019,555	-	(23,862)	775,545
	<u>\$ 61,325,669</u>	<u>\$ 7,241,190</u>	<u>\$ (1,094,611)</u>	<u>\$ 11,671,245</u>

a. Public Employees Retirement System (CalPERS)

General Information about the Pension Plan

Plan Description

All qualified regular and probationary employees are eligible to participate in the City’s Miscellaneous Plan, agent multiple-employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at June 30, 2019, measurement date, are summarized as follows:

	Miscellaneous		
	Classic Members Hired Prior to January 1, 2013	Classic Members Hired On or After January 1, 2013	New Members Hired On or After January 1, 2013
Hire date			
Benefit formula	2.7%@55	2.0%@60	2%@62
Benefit vesting schedule	5 Years of service	5 Years of service	5 Years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50 - 55+	50 - 63+	52 - 67+
Monthly benefits, as a % of eligible compensation	2% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.25%
Required employer contribution rates:			
Normal cost rate	11.144%	11.144%	11.144%
Payment of unfunded liability	\$ 3,132,638	\$ -	\$ -

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Employees Retirement System (CalPERS) (Continued)

General Information about the Pension Plan (Continued)

Employees Covered

At the June 30, 2019, measurement date, the following employees were covered by the benefit terms for the Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	304
Inactive employees entitled to but not yet receiving benefits	492
Active employees	<u>257</u>
Total	<u><u>1,053</u></u>

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. City contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Employees Retirement System (CalPERS) (Continued)

Net Pension Liability (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2018, actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Income	(3)

(1) Varies by entry age and service.

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

(3) Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short term (first 10 years) and the long term (11+ years) using a building block approach. Using the expected nominal returns for both short term and long term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Employees Retirement System (CalPERS) (Continued)

Long-Term Expected Rate of Return (Continued)

Net Pension Liability (Continued)

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

- (a) In the CalPERS CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.
- (b) An expected inflation of 2.0% was used for this period.
- (c) An expected inflation of 2.92% was used for this period.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Employees Retirement System (CalPERS) (Continued)

Changes in the Net Pension Liability

The changes in the net pension liability for the Plan are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018 (Measurement Date)	\$ 175,020,823	\$ 119,674,879	\$ 55,345,944
Changes in the Year:			
Service cost	3,984,412	-	3,984,412
Interest on the total pension liability	12,492,922	-	12,492,922
Differences between expected and actual experience	1,303,631	-	1,303,631
Contribution - employer	-	5,376,086	(5,376,086)
Contribution - employee	-	1,594,327	(1,594,327)
Net investment income	-	7,935,508	(7,935,508)
Administrative expenses	-	(85,403)	85,403
Benefit payments, including refunds of employee contributions	(7,180,971)	(7,180,971)	-
Other miscellaneous income (expense)	(7,180,971)	277	(277)
Net Changes	<u>10,599,994</u>	<u>7,639,824</u>	<u>2,960,170</u>
Balance at June 30, 2019 (Measurement Date)	<u>\$ 185,620,817</u>	<u>\$ 127,314,703</u>	<u>\$ 58,306,114</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for the Plan, calculated using the discount rate of the Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 84,413,111
Current Discount Rate	7.15%
Net Pension Liability	\$ 58,306,114
1% Increase	8.15%
Net Pension Liability	\$ 36,812,880

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Employees Retirement System (CalPERS) (Continued)

Pension Plans Fiduciary Net Position

Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of \$10,895,700 for this Plan. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 6,094,683	\$ -
Differences between expected and actual experience	1,146,507	-
Change in assumptions	-	(373,210)
Net differences between projected and actual earnings on plan investments	-	(697,539)
Total	<u>\$ 7,241,190</u>	<u>\$ (1,070,749)</u>

Deferred outflows of resources of \$6,094,683 that are related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 780,973
2022	(626,977)
2023	(196,019)
2024	117,781
2025	-
Thereafter	-

Payable to the Pension Plans

At June 30, 2020, the City had no outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2020.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

a. Public Agency Retirement Services (PARS)

General Information about the Pension Plan

Plan Description and Benefits

Until December 29, 2012, the City, pursuant to sections 401(a) and 501(a) of the Internal Revenue Code, the City adopted a tax-qualified single-employer governmental defined benefit plan that is to be administered for the City by Public Agency Retirement Service (PARS), a third-party administrator. The plan was established to provide eligible employees, supplemental retirement benefits in addition to the benefits employees will receive from the California Public Employees Retirement System (CalPERS). The plan is closed. A separate financial report is not available for the plan.

Employees Covered

At the June 30, 2019 measurement date, there were 71 inactive employees or beneficiaries receiving benefits, one active employee and one inactive employee entitled but not yet receiving benefits for total of 72 covered employees.

Contributions

The actuarial contribution is determined on the funding policy and most recent measurement available when the contribution for the reporting period was adopted. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Net Pension Liability

The City's net pension liability for this Plan is measured as the pension plan's fiduciary net position less the total pension liability. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2019. A summary of principal assumptions and methods used to determine the net pension asset is shown on the following page.

Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions:	
Discount rate	4.71%,
Inflation	2.75%
Salary scale	Aggregate - 3.00%
	Merit - CalPERS 1997-2015 Experience Study
Investment rate of return	6%
Mortality assumption for service	CalPERS 1997-2015 Experience Study

8. **DEFINED BENEFIT PENSION PLANS (CONTINUED)**

a. **Public Agency Retirement Services (PARS)**

Change of Assumptions and Changes in Experience Affecting the Measurement of the Total Pension Liability Since the Prior Measurement Date

Since the prior measurement date of June 30, 2018, the discount rate was updated from 5.12% to 4.71%. In addition, the mortality improvement scale was updated to Scale MP-19.

Discount Rate

The discount rate of 4.71% was used to measure the total pension liability and was a blended rate equivalent to combination of the long-term expected rate of return on assets and Bond Buyer 20 Index, which is 3.5% at June 30, 2019. In a crossover test, future employer contributions to the trust were assumed to be zero.

The 6.00% long-term expected rate of return was derived based on the inflation assumption of 2.75% and a long-term asset allocation of 48.25% equities, 45% fixed income, 1.75% REITs, and 5% cash equivalent. The geometric real rates of return were assumed to be 4.82% for equities, 1.47% for fixed income, 3.76% for REITs, and 0.06% for cash equivalent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Target Allocation	Expected Real Rate of Return
Equity	48.25%	4.82%
Fixed Income	45.00%	1.47%
REITs	1.75%	3.76%
Cash	5.00%	0.06%
Total	100.00%	

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Public Agency Retirement Services (PARS) (Continued)

Changes in the Net Pension Liability

The changes in the net pension liability for the Plans, using the measurement period ended June 30, 2019, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2018	\$ 11,473,507	\$ 9,079,354	\$ 2,394,153
Changes in the Year:			
Service cost	1,569	-	1,569
Interest on the total pension liability	569,756	-	569,756
Changes in benefit terms	-	-	-
Changes in assumptions	439,122	-	439,122
Differences between actual and expected experience	134,522		134,522
Net investment income	-	536,880	(536,880)
Administrative expenses	-	(17,313)	17,313
Benefit payments, including refunds of employee contributions	(694,049)	(694,049)	-
Net Changes	450,920	(174,482)	625,402
Balance at June 30, 2019 (Measurement Period)	\$ 11,924,427	\$ 8,904,872	\$ 3,019,555

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

1% Decrease	3.71%
Net Pension Liability (Asset)	\$ 4,431,005
Current Discount Rate	4.71%
Net Pension Liability (Asset)	\$ 3,019,555
1% Increase	5.71%
Net Pension Liability (Asset)	\$ 1,837,653

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

8. DEFINED BENEFIT PENSION PLANS (CONTINUED)

b. Public Agency Retirement Services (PARS) (Continued)

Changes in the Net Pension Liability (Continued)

Pension Plans Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and PARS financial reports.

Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the City recognized pension expense of \$775,545. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net differences between projected and actual earning on plan investments	\$ -	\$ (23,862)

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2021	\$ 55,284
2022	(69,917)
2023	(6,538)
2024	(2,691)
2025	-
Thereafter	-

Payable to the Pension Plans

At June 30, 2020, the City had no outstanding contributions to the PARS pension plan required for the year ended June 30, 2020.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

9. OTHER POST-EMPLOYMENT BENEFITS PLAN

General Information about the OPEB Plan

Plan Description

The City provides other post-employment benefits (OPEB) through an agent-employer defined benefit health-care plan by contributing a portion of premiums charged under the health benefit plan for all eligible employees. These medical, dental, vision and long-term care benefits are provided per contract between the City and union employee associations and unrepresented employees. A separate financial report is not available for the plan. This plan has been closed to new employees and the future benefit levels are frozen as of January 1, 2016.

The City entered into an agreement with California Employers' Retiree Benefit Trust (CERBT) to prefund the City's OPEB liability.

Employees Covered

As of the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees, spouses, or beneficiaries currently receiving benefits	117
Active employees	<u>232</u>
Total	<u><u>349</u></u>

Contributions

Contribution requirements are established by City policy and may be amended by the City Council. The annual contribution is based on the actuarially determined contribution. For the measurement period June 30, 2019, the City's cash contributions were \$2,802,720 in payments to the trust and the estimated implicit subsidy was \$171,000, resulting in total payment of \$2,973,720.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

CITY OF LANCASTER, CALIFORNIA
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June 30, 2020

9. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Assumptions

The total OPEB liability as of June 30, 2019, actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.25%
Inflation	2.75%
Projected Salary Increase	Aggregate - 3.00%
Expected Long-Term Investment Rate of Return	6.25%
Health-Care Cost Trend Rates	Non-Medicare 7.5% for 2020, decreasing to 4.0% in 2076, Medicare 6.3% for 2019, decreasing to 4.0% in 2076
Mortality, Retirement, Disability, Termination	Derived from CalPERS 1997-2015 Experience Study. Retirement assumed after age 55, with rates from ages 50-54 spread over ages 55-56.

The long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense, and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of CERBT and the expected yields are taken from a recent CalPERS publication for the pension fund:

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
CERBT		
Global Equity	40.00%	4.82%
Fixed Income	43.00%	1.47%
TIPS	5.00%	1.29%
REITs	8.00%	3.76%
Commodities	4.00%	0.84%
Total	<u>100.00%</u>	

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

9. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability (Continued)

Discount Rate

The discount rate used to measure the total OPEB liability is 6.25%. This is the expected long-term rate of return on City assets using investment strategy 2 within the California Employers' Retiree Benefit Trust (CERBT). The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total</u>	<u>Plan</u>	<u>Net</u>
	<u>OPEB</u>	<u>Fiduciary</u>	<u>OPEB</u>
	<u>Liability</u>	<u>Net Position</u>	<u>Liability</u>
Balance at June 30, 2018			
(Measurement Date)	<u>\$ 26,311,267</u>	<u>\$ 7,638,414</u>	<u>\$ 18,672,853</u>
Changes in the Year:			
Service cost	514,497	-	514,497
Interest on the total OPEB liability	1,640,380	-	1,640,380
Differences between actual and expected experience	1,492,398	-	1,492,398
Changes in assumptions	(1,320,939)	-	(1,320,939)
Changes in benefit terms	-	-	-
Contribution - employer	-	2,973,720	(2,973,720)
Net investment income	-	717,403	(717,403)
Administrative expenses	-	(2,205)	2,205
Benefit payments	<u>(1,159,375)</u>	<u>(1,159,375)</u>	<u>-</u>
Net Changes	<u>1,166,961</u>	<u>2,529,543</u>	<u>(1,362,582)</u>
Balance at June 30, 2019			
(Measurement Date)	<u>\$ 27,478,228</u>	<u>\$ 10,167,957</u>	<u>\$ 17,310,271</u>

Change of Assumptions

There was no change of assumptions.

Change of Benefit Terms

There was no change of benefit terms.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

9. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability (Continued)

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease 5.25%	Discount Rate 6.25%	1% Increase 7.25%
Net OPEB Liability	\$ 20,910,044	\$ 17,310,271	\$ 14,327,247

Sensitivity of the Net OPEB Liability to Changes in Health-Care Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower (6.50% - non-Medicare and 5.30% - Medicare) or one percentage point higher (8.50% non-Medicare and 7.30% - Medicare) than current health-care cost trend rates:

	1% Decrease Non-Medicare 6.5% decreasing to 3.0% Medicare 5.3% decreasing to 3.0%	Current Health-Care Cost Trend Rates Non-Medicare 7.5% decreasing to 4.0% Medicare 6.3% decreasing to 4.0%	1% Increase Non-Medicare 8.5% decreasing to 5.0% Medicare 7.3% decreasing to 5.0%
Net OPEB Liability	\$ 14,126,635	\$ 17,310,271	\$ 21,177,566

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended June 30, 2020, the City recognized OPEB expense of \$1,521,104. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 2,451,000	\$ -
Differences between actual and expected experience	1,300,978	-
Change in assumptions	-	(1,151,588)
Differences between projected and actual earnings	-	(71,755)
Total	\$ 3,751,978	\$ (1,223,343)

9. OTHER POST-EMPLOYMENT BENEFITS PLAN (CONTINUED)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

An amount of \$2,451,000, which is reported as deferred outflows of resources related to contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	Amount
2021	\$ 759
2022	759
2023	8,768
2024	5,835
2025	21,969
Thereafter	39,545

Payable to the OPEB Plan

At June 30, 2020, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2020.

10. STADIUM OPERATING LEASE

The City leases the Lancaster Municipal Stadium to Jethawks Baseball, LP, which operates the Jethawks, a California “A” League professional baseball team franchise. The cost and carrying amount of the leased assets are \$7,060,660 and \$3,530,330, respectively. The term of this lease is January 9, 2015 through January 9, 2025, during which time the City shall receive annual rent of \$55,750 subject to CPI increases after the fourth year of the term.

11. ANTELOPE VALLEY TRANSIT AUTHORITY JOINT VENTURE

The City is a member of the Antelope Valley Transit Authority (the Transit Authority), a joint powers authority of the County of Los Angeles and the cities of Palmdale and Lancaster. The Transit Authority was formed to provide public transit service to Palmdale and Lancaster. The governing board consists of one person from each member agency. Each member has one vote.

Description of Debt

On October 1, 1991, the California Special Districts Association Finance Corporation, on behalf of the Los Angeles County Transportation Commission, issued Certificate of Participation Notes in the amount of \$19,340,000. This issue was for the benefit of several different transit authorities. The Certificates of Participation were issued prior to the formation of the Antelope Valley Transit Authority. Los Angeles County participated in this issuance on behalf of the Transit Authority to provide financing of \$7,690,000 for the purchase of transportation equipment.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

11. ANTELOPE VALLEY TRANSIT AUTHORITY JOINT VENTURE (CONTINUED)

Subsequent to the Certificate of Participation issue, the Transit Authority entered into a “Reimbursement Agreement” with the County of Los Angeles to repay the obligation incurred by the County on their behalf.

As of June 30, 2020 (latest information available), Antelope Valley Transit Authority’s financial position was as follows:

Assets	<u>\$ 115,700,913</u>
Deferred Outflow of Resources	<u>\$ 678,603</u>
Liabilities	<u>\$ 16,558,897</u>
Deferred Inflows of Resources	<u>\$ 49,692</u>
Net Position	<u>\$ 99,770,927</u>
Revenues	\$ 50,105,637
Expenses	<u>42,094,140</u>
Changes in Net Position	<u>\$ 8,011,497</u>

The Transit Authority is funded, in part, by revenues allocated to the City and redirected to the Transit Authority and, in part, by a shared formula based on the level of service provided to the jurisdiction. The City of Lancaster is the primary recipient of local services from the Transit Authority. The City does not have an equity interest or a financial responsibility because the Transit Authority does not depend on revenue from the City to continue existence.

Separate financial statements of the Transit Authority are available from the Transit Authority office located at 1031 W. Avenue L-12, Lancaster, CA 93534.

12. SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT

The City issued special tax and assessment bonds on behalf of property owners, pursuant to the Improvement Bond Act of 1915 and the Mello-Roos Community Facilities Act of 1982, to finance the acquisition and construction of certain infrastructure improvements within the assessment districts and community facilities districts.

The City acts solely as an agent for those paying special tax and assessments and remits the amounts collected to the bondholders of these fixed-rate Improvement Bond Act of 1915 and Mello-Roos Community Facilities Act of 1982 issues. The City is acting as an agent and is in no way liable for the special assessment debt.

The bonds are not general obligations of the City but are limited obligations, payable solely from special tax and assessments. The City has no obligation beyond the balances in the designated agency funds for any delinquent assessment district bond payments. If delinquencies occur beyond the amounts held in the reserve funds created from bond proceeds, the City has no duty to pay the delinquency out of the available funds of the City. Neither the faith and credit nor the taxing power of the City, or the State of California, or any political subdivision thereof is pledged to the payment of these bonds.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

12. SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT (CONTINUED)

Noncommittal debt amounts issued and outstanding at June 30, 2020, are as follows:

	Bonds Issued	Bonds Outstanding
CFD 89-1, Series 1990	\$ 4,895,000	\$ 350,000
CFD 89-1, Series 1997	360,000	360,000
Total	<u>\$ 5,255,000</u>	<u>\$ 710,000</u>

13. RISK MANAGEMENT

The City is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City handled those risks with the purchase of commercial insurance. The City maintained liability insurance coverage up to a limit of \$10,000,000 with \$250,000 self-insurance retention for its general liabilities. Workers' compensation insurance is provided by Southern California Risk Management Associates, with statutory limit coverage. The City also maintained property coverage including earthquake and flood.

At June 30, 2020, \$2,046,000 has been accrued for general liability claims. This amount represents an estimate of amounts to be paid for reported claims and incurred but not yet reported claims based upon past experience, modified for current trends, and information. While the ultimate amount of losses incurred through June 30, 2020, is dependent on future developments, based upon information from the City Attorney, the City's claims administrators and others involved with the administration of the programs, City management believes the accrual is adequate to cover such losses.

Changes in the claims liability amount in fiscal years 2019 and 2020 were as follows:

Fiscal Year	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2017 - 2018	\$ 1,431,000	\$ 615,000	\$ -	\$ 2,046,000
2018 - 2019	2,046,000	1,071,000	(480,000)	2,637,000

For workers' compensation insurance, the City has transferred all risk of loss with the purchase of commercial insurance policies and has not reported any estimated loss in the financial statements.

There were no significant reductions in insurance coverage from the previous year. In addition, insurance coverage exceeded the amount of settlements for each of the past three fiscal years.

14. CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, in the opinion of the City's management, on advice of legal counsel, it is unlikely that they will have a material adverse effect on the accompanying financial statements.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

15. CONSTRUCTION COMMITMENTS

The following material construction commitments existed at June 30, 2020:

Project Name	Contract Amount	Expenditures to date as of June 30, 2020	Remaining Commitments
ADA Playground EQ/Flooring	\$ 704,083	\$ 282,412	\$ 421,671
2020 Pavement Management Program	1,299,608	1,100,684	198,924
2020 Summer Pavement Program	325,657	215,345	110,312
2020 Fall Pavement Program	283,864	127,997	155,867
2019 Sidewalk, Curb and Gutter Repair	1,921,761	858,368	1,063,393
Avenue K/SR 14 Interchange	273,681	123,765	149,916
Avenue M/SR 14 Interchange	2,303,859	1,183,232	1,120,627
Avenue L/SR 14 Interchange	902,705	228,293	674,412
Ave I Street Improvements Price	989,616	592,635	396,981
Ave I Street Improvements Price 35th Street E	1,061,105	577,149	483,956

16. LANCASTER CHOICE ENERGY

Lancaster Choice Energy (CLE) has registered as a Community Choice Aggregator (CCA) for the purpose of delivering electric services to certain customers located within the City of Lancaster. LCE entered into an administrative services agreement with California Choice Energy Authority (CCEA), for administration, energy procurement, contract negotiation, contract administration, resource planning services and other services provided to the LCE program. This contract has a term of the longer of three years from the effective date or the longest term of any energy contract to which the CCEA is a party on behalf of LCE. Payments to CCEA for the fiscal year ended June 30, 2020, totaled \$1,454,927.

CCEA master “Take or Pay” agreements with different energy providers that PRIME uses to purchase energy to provide for future electric capacity for customers. LCE enters into separate contracts with the providers and these contracts constitute an obligation of LCE to purchase a set volume of electricity at a set price throughout the terms of the contracts.

During the fiscal year ended June 30, 2020, the total payments made by LCE under the take or pay contracts was \$33,234,097. At June 30, 2020, the remaining take or pay contracts for LCE is \$130,408,602 through December 2028.

17. SUCCESSOR AGENCY DISCLOSURES

The assets and liabilities of the former Redevelopment Agency were transferred to the Successor Agency of the City of Lancaster Redevelopment Agency on February 1, 2012, as a result of the dissolution of the former Redevelopment Agency. The City is acting in a fiduciary capacity for the assets and liabilities.

CITY OF LANCASTER, CALIFORNIA
Notes to Financial Statements
June 30, 2020

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2020, was as follows:

	Balance			Balance	Due	Due in
	June 30, 2019	Additions	Deletions	June 30, 2019	Within	More Than
					One Year	One Year
Other Borrowings:						
2004 County Fire	\$ 3,555,000	\$ -	\$ (640,000)	\$ 2,915,000	\$ 675,000	\$ 2,240,000
2004 County - Sheriff	7,620,000	-	(1,375,000)	6,245,000	1,450,000	4,795,000
2015 Housing A&B	21,055,000	-	(660,000)	20,395,000	995,000	19,400,000
2017 Housing	60,625,000	-	(2,575,000)	58,050,000	2,335,000	55,715,000
2010 Non-Housing						
Lease Revenue	4,365,000	-	(160,000)	4,205,000	170,000	4,035,000
2016 A-1 & A-2						
Non-Housing	55,455,000	-	(2,635,000)	52,820,000	2,700,000	50,120,000
2016 B-1 & B-2						
Non-Housing	12,062,000	-	(640,000)	11,422,000	600,000	10,822,000
Total Successor Agency	168,360,000	-	(8,685,000)	159,675,000	8,985,000	150,690,000
Unamortized original issue (discount) or premium	11,677,295	-	(672,259)	11,005,036	-	11,005,036
Net Long-Term Debt	\$ 180,037,295	\$ -	\$ (9,357,259)	\$ 170,680,036	\$ 8,985,000	\$ 161,695,036

Combined Tax Allocation Notes and Bonds

- a. On December 15, 2004, the Successor Agency issued \$10,200,000 of Combined Redevelopment Project Areas (Fire Protection Facilities Project), Tax Allocation Refunding Bonds, Issue of 2004. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2006. Interest rates vary from 2.00% to 5.25%. Principal redemptions are payable starting December 1, 2006 through December 1, 2023. The proceeds of this bond issue were utilized to refund all of the Agency's outstanding Combined Redevelopment Project Areas (Fire Protection Facilities Project) Tax Allocation Bonds, Issue of 1993, pay costs of issuing the Bonds, and fund a debt service reserve account. The outstanding balance at June 30, 2020, is \$2,915,000.
- b. On December 15, 2004, the Successor Agency issued \$21,540,000 of Combined Redevelopment Project Areas (Sheriff's Facility Project), Tax Allocation Refunding Bonds, Issue of 2004. Interest on these bonds is payable semiannually on June 1 and December 1 of each year, commencing June 1, 2006. Interest rates vary from 2.00% to 5.25%. Principal redemptions are payable starting December 1, 2006 through December 1, 2019. The proceeds of this bond issue were utilized to refund all of the Agency's outstanding Combined Redevelopment Project Areas (Sheriff's Facility Project) Tax Allocation Bonds, Issue of 1993, pay costs of issuing the Bonds, and fund a debt service reserve account. The outstanding balance at June 30, 2020, is \$6,245,000.
- c. On March 10, 2015, the Successor Agency issued \$23,510,000 of Combined Redevelopment Project Areas (Housing Programs) Tax Allocation Refunding Bonds, issue of 2015A and B. This financing was undertaken to refund \$23,510,000 in outstanding Agency debt. The principal portion of these bonds is payable from August 1, 2015 to 2026. Interest is payable semiannually on February 1 and August 1 of each year commencing on August 1, 2015. The outstanding balance at June 30, 2020, is \$20,395,000.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities (Continued)

Combined Tax Allocation Notes and Bonds (Continued)

- d. On April 18, 2017, the Successor Agency issued \$62,495,000 of Combined Redevelopment Project Areas (Housing Programs) Tax Allocation Refunding Bonds and \$3,155,000 of Combined Redevelopment Project Areas (Housing Programs) Taxable Tax Allocation Refunding Bonds issue of 2017. This financing was undertaken to advance refund \$47,750,000 of Combined Housing Financing Series 2003 Bonds and \$24,680,000 of Combined Redevelopment Project Areas (Housing Program) Tax Allocation Bonds issue 2009. The principal portion of these bonds is payable annually from August 1, 2017 to 2039. Interest is payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2017. The outstanding balance at June 30, 2020, is \$58,050,000.

As a result of the advance refunding, the City reduced its total debt service requirements by \$21,457,747, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$9,106,155.

- e. On April 22, 2010, the Successor Agency issue \$5,555,000 of Lancaster Redevelopment Agency, Lease Revenue Refunding Bonds (Lancaster Public Capital Improvement Projects), Issue of 2010. The purpose of these bonds was to (i) refund on a current basis the Lancaster Redevelopment Agency Lease Revenue Refunding Bonds (Lancaster Public Capital Improvement Projects) Issue of 1999, (ii) fund the Reserve Account, and (iii) pay costs of issuance of the Bonds. The principal portion of these bonds is payable from December 1, 2010 to December 1, 2035. Interest is payable semiannually at rates of 2.0% to 5.9% per annum, commencing December 1, 2010. The bonds are payable from Lease Payments to be made by the City of Lancaster to the Agency or its assignee. The property covered by the Lease consists of the Lancaster Performing Arts Center. Neither the bonds nor the obligation of the City to make Lease Payments under the Lease Agreement constitutes an indebtedness of the City, the Agency, the State of California or any political subdivision thereof, within the meaning of the Constitution of the State of California or otherwise. The outstanding balance at June 30, 2020, is \$4,205,000.
- f. On June 14, 2016, the Successor Agency issued \$61,425,000 of Combined Redevelopment Project Areas (Non-Housing Programs) Tax Allocation Refunding Bonds, issue of 2016A-1 & A-2. This financing was undertaken to advance refund \$71,312,000 in outstanding Agency debt. The principal portion of these bonds is payable from August 1, 2016 to 2038. Interest is payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2016. The outstanding balance at June 30, 2020, is \$52,820,000.
- g. On June 14, 2016, the Successor Agency issued \$17,590,000 of Lancaster Redevelopment Project Area No. 5 and Project Area No. 6 (School District Pass-Throughs) Tax Allocation Refunding Bonds, issue of 2016 B-1 and B-2. This financing was undertaken to advance refund \$21,763,000 in outstanding Agency debt. The principal portion of these bonds is payable from February 1, 2017 to 2037. Interest is payable semiannually on February 1 and August 1 of each year, commencing on August 1, 2016. The outstanding balance at June 30, 2020, is \$15,045,000.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Long-Term Liabilities (Continued)

Combined Tax Allocation Notes and Bonds (Continued)

The annual requirements to amortize the outstanding bond indebtedness for the Lancaster Redevelopment Agency Bonds and Notes, as of June 30, 2020, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
2021	8,985,000	6,493,202	\$ 15,478,202
2022	9,470,000	6,127,352	15,597,352
2023	9,865,000	5,712,405	15,577,405
2024	10,295,000	5,261,761	15,556,761
2024	8,165,000	4,844,268	13,009,268
2026 - 2030	44,735,000	18,591,498	63,326,498
2031 - 2035	53,000,000	8,135,609	61,135,609
2036 - 2040	15,160,000	1,043,352	16,203,352
Total	<u>\$ 159,675,000</u>	<u>\$ 56,209,447</u>	<u>\$ 215,884,447</u>

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low and Moderate Income Housing set-aside and pass through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low and Moderate Income Housing projects and to defease previously issued bonds. Assembly Bill 1 X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency.

Total principal and interest remaining on the debt is \$215,884,447 with annual debt service requirements as indicated above. For the current year, the total property tax revenue recognized by the City and Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$20,349,958 and the debt service obligation on the bonds was \$15,487,433 broken down as follows:

	Received in FY 19/20
Scope of Fund Recognized by Successor Agency for Enforceable Obligations:	
Redevelopment Property Tax Trust Funds (RPTTF)	\$ 17,431,605
Pass-Through Funds Remitted by Los Angeles County Fire and Sheriff	2,527,581
Lease Revenue Funds remitted by the City of Lancaster	<u>390,772</u>
Total funds recognized by the Successor Agency available for the payment of debt services	<u>\$ 20,349,958</u>

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Pledged Revenue (Continued)

<u>Debt Service Obligations due in FY 19/20</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
Non-Housing, Housing and School Bus (RPTTF)	\$ 6,510,000	\$ 6,045,597	\$ 12,555,597
County Fire & Sheriff Bonds (paid from Fire & Sheriff pass through funds)	2,015,000	512,581	2,527,581
Lease Revenue Bonds (paid from lease payment from City of Lancaster)	<u>160,000</u>	<u>244,255</u>	<u>404,255</u>
Total Successor Agency Debt Service Obligations, FY 17/18	<u>\$ 8,685,000</u>	<u>\$ 6,802,433</u>	<u>\$ 15,487,433</u>

Due to the City of Lancaster and Lancaster Housing Authority

1. SERAF Advance

Advances were made in previous years in the amount of \$24,303,115 to assist in accomplishing payment to the Educational Revenue Augmentation Fund from the former redevelopment agency low and moderate income housing fund. The advances are now payable to the Lancaster Housing Authority as a result of the dissolution of redevelopment. The outstanding balance at June 30, 2020, is \$16,954,713. The Successor Agency made repayments totaling \$3,122,017 to the Lancaster Housing Authority during the current fiscal years.

2. Prior Advances

In previous fiscal years, the City made multiple loans to the former Lancaster Redevelopment Agency. During the 2013-2014 fiscal year, many of those loans were reinstated as enforceable obligations of the Successor Agency and an additional \$9,174,633 were reinstated in fiscal year 2015-2016. The outstanding principal totals \$32,011,462; the interest at June 30, 2020, totals \$21,330,870. The total amount due to the City and Housing Authority from the Successor Agency on these prior advances is \$53,342,332. No repayments were made during the current fiscal year and accrued unpaid interest of \$3,121,183 was added to the advance balance.

Defeasance of Debt

In prior years, the Agency defeased certain tax allocation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Agency's financial statements.

At June 30, 2020, the following defeased bond issues are still outstanding:

	<u>Outstanding Amount</u>
The Combined Housing Financing bonds 2003 Issue	\$ 1,940,000
Tax Allocation Bonds (Housing Programs) 2009 Issue	22,645,000

17. SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Noncommitment Debt

The Agency has issued \$94,710,000 of Residential Mortgage Revenue Bonds that have not been reflected in Long-Term Debt because these bonds are special obligations payable solely from and secured by specific revenue sources described in the bond resolutions and official statements of the respective issues. Neither the faith and credit nor the taxing power of the City, the Agency, the State of California, or any political subdivision thereof, is pledged for the payment of these bonds.

Insurance

The Successor Agency is covered under the City's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Successor Agency. Additional information as to coverage and self-insured retentions can be found in Note 13.

18. DEFERRED COMPENSATION PLAN

The City has made available to its Regular Employees and mandatory for its Temporary Employees an Internal Revenue Code (IRC) Section 457(b) deferred compensation plan, whereby employees authorize the City to withhold funds from salary to be invested in the ICMA Retirement Corporation's Deferred Compensation Plan. For Temporary Employees, the mandatory 457(b) contribution is in lieu of contributing to Social Security or CalPERS.

Funds may be withdrawn by participants upon termination of employment or retirement. The City makes no contributions under the plan. The City withholds employee contributions from employee's payroll checks and transmits these monies to the plan providers on a bi-weekly basis. The City makes distributions from the plans based solely upon authorizations by the plan administrator.

Pursuant to changes in IRC Section 457, on January 2, 1997, the City formally established a plan level trust in which all assets and income of the 457 plan were placed. The plan assets, all property and rights purchased with such amount, and all income attributable to such amounts, property, or rights are held in trust for the exclusive benefit of the participants and their beneficiaries. These assets are not the property of the City and, as such, are not subject to the claims of the City's general creditors. The City has minimal involvement in the administration of the 457 plan and, therefore, lacks fiduciary accountability. As a result, the assets of the 457 plan are not reflected in the financial statements.

19. DEFINED CONTRIBUTION PLAN

The City provides a tax qualified retirement savings plan under Section 401(a) of the Internal Revenue Code to all Regular Employees. The Plan is a defined contribution plan and benefits depend solely on amounts contributed to the plan and investment earnings. The Plan is administered by the ICMA Retirement Corporation, and the City Council has the authority for establishing and amending the plan provisions. There were 379 participants in the Plan for the year ended June 30, 2020. Employer contributions are based on an employee's tier of eligibility. For the year ended June 30, 2020, employer contributions totaled \$913,840. There are no required employee contributions.

As is the case with the 457 plan, the 401(a) plan assets are held in trust for distribution to employees and their beneficiaries. Funds may be withdrawn by participants upon termination of employment or retirement. The City lacks fiduciary accountability and as such, the assets of the 401(a) plan are not reflected in the financial statements.

CITY OF LANCASTER, CALIFORNIA

Notes to Financial Statements

June 30, 2020

20. RETIREE HEALTH SAVINGS PLAN

The City provides a Retiree Health Savings Plan (RHSP) under IRC Section 105(h) to all Regular Employees hired after July 1, 2012. This defined contribution benefit is in lieu of any other post-employment benefits (OPEB) for these employees. There is a mandatory five-year vesting period to be eligible for distribution from this plan.

Additionally, the City provides a RHSP for Mid-Management and Executive-Management employees, employees opting out of other post-employment benefits, and employees opting out of all medical coverage or opting for no dependent medical coverage. The City Council has the authority for establishing and amending plan provisions. There were 218 individuals in the RHSP at June 30, 2020. Contributions for the year ended June 30, 2020, totaled \$603,252.

As with the other ICMA plans, assets of the RHSP are held in trust, eligible for withdrawal upon termination of employment, are not assets of the City, and are not reflected in the financial statements.

21. COVID-19

In December 2019, a novel strain of coronavirus (COVID-19) began to spread around the world resulting in business and social disruption. COVID-19 was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. The operations and business results of the City could potentially be adversely affected by this global pandemic. The extent to which the coronavirus may impact business activity or investment results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions required to contain the coronavirus. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. However, the related financial impact on the City and the duration cannot be estimated at this time.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF LANCASTER

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS PENSION PLANS

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability:			
Service cost	\$ 3,984,412	\$ 4,089,766	\$ 4,120,166
Interest on total pension liability	12,492,922	11,749,454	11,094,780
Differences between expected and actual experience	1,303,631	925,375	(449,010)
Changes in assumptions	-	(1,119,628)	9,732,561
Benefit payments, including refunds of employee contributions	(7,180,971)	(6,203,088)	(5,495,333)
Net Change in Total Pension Liability	10,599,994	9,441,879	19,003,164
Total Pension Liability - Beginning of Year	175,020,823	165,578,944	146,575,780
Total Pension Liability - End of Year (a)	\$ 185,620,817	\$ 175,020,823	\$ 165,578,944
Plan Fiduciary Net Position:			
Contributions - employer	\$ 5,376,086	\$ 4,949,350	\$ 4,609,250
Contributions - employee	1,594,327	1,606,648	1,558,516
Net investment income	7,935,508	9,429,980	11,061,811
Benefit payments	(7,180,971)	(6,203,088)	(5,495,333)
Net plan to plan resource movement	277	(277)	-
Administrative and other expense	(85,403)	(498,688)	(145,875)
Net Change in Plan Fiduciary Net Position	7,639,824	9,283,925	11,588,369
Plan Fiduciary Net Position - Beginning of Year	119,674,879	110,390,954	98,802,585
Plan Fiduciary Net Position - End of Year (b)	\$ 127,314,703	\$ 119,674,879	\$ 110,390,954
Net Pension Liability - Ending (a)-(b)	\$ 58,306,114	\$ 55,345,944	\$ 55,187,990
Plan fiduciary net position as a percentage of the total pension liability	68.59%	68.38%	66.67%
Covered payroll	\$ 19,995,467	\$ 20,482,128	\$ 19,501,764
Net pension liability as percentage of covered payroll	291.60%	270.22%	282.99%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no significant changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
\$ 3,757,280	\$ 3,659,838	\$ 3,783,673
10,446,457	9,650,056	9,015,665
1,362,060	(445,730)	-
-	(2,517,116)	-
<u>(4,608,628)</u>	<u>(4,011,772)</u>	<u>(3,666,038)</u>
10,957,169	6,335,276	9,133,300
<u>135,618,611</u>	<u>129,283,335</u>	<u>120,150,035</u>
<u>\$ 146,575,780</u>	<u>\$ 135,618,611</u>	<u>\$ 129,283,335</u>
\$ 4,077,018	\$ 3,803,574	\$ 3,549,119
1,628,815	1,611,229	1,556,684
535,654	2,090,380	13,752,204
(4,608,628)	(4,011,772)	(3,666,038)
-	-	-
<u>(59,256)</u>	<u>(109,427)</u>	<u>-</u>
1,573,603	3,383,984	15,191,969
<u>97,228,982</u>	<u>93,844,998</u>	<u>78,653,029</u>
<u>\$ 98,802,585</u>	<u>\$ 97,228,982</u>	<u>\$ 93,844,998</u>
<u>\$ 47,773,195</u>	<u>\$ 38,389,629</u>	<u>\$ 35,438,337</u>
67.41%	71.69%	72.59%
\$ 19,428,612	\$ 19,407,546	\$ 19,312,337
245.89%	197.81%	183.50%

CITY OF LANCASTER

SCHEDULE OF CONTRIBUTIONS
CalPERS PENSION PLANS

Last Ten Fiscal Years*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 6,094,683	\$ 5,360,960	\$ 4,949,379
Contributions in relation to the actuarially determined contributions	<u>(6,094,683)</u>	<u>(5,360,960)</u>	<u>(4,949,379)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 20,370,100	\$ 19,995,467	\$ 20,482,128
Contributions as a percentage of covered payroll	29.92%	26.81%	24.16%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2016	6/30/2015
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)
Asset valuation method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.375% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)
Mortality	(5)	(5)	(5)

- (1) Level percentage of payroll, closed.
- (2) Depending on age, service, and type of employment.
- (3) Net of pension plan investment expense, including inflation.
- (4) 50 years for 2.7%@55 and 2%@60, 52 years for 2%@62.
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 4,429,710	\$ 4,072,457	\$ 3,803,574
<u>(4,429,710)</u>	<u>(4,072,457)</u>	<u>(3,803,574)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 19,501,764	\$ 19,428,612	\$ 19,407,546
22.71%	20.96%	19.60%

6/30/2014	6/30/2013	6/30/2012
Entry age (1) Fair Value	Entry age (1) Fair Value	Entry age (1) 15 Year Smoothed Market Method
2.75% (2)	2.75% (2)	2.75% (2)
7.50% (3) (4) (5)	7.50% (3) (4) (5)	7.50% (3) (4) (5)

CITY OF LANCASTER

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
PARS PENSION PLAN

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Period Ended	June 30, 2019	June 30, 2018	June 30, 2017
Total Pension Liability:			
Service cost	\$ 1,569	\$ 1,577	\$ 1,485
Interest on total pension liability	569,756	568,236	578,723
Differences between expected and actual experience	134,522	-	89,030
Changes in assumptions	439,122	(188,575)	(161,368)
Changes in benefits	-	-	-
Benefit payments, including refunds of employee contributions	(694,049)	(678,957)	(665,644)
Net Change in Total Pension Liability	450,920	(297,719)	(157,774)
Total Pension Liability - Beginning of Year	11,473,507	11,771,226	11,929,000
Total Pension Liability - End of Year (a)	<u>\$ 11,924,427</u>	<u>\$ 11,473,507</u>	<u>\$ 11,771,226</u>
Plan Fiduciary Net Position:			
Contributions - employer	\$ -	\$ -	\$ -
Contributions - employee	-	-	-
Net investment income (loss)	536,880	551,796	881,421
Administrative expense	(17,313)	(18,115)	(18,063)
Benefit payments	(694,049)	(678,957)	(665,644)
Net Change in Plan Fiduciary Net Position	(174,482)	(145,276)	197,714
Plan Fiduciary Net Position - Beginning of Year	9,079,354	9,224,630	9,026,916
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 8,904,872</u>	<u>\$ 9,079,354</u>	<u>\$ 9,224,630</u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u>\$ 3,019,555</u>	<u>\$ 2,394,153</u>	<u>\$ 2,546,596</u>
Plan fiduciary net position as a percentage of the total pension liability	74.68%	79.13%	78.37%
Covered payroll	None	None	None
Net pension liability as percentage of covered payroll	N/A	N/A	N/A

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 6.25% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 6.50% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

The discount rate was updated from 6.50% to 4.99% and the expected long-term rate of return on investments was updated from 6.50% to 6.25%.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was updated from 4.97% to 4.99% and the expected long-term rate of return on investments was updated from 6.25% to 6.00%.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was updated from 4.99% to 5.12%.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was updated from 5.12% to 4.71% and mortality improvement scale was updated to Scale MP-2019

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
June 30, 2016	June 30, 2015	June 30, 2014
\$ 1,000	\$ 1,000	\$ 1,000
636,000	605,000	607,000
-	156,000	-
1,837,000	350,000	-
-	-	-
<u>(652,000)</u>	<u>(640,000)</u>	<u>(627,000)</u>
1,822,000	472,000	(19,000)
<u>10,107,000</u>	<u>9,635,000</u>	<u>9,654,000</u>
<u>\$ 11,929,000</u>	<u>\$ 10,107,000</u>	<u>\$ 9,635,000</u>
\$ -	\$ -	\$ -
-	-	-
(108)	230,000	1,204,000
(23,332)	(20,000)	(20,000)
<u>(665,644)</u>	<u>(640,000)</u>	<u>(627,000)</u>
(689,084)	(430,000)	557,000
<u>9,716,000</u>	<u>10,146,000</u>	<u>9,589,000</u>
<u>\$ 9,026,916</u>	<u>\$ 9,716,000</u>	<u>\$ 10,146,000</u>
<u>\$ 2,902,084</u>	<u>\$ 391,000</u>	<u>\$ (511,000)</u>
75.67%	96.13%	105.30%
None	None	None
N/A	N/A	N/A

CITY OF LANCASTER

SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN

Last Ten Fiscal Years*

Fiscal year ended	June 30, 2020	June 30, 2019	June 30, 2018
Actuarially determined contribution	\$ 311,000	\$ 337,000	\$ 89,000
Contributions in relation to the actuarially determined contributions	-	-	-
Contribution deficiency (excess)	\$ 311,000	\$ 337,000	\$ 89,000
Covered payroll	\$ -	\$ -	None
Contributions as a percentage of covered payroll	N/A	N/A	N/A
Notes to Schedule:			
Valuation Date	6/30/2017	6/30/2017	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:			
Single and agent employers	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar	Level dollar	Level dollar
Remaining amortization period	10 Years open	10 Years open	10 Years open
Asset valuation method	Market value	Market value	Market value
Inflation	2.75%	2.75%	3.00%
Salary scale:			
Aggregate	3.00%	3.00%	3.25%
Merit (CalPERS Experience Study)	1997-2015	1997-2015	1997-2011
Investment rate of return			
06/30/17 valuation	6.5%, net of investment expenses only		
06/30/15 valuation	6.5%, net of investment expenses only		
06/30/13 valuation	6.25%, net of investment and administrative expenses		
Mortality assumptions for service retirements and beneficiaries:			
06/30/17 valuation	Mortality Table projected fully generational with Society of Actuaries Scale MP-2017.		
06/30/15 valuation	Mortality Table projected fully generational with Scale MP-2014 modified to converge to ultimate improvement rates in 2022.		
06/30/13 valuation	CalPERS 1997-2007 Experience Study, Mortality projected fully generational with Scale AA.		
Mortality assumptions for disability retirements:			
06/30/17 valuation	CalPERS 1997-2015 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2017.		
06/30/15 valuation	CalPERS 1997-2011 Experience Study, Mortality Table for nonwork Disabled Retirees projected fully generational with Scale MP-2014 modified to converge to ultimate improvement rates in 2022.		
06/30/13 valuation	CalPERS 1997-2007 Experience Study, Mortality projected fully generational with Scale AA.		

* Fiscal year 2015 was the first year of implementation and therefore only six years are shown.

<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
\$ 93,000	\$ 52,000	\$ -
-	-	-
<u>\$ 93,000</u>	<u>\$ 52,000</u>	<u>\$ -</u>
None	None	None
N/A	N/A	N/A
6/30/2015	6/30/2013	6/30/2013
Entry age normal Level dollar 10 Years open Market value 3.00%	Entry age normal Level dollar 10 Years closed Market value 3.00%	Entry age normal Level dollar 10 Years open Market value 3.00%
3.25% 1997-2011	3.25% 1997-2007	3.25% 1997-2007

CITY OF LANCASTER

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

Last Ten Fiscal Years*

Fiscal year end	6/30/2020	6/30/2019	6/30/2018
Measurement date	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:			
Service cost	\$ 514,497	\$ 549,862	\$ 533,847
Interest on total OPEB liability	1,640,380	1,574,306	1,500,990
Change in assumption	(1,320,939)	-	-
Difference between expected and actual experience	1,492,298	-	-
Benefit payments, including refunds of	(1,159,375)	(903,880)	(851,733)
Net Change in Total OPEB Liability	1,166,861	1,220,288	1,183,104
Total OPEB Liability - Beginning of Year	26,311,267	25,090,979	23,907,875
Total OPEB Liability - End of Year (a)	27,478,128	26,311,267	25,090,979
Plan Fiduciary Net Position:			
Contributions - employer	2,973,720	2,521,850	2,757,002
Net investment income	717,403	470,766	400,018
Administrative expenses	(2,205)	(11,481)	(3,027)
Benefit payments	(1,159,375)	(903,880)	(851,733)
Net Change in Plan Fiduciary Net Position	2,529,543	2,077,255	2,302,260
Plan Fiduciary Net Position - Beginning of Year	7,638,414	5,561,159	3,258,899
Plan Fiduciary Net Position - End of Year (b)	10,167,957	7,638,414	5,561,159
Net OPEB Liability - Ending (a)-(b)	\$ 17,310,171	\$ 18,672,853	\$ 19,529,820
Plan fiduciary net position as a percentage of the net OPEB liability	37.00%	29.03%	22.16%
Covered - employee payroll	\$ 21,066,497	\$ 19,015,391	\$ 20,878,494
Net OPEB liability as percentage of covered - employee payroll	82.17%	98.20%	93.54%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2017 to June 30, 2018

There were no changes in assumptions.

From fiscal year June 30, 201 to June 30, 2019

Mortality improvement scale was updated to Scale MP-

Assumed plan elections at retirement were updated

Spousal coverage assumption was updated from 50% to

* Fiscal year 2018 was the first year of implementation and therefore only three years are shown.

CITY OF LANCASTER

SCHEDULE OF CONTRIBUTIONS - OPEB

Last Ten Fiscal Years*

Fiscal year ended	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually required contribution (actuarially determined)	\$ 1,973,000	\$ 2,009,000	\$ 2,099,000
Contributions in relation to the actuarially determined contributions	<u>(2,451,000)</u>	<u>(2,973,720)</u>	<u>(2,521,850)</u>
Contribution deficiency (excess)	<u>\$ (478,000)</u>	<u>\$ (964,720)</u>	<u>\$ (422,850)</u>
Covered - employee payroll	\$ 20,370,100	\$ 21,066,497	\$ 19,015,391
Contributions as a percentage of covered - employee payroll	12.03%	14.12%	13.26%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates:			
Single and agent employers	Entry age	Entry age	Entry age
Amortization method	Level dollar	Level dollar	Level dollar
Amortization period	25 year fixed period	26 year fixed period	27 year fixed period
Inflation	2.75%	2.75%	3.00%
Mortality	CalPERS 1997-2015	CalPERS 1997-2015	CalPERS 1997-2011
Mortality improvements	Experience Mortality projected fully generational with Scale MP-2017	Experience Mortality projected fully generational with Scale MP-2017	Experience Mortality projected fully generational with Scale MP-2014
Health-care trend rates			
06/30/15 Valuation	Non-Medicare 7.50% decreasing to 5.00% in 2021, Medicare 7.80% decreasing to 5.00% in 2021		
06/30/17 Valuation	Non-Medicare 7.50% decreasing to 4.00% in 2076, Medicare 6.50% decreasing to 4.00% in 2076		

* Fiscal year 2018 was the first year of implementation and therefore only three years are shown.

CITY OF LANCASTER

Other Post-Employment Benefits Plan
Annual Money-Weighted Rate of Return on Investments

Last Ten Fiscal Years*

Retiree Health Plan

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense*</u>
6/30/20	0.07%
6/30/19	6.19%
6/30/18	6.26%
6/30/17	10.17%

* Ten years of historical information is required by the GASB Statement No. 74. Fiscal year ended June 30, 2017 was the first year of implementation and therefore only four years are presented.

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF LANCASTER

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS

June 30, 2020

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
ASSETS:				
Pooled cash and investments	\$ 1,751,852	\$ 115,142	\$ 1,841,238	\$ 2,641,648
Receivables:				
Accounts	2,934	2,470	5,477	-
Taxes	309,480	-	16,846	-
Accrued interest	1,800	-	-	-
Due from other governments	427,396	-	-	358,636
Notes and loans, net	-	-	-	-
Land held for resale	-	-	-	392,796
TOTAL ASSETS	\$ 2,493,462	\$ 117,612	\$ 1,863,561	\$ 3,393,080
LIABILITIES:				
Accounts payable	\$ 635,114	\$ -	\$ 165,963	\$ 17,112
Accrued liabilities	86,416	-	6,728	7,142
Unearned revenues	-	-	-	-
Due to other funds	-	-	-	421,192
TOTAL LIABILITIES	721,530	-	172,691	445,446
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	358,636
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	358,636
FUND BALANCES (DEFICITS):				
Restricted:				
Community development projects	-	117,612	-	2,588,998
Parks, recreation, and arts	-	-	-	-
Development services	1,771,932	-	1,690,870	-
Housing and neighborhood revitalization	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,771,932	117,612	1,690,870	2,588,998
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 2,493,462	\$ 117,612	\$ 1,863,561	\$ 3,393,080

CITY OF LANCASTER

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2020

	Special Revenue Funds (Continued)			
	Developer Fees - Signals	Developer Fees - Drainage	Recycled Water	Biological Impact Fees
ASSETS:				
Pooled cash and investments	\$ 1,818,137	\$ 4,186,232	\$ 144,661	\$ 597,949
Receivables:				
Accounts	98,057	234,028	17,416	-
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	-	-	-	-
Notes and loans, net	-	-	-	-
Land held for resale	-	-	-	-
TOTAL ASSETS	\$ 1,916,194	\$ 4,420,260	\$ 162,077	\$ 597,949
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ 37,376	\$ -
Accrued liabilities	-	-	1,789	-
Unearned revenues	98,058	234,028	-	-
Due to other funds	-	-	-	-
TOTAL LIABILITIES	98,058	234,028	39,165	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-
FUND BALANCES (DEFICITS):				
Restricted:				
Community development projects	-	-	-	-
Parks, recreation, and arts	-	-	122,912	-
Development services	1,818,136	4,186,232	-	597,949
Housing and neighborhood revitalization	-	-	-	-
Capital projects	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES (DEFICITS)	1,818,136	4,186,232	122,912	597,949
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,916,194	\$ 4,420,260	\$ 162,077	\$ 597,949

Special Revenue Funds (Continued)

Traffic Impact Fees	AQMD	Lancaster Drainage Maintenance District	Miscellaneous Grants	Traffic Safety	Zero-Net Energy Solar Mitigation In Lieu
\$ 892,416	\$ -	\$ 2,176,564	\$ 1,023	\$ -	\$ 106,700
210,494	-	616	-	-	-
-	-	26,571	-	-	-
-	-	-	-	-	-
-	-	-	-	16,527	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 1,102,910</u>	<u>\$ -</u>	<u>\$ 2,203,751</u>	<u>\$ 1,023</u>	<u>\$ 16,527</u>	<u>\$ 106,700</u>
\$ -	\$ -	\$ 23,616	\$ -	\$ -	\$ -
-	-	26,462	-	-	-
210,494	-	-	-	-	-
-	39,252	-	-	66,156	-
<u>210,494</u>	<u>39,252</u>	<u>50,078</u>	<u>-</u>	<u>66,156</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	1,023	-	-
-	-	-	-	-	-
892,416	-	2,153,673	-	-	106,700
-	-	-	-	-	-
-	-	-	-	-	-
-	(39,252)	-	-	(49,629)	-
<u>892,416</u>	<u>(39,252)</u>	<u>2,153,673</u>	<u>1,023</u>	<u>(49,629)</u>	<u>106,700</u>
<u>\$ 1,102,910</u>	<u>\$ -</u>	<u>\$ 2,203,751</u>	<u>\$ 1,023</u>	<u>\$ 16,527</u>	<u>\$ 106,700</u>

(Continued)

CITY OF LANCASTER

COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

June 30, 2020

	Special Revenue Funds (Continued)			
	LA County Reimbursement	MTA Grant	Urban Structure Program	Mariposa Lily
ASSETS:				
Pooled cash and investments	\$ -	\$ -	\$ 1,155,150	\$ 62,733
Receivables:				
Accounts	-	74,462	24,275	-
Taxes	-	-	-	-
Accrued interest	-	-	-	-
Due from other governments	111,111	441,842	-	-
Notes and loans, net	-	-	-	-
Land held for resale	-	-	-	-
TOTAL ASSETS	\$ 111,111	\$ 516,304	\$ 1,179,425	\$ 62,733
LIABILITIES:				
Accounts payable	\$ 79,060	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-
Unearned revenues	983	313	24,275	-
Due to other funds	30,849	512,945	-	-
TOTAL LIABILITIES	110,892	513,258	24,275	-
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	111,111	438,796	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	111,111	438,796	-	-
FUND BALANCES (DEFICITS):				
Restricted:				
Community development projects	-	-	-	-
Parks, recreation, and arts	-	-	970,778	-
Development services	-	-	184,372	62,733
Housing and neighborhood revitalization	-	-	-	-
Capital projects	-	-	-	-
Unassigned	(110,892)	(435,750)	-	-
TOTAL FUND BALANCES (DEFICITS)	(110,892)	(435,750)	1,155,150	62,733
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 111,111	\$ 516,304	\$ 1,179,425	\$ 62,733

Special Revenue Funds (Continued)

Sewer Maintenance District	Proposition 1B	Proposition 42	Measure R	Measure M	Lancaster Lighting District	Total Other Governmental Funds
\$ 3,921,324	\$ 143,808	\$ 47,134	\$ 397,837	\$ 1,963,657	\$ 1,967,757	\$ 33,919,724
6,260	-	-	246,338	-	13,153	942,899
51,234	-	-	-	-	82,964	487,095
-	159	-	618	2,003	-	11,835
-	-	-	2,146,955	-	-	3,502,467
-	-	-	-	-	-	590,061
-	-	-	-	-	-	392,796
<u>\$ 3,978,818</u>	<u>\$ 143,967</u>	<u>\$ 47,134</u>	<u>\$ 2,791,748</u>	<u>\$ 1,965,660</u>	<u>\$ 2,063,874</u>	<u>\$ 39,846,877</u>
\$ 146,312	\$ -	\$ -	\$ -	\$ 78,272	\$ 393,795	\$ 1,626,806
66,953	-	-	-	-	5,244	245,593
-	-	-	-	-	-	617,289
-	-	-	-	-	-	1,074,189
<u>213,265</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,272</u>	<u>399,039</u>	<u>3,563,877</u>
-	-	-	2,146,955	-	-	3,055,498
-	-	-	2,146,955	-	-	3,055,498
-	-	-	-	-	-	2,707,633
-	-	-	-	-	-	1,577,641
3,765,553	143,967	47,134	644,793	1,887,388	1,664,835	28,090,052
-	-	-	-	-	-	1,434,011
-	-	-	-	-	-	100,375
-	-	-	-	-	-	(682,210)
<u>3,765,553</u>	<u>143,967</u>	<u>47,134</u>	<u>644,793</u>	<u>1,887,388</u>	<u>1,664,835</u>	<u>33,227,502</u>
<u>\$ 3,978,818</u>	<u>\$ 143,967</u>	<u>\$ 47,134</u>	<u>\$ 2,791,748</u>	<u>\$ 1,965,660</u>	<u>\$ 2,063,874</u>	<u>\$ 39,846,877</u>

CITY OF LANCASTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS

For the year ended June 30, 2020

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-
Intergovernmental	6,505,932	-	-	571,928
Charges for services	5,710	-	1,876,573	-
Investment earnings	66,074	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	2,669	-
Miscellaneous	8,083	36,057	-	508,478
TOTAL REVENUES	<u>6,585,799</u>	<u>36,057</u>	<u>1,879,242</u>	<u>1,080,406</u>
EXPENDITURES:				
Current:				
General government	-	14,336	-	-
Community development	-	26,082	-	-
Parks, recreation, and arts	855,939	-	1,654,547	-
Development services	5,497,084	-	31,017	-
Housing and neighborhood revitalization	-	-	-	284,035
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	205,000
Interest and fiscal charges	-	-	-	23,821
TOTAL EXPENDITURES	<u>6,353,023</u>	<u>40,418</u>	<u>1,685,564</u>	<u>512,856</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>232,776</u>	<u>(4,361)</u>	<u>193,678</u>	<u>567,550</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,217,371	-	-	24,389
Transfers out	(6,695,616)	-	(544,417)	(282,412)
Proceeds from sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,478,245)</u>	<u>-</u>	<u>(544,417)</u>	<u>(258,023)</u>
NET CHANGE IN FUND BALANCES	(1,245,469)	(4,361)	(350,739)	309,527
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	<u>3,017,401</u>	<u>121,973</u>	<u>2,041,609</u>	<u>2,279,471</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,771,932</u>	<u>\$ 117,612</u>	<u>\$ 1,690,870</u>	<u>\$ 2,588,998</u>

HOME Program	Proposition A	Bikeway Improvement	Proposition C	Transportation Development Authority	Parks Development
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	115,000
7,253	3,129,492	91,748	2,595,921	8,057,160	-
-	-	-	-	-	-
-	35,522	41	65,885	1,610	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>7,253</u>	<u>3,165,014</u>	<u>91,789</u>	<u>2,661,806</u>	<u>8,058,770</u>	<u>115,000</u>
334	2,759,703	-	-	-	-
-	-	-	-	-	-
-	-	-	210,391	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>334</u>	<u>2,759,703</u>	<u>-</u>	<u>210,391</u>	<u>-</u>	<u>-</u>
6,919	405,311	91,789	2,451,415	8,058,770	115,000
-	-	79	69,488	-	-
-	(319,539)	(134,465)	(3,885,696)	(8,497,748)	(49,979)
-	-	-	172,604	-	-
<u>-</u>	<u>(319,539)</u>	<u>(134,386)</u>	<u>(3,643,604)</u>	<u>(8,497,748)</u>	<u>(49,979)</u>
6,919	85,772	(42,597)	(1,192,189)	(438,978)	65,021
1,427,092	2,743,701	(4,090)	4,834,085	539,353	418,930
<u>\$ 1,434,011</u>	<u>\$ 2,829,473</u>	<u>\$ (46,687)</u>	<u>\$ 3,641,896</u>	<u>\$ 100,375</u>	<u>\$ 483,951</u>

(Continued)

CITY OF LANCASTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2020

	Special Revenue Funds (Continued)			
	Developer Fees - Signals	Developer Fees - Drainage	Recycled Water	Biological Impact Fees
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	150,134	540,003	-	15,561
Intergovernmental	-	-	-	-
Charges for services	-	-	125,785	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	<u>150,134</u>	<u>540,003</u>	<u>125,785</u>	<u>15,561</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Community development	-	-	-	-
Parks, recreation, and arts	-	-	-	-
Development services	-	-	149,686	-
Housing and neighborhood revitalization	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>149,686</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>150,134</u>	<u>540,003</u>	<u>(23,901)</u>	<u>15,561</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	19,538	-	25,000	-
Transfers out	(641,309)	(601,883)	(4,690)	(233,827)
Proceeds from sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(621,771)</u>	<u>(601,883)</u>	<u>20,310</u>	<u>(233,827)</u>
NET CHANGE IN FUND BALANCES	(471,637)	(61,880)	(3,591)	(218,266)
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR,	<u>2,289,773</u>	<u>4,248,112</u>	<u>126,503</u>	<u>816,215</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,818,136</u>	<u>\$ 4,186,232</u>	<u>\$ 122,912</u>	<u>\$ 597,949</u>

Special Revenue Funds (Continued)

Traffic Impact Fees	AQMD	Lancaster Drainage Maintenance District	Miscellaneous Grants	Traffic Safety	Zero-Net Energy Solar Mitigation In Lieu
\$ -	\$ -	\$ -	\$ 11,505	\$ -	\$ -
271,760	-	-	-	-	-
-	-	-	-	-	-
-	-	1,828,734	-	-	-
-	-	-	-	-	-
-	-	-	-	190,570	-
-	-	-	-	-	-
-	-	618	-	-	18,380
<u>271,760</u>	<u>-</u>	<u>1,829,352</u>	<u>11,505</u>	<u>190,570</u>	<u>18,380</u>
-	-	-	-	-	-
-	31,750	-	-	-	-
-	-	-	-	-	-
-	-	1,008,195	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	30,767	-	-	-
-	-	3,932	-	-	-
<u>-</u>	<u>31,750</u>	<u>1,042,894</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>271,760</u>	<u>(31,750)</u>	<u>786,458</u>	<u>11,505</u>	<u>190,570</u>	<u>18,380</u>
-	-	-	-	-	-
(1,194,691)	(4,600)	(631,754)	(12,500)	(260,000)	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,194,691)</u>	<u>(4,600)</u>	<u>(631,754)</u>	<u>(12,500)</u>	<u>(260,000)</u>	<u>-</u>
(922,931)	(36,350)	154,704	(995)	(69,430)	18,380
<u>1,815,347</u>	<u>(2,902)</u>	<u>1,998,969</u>	<u>2,018</u>	<u>19,801</u>	<u>88,320</u>
<u>\$ 892,416</u>	<u>\$ (39,252)</u>	<u>\$ 2,153,673</u>	<u>\$ 1,023</u>	<u>\$ (49,629)</u>	<u>\$ 106,700</u>

(Continued)

CITY OF LANCASTER

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OTHER GOVERNMENTAL FUNDS
(CONTINUED)

For the year ended June 30, 2020

	Special Revenue Funds (Continued)			
	LA County Reimbursement	MTA Grant	Urban Structure Program	Mariposa Lily
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	307,964	-
Intergovernmental	243,530	1,298,090	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
TOTAL REVENUES	243,530	1,298,090	307,964	-
EXPENDITURES:				
Current:				
General government	-	-	-	-
Community development	111,111	-	-	-
Parks, recreation, and arts	-	-	-	-
Development services	-	-	-	-
Housing and neighborhood revitalization	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
TOTAL EXPENDITURES	111,111	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	132,419	1,298,090	307,964	-
OTHER FINANCING SOURCES (USES):				
Transfers in	3,363	49	-	-
Transfers out	(224,020)	(219,024)	(627,781)	-
Proceeds from sale of capital assets	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(220,657)	(218,975)	(627,781)	-
NET CHANGE IN FUND BALANCES	(88,238)	1,079,115	(319,817)	-
FUND BALANCES (DEFICITS) - BEGINNING OF YEAR	(22,654)	(1,514,865)	1,474,967	62,733
FUND BALANCES (DEFICITS) - END OF YEAR	\$ (110,892)	\$ (435,750)	\$ 1,155,150	\$ 62,733

Special Revenue Funds (Continued)

Sewer Maintenance District	Proposition 1B	Proposition 42	Measure R	Measure M	Lancaster Lighting District	Total Other Governmental Funds
\$ 4,391,460	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,402,965
107,560	-	-	-	-	-	1,507,982
-	-	-	6,889,231	2,189,618	-	31,579,903
-	-	-	-	-	5,368,627	9,205,429
-	2,591	-	3,594	38,384	938	214,639
-	-	-	-	-	-	190,570
-	-	-	-	-	-	2,669
-	-	-	-	-	103,933	675,549
<u>4,499,020</u>	<u>2,591</u>	<u>-</u>	<u>6,892,825</u>	<u>2,228,002</u>	<u>5,473,498</u>	<u>47,779,706</u>
-	-	-	-	-	-	2,774,373
-	-	-	-	-	-	168,943
-	-	-	-	-	84,940	2,595,426
3,133,016	-	-	1,025	1,025	2,462,794	12,494,233
-	-	-	-	-	-	284,035
-	-	-	-	147,532	-	147,532
-	-	-	-	-	550,000	785,767
-	-	-	-	-	422,405	450,158
<u>3,133,016</u>	<u>-</u>	<u>-</u>	<u>1,025</u>	<u>148,557</u>	<u>3,520,139</u>	<u>19,700,467</u>
<u>1,366,004</u>	<u>2,591</u>	<u>-</u>	<u>6,891,800</u>	<u>2,079,445</u>	<u>1,953,359</u>	<u>28,079,239</u>
-	-	-	349,256	-	-	5,708,533
(1,867,510)	(44,333)	(48,957)	(8,174,281)	(3,105,229)	(332,347)	(38,638,608)
-	-	-	-	-	-	172,604
<u>(1,867,510)</u>	<u>(44,333)</u>	<u>(48,957)</u>	<u>(7,825,025)</u>	<u>(3,105,229)</u>	<u>(332,347)</u>	<u>(32,757,471)</u>
(501,506)	(41,742)	(48,957)	(933,225)	(1,025,784)	1,621,012	(4,678,232)
<u>4,267,059</u>	<u>185,709</u>	<u>96,091</u>	<u>1,578,018</u>	<u>2,913,172</u>	<u>43,823</u>	<u>37,905,734</u>
<u>\$ 3,765,553</u>	<u>\$ 143,967</u>	<u>\$ 47,134</u>	<u>\$ 644,793</u>	<u>\$ 1,887,388</u>	<u>\$ 1,664,835</u>	<u>\$ 33,227,502</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

GAS TAX SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 3,017,401	\$ 3,017,401	\$ 3,017,401	\$ -
Resources (Inflows):				
Intergovernmental	6,839,444	6,417,558	6,505,932	88,374
Charges for services	10,000	10,000	5,710	(4,290)
Use of money and property	-	-	66,074	66,074
Miscellaneous	4,500	4,500	8,083	3,583
Transfers in	6,351,950	6,351,950	5,217,371	(1,134,579)
Amounts Available for Appropriations	16,223,295	15,801,409	14,820,571	(980,838)
Charges to Appropriations (Outflows):				
Parks, recreation, and arts	1,008,683	1,043,907	855,939	187,968
Development services	6,476,851	6,953,596	5,497,084	1,456,512
Transfers out	5,720,154	8,320,785	6,695,616	1,625,169
Total Charges to Appropriations	13,205,688	16,318,288	13,048,639	3,269,649
Budgetary Fund Balance, June 30	\$ 3,017,607	\$ (516,879)	\$ 1,771,932	\$ 2,288,811

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,041,609	\$ 2,041,609	\$ 2,041,609	\$ -
Resources (Inflows):				
Charges for services	1,807,000	1,807,000	1,876,573	69,573
Contributions	20,000	20,000	2,669	(17,331)
Amounts Available for Appropriations	3,868,609	3,868,609	3,920,851	52,242
Charges to Appropriations (Outflows):				
General Government	5,000	5,000	-	5,000
Parks, recreation, and arts	1,701,337	1,718,589	1,654,547	64,042
Development services	50,870	59,515	31,017	28,498
Transfers out	903,583	1,963,973	544,417	1,419,556
Total Charges to Appropriations	2,660,790	3,747,077	2,229,981	1,517,096
Budgetary Fund Balance, June 30	\$ 1,207,819	\$ 121,532	\$ 1,690,870	\$ 1,569,338

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,279,471	\$ 2,279,471	\$ 2,279,471	\$ -
Resources (Inflows):				
Intergovernmental	1,962,644	3,058,821	571,928	(2,486,893)
Miscellaneous	-	500,000	508,478	8,478
Transfers in	-	-	24,389	24,389
Amounts Available for Appropriations	<u>4,242,115</u>	<u>5,838,292</u>	<u>3,384,266</u>	<u>(2,454,026)</u>
Charges to Appropriations (Outflows):				
Housing and neighborhood revitalization	1,733,784	2,430,000	284,035	2,145,965
Debt service:				
Principal retirement	205,000	205,000	205,000	-
Interest and fiscal charges	23,821	23,821	23,821	-
Transfers out	-	1,400,000	282,412	1,117,588
Total Charges to Appropriations	<u>1,962,605</u>	<u>4,058,821</u>	<u>795,268</u>	<u>3,263,553</u>
Budgetary Fund Balance, June 30	<u>\$ 2,279,510</u>	<u>\$ 1,779,471</u>	<u>\$ 2,588,998</u>	<u>\$ 809,527</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

HOME PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,427,092	\$ 1,427,092	\$ 1,427,092	\$ -
Resources (Inflows):				
Intergovernmental	<u>48,488</u>	<u>48,488</u>	<u>7,253</u>	<u>(41,235)</u>
Amounts Available for Appropriations	<u>1,475,580</u>	<u>1,475,580</u>	<u>1,434,345</u>	<u>(41,235)</u>
Charges to Appropriations (Outflows):				
General government	<u>10,000</u>	<u>10,000</u>	<u>334</u>	<u>9,666</u>
Total Charges to Appropriations	<u>10,000</u>	<u>10,000</u>	<u>334</u>	<u>9,666</u>
Budgetary Fund Balance, June 30	<u>\$ 1,465,580</u>	<u>\$ 1,465,580</u>	<u>\$ 1,434,011</u>	<u>\$ (31,569)</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION A SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,743,701	\$ 2,743,701	\$ 2,743,701	\$ -
Resources (Inflows):				
Intergovernmental	3,265,677	3,265,677	3,129,492	(136,185)
Investment earnings	14,040	14,040	35,522	21,482
Amounts Available for Appropriations	6,023,418	6,023,418	5,908,715	(114,703)
Charges to Appropriations (Outflows):				
General government	3,161,210	3,161,210	2,759,703	401,507
Transfers out	147,573	2,806,253	319,539	2,486,714
Total Charges to Appropriations	3,308,783	5,967,463	3,079,242	2,888,221
Budgetary Fund Balance, June 30	\$ 2,714,635	\$ 55,955	\$ 2,829,473	\$ 2,773,518

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

BIKEWAY IMPROVEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (4,090)	\$ (4,090)	\$ (4,090)	\$ -
Resources (Inflows):				
Intergovernmental	116,462	116,462	91,748	(24,714)
Investment earnings	-	-	41	41
Transfers in	-	-	79	79
Amounts Available for Appropriations	<u>112,372</u>	<u>112,372</u>	<u>87,778</u>	<u>(24,594)</u>
Charges to Appropriations (Outflows):				
Transfers out	-	444,423	134,465	309,958
Total Charges to Appropriations	<u>-</u>	<u>444,423</u>	<u>134,465</u>	<u>309,958</u>
Budgetary Fund Balance, June 30	<u>\$ 112,372</u>	<u>\$ (332,051)</u>	<u>\$ (46,687)</u>	<u>\$ 285,364</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION C SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,834,085	\$ 4,834,085	\$ 4,834,085	\$ -
Resources (Inflows):				
Intergovernmental	2,708,793	2,708,793	2,595,921	(112,872)
Investment earnings	18,000	18,000	65,885	47,885
Proceeds from sale of asset	-	-	172,604	172,604
Transfers in	-	-	69,488	69,488
Amounts Available for Appropriations	<u>7,560,878</u>	<u>7,560,878</u>	<u>7,737,983</u>	<u>177,105</u>
Charges to Appropriations (Outflows):				
Development services	85,000	207,360	210,391	(3,031)
Transfers out	<u>1,299,912</u>	<u>7,137,119</u>	<u>3,885,696</u>	<u>3,251,423</u>
Total Charges to Appropriations	<u>1,384,912</u>	<u>7,344,479</u>	<u>4,096,087</u>	<u>3,248,392</u>
Budgetary Fund Balance, June 30	<u>\$ 6,175,966</u>	<u>\$ 216,399</u>	<u>\$ 3,641,896</u>	<u>\$ 3,425,497</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRANSPORTATION DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ 539,353	\$ 539,353	\$ 539,353	\$ -
Resources (Inflows):				
Intergovernmental	6,862,652	8,057,160	8,057,160	-
Investment earnings	-	-	1,610	1,610
Amounts Available for Appropriations	7,402,005	8,596,513	8,598,123	1,610
Charges to Appropriations (Outflows):				
Transfers out	7,189,950	10,723,001	8,497,748	2,225,253
Total Charges to Appropriations	7,189,950	10,723,001	8,497,748	2,225,253
Budgetary Fund Balance (Deficit), June 30	\$ 212,055	\$ (2,126,488)	\$ 100,375	\$ 2,226,863

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PARKS DEVELOPMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 418,930	\$ 418,930	\$ 418,930	\$ -
Resources (Inflows):				
Licenses and permits	100,000	100,000	115,000	15,000
Amounts Available for Appropriations	518,930	518,930	533,930	15,000
Charges to Appropriations (Outflows):				
Transfers out	85,000	299,220	49,979	249,241
Total Charges to Appropriations	85,000	299,220	49,979	249,241
Budgetary Fund Balance, June 30	\$ 433,930	\$ 219,710	\$ 483,951	\$ 264,241

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEVELOPER FEES - SIGNALS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,289,773	\$ 2,289,773	\$ 2,289,773	\$ -
Resources (Inflows):				
Licenses and permits	300,000	300,000	150,134	(149,866)
Transfers in	-	-	19,538	19,538
Amounts Available for Appropriations	<u>2,589,773</u>	<u>2,589,773</u>	<u>2,459,445</u>	<u>(130,328)</u>
Charges to Appropriations (Outflows):				
Transfers out	-	2,247,268	641,309	1,605,959
Total Charges to Appropriations	<u>-</u>	<u>2,247,268</u>	<u>641,309</u>	<u>1,605,959</u>
Budgetary Fund Balance, June 30	<u>\$ 2,589,773</u>	<u>\$ 342,505</u>	<u>\$ 1,818,136</u>	<u>\$ 1,475,631</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

DEVELOPER FEES - DRAINAGE SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,248,112	\$ 4,248,112	\$ 4,248,112	\$ -
Resources (Inflows):				
Licenses and permits	450,000	450,000	540,003	90,003
Amounts Available for Appropriations	4,698,112	4,698,112	4,788,115	90,003
Charges to Appropriations (Outflows):				
Transfers out	744,000	2,852,068	601,883	2,250,185
Total Charges to Appropriations	744,000	2,852,068	601,883	2,250,185
Budgetary Fund Balance, June 30	\$ 3,954,112	\$ 1,846,044	\$ 4,186,232	\$ 2,340,188

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

RECYCLED WATER SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ 126,503	\$ 126,503	\$ 126,503	\$ -
Resources (Inflows):				
Charges for services	90,000	90,000	125,785	35,785
Transfers in	50,000	50,000	25,000	(25,000)
Amounts Available for Appropriations	266,503	266,503	277,288	10,785
Charges to Appropriations (Outflows):				
General Government	5,000	5,000	-	5,000
Development services	169,816	169,816	149,686	20,130
Transfers out	4,690	4,690	4,690	-
Total Charges to Appropriations	179,506	179,506	154,376	25,130
Budgetary Fund Balance (Deficit), June 30	\$ 86,997	\$ 86,997	\$ 122,912	\$ 35,915

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

BIOLOGICAL IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 816,215	\$ 816,215	\$ 816,215	\$ -
Resources (Inflows):				
Licenses and permits	350,000	350,000	15,561	(334,439)
Amounts Available for Appropriations	1,166,215	1,166,215	831,776	(334,439)
Charges to Appropriations (Outflows):				
Transfers out	-	247,277	233,827	13,450
Total Charges to Appropriations	-	247,277	233,827	13,450
Budgetary Fund Balance (Deficit), June 30	\$ 1,166,215	\$ 918,938	\$ 597,949	\$ (320,989)

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRAFFIC IMPACT FEES SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,815,347	\$ 1,815,347	\$ 1,815,347	\$ -
Resources (Inflows):				
Licenses and permits	300,000	300,000	271,760	(28,240)
Amounts Available for Appropriations	2,115,347	2,115,347	2,087,107	(28,240)
Charges to Appropriations (Outflows):				
Transfers out	-	1,820,260	1,194,691	625,569
Total Charges to Appropriations	-	1,820,260	1,194,691	625,569
Budgetary Fund Balance, June 30	\$ 2,115,347	\$ 295,087	\$ 892,416	\$ 597,329

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

AQMD SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ (2,902)	\$ (2,902)	\$ (2,902)	\$ -
Resources (Inflows):				
Intergovernmental	50,000	50,000	-	(50,000)
micellaneous	50,000	50,000	-	(50,000)
Amounts Available for Appropriations	97,098	97,098	(2,902)	(100,000)
Charges to Appropriations (Outflows):				
Community deveoplment	50,000	50,000	31,750	18,250
Transfers out	-	4,742	4,600	142
Total Charges to Appropriations	50,000	54,742	36,350	18,392
Budgetary Fund Balance, June 30	\$ 47,098	\$ 42,356	\$ (39,252)	\$ (81,608)

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LANCASTER DRAINAGE MAINTENANCE DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,998,969	\$ 1,998,969	\$ 1,998,969	\$ -
Resources (Inflows):				
Charges for services	1,685,000	1,685,000	1,828,734	143,734
Miscellaneous	-	-	618	618
Amounts Available for Appropriations	<u>3,683,969</u>	<u>3,683,969</u>	<u>3,828,321</u>	<u>144,352</u>
Charges to Appropriations (Outflows):				
Development services	1,309,233	1,406,498	1,008,195	398,303
Debt service:				
Principal retirement	-	-	30,767	(30,767)
Interest and fiscal charges	-	-	3,932	(3,932)
Transfers out	<u>480,918</u>	<u>480,918</u>	<u>631,754</u>	<u>(150,836)</u>
Total Charges to Appropriations	<u>1,790,151</u>	<u>1,887,416</u>	<u>1,674,648</u>	<u>212,768</u>
Budgetary Fund Balance, June 30	<u>\$ 1,893,818</u>	<u>\$ 1,796,553</u>	<u>\$ 2,153,673</u>	<u>\$ 357,120</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MISCELLANEOUS GRANTS SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,018	\$ 2,018	\$ 2,018	\$ -
Resources (Inflows):				
Taxes	11,000	11,000	11,505	505
Amounts Available for Appropriations	13,018	13,018	13,523	505
Charges to Appropriations (Outflows):				
Transfers out	12,500	12,500	12,500	-
Total Charges to Appropriations	12,500	12,500	12,500	-
Budgetary Fund Balance, June 30	\$ 518	\$ 518	\$ 1,023	\$ 505

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

TRAFFIC SAFETY SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 19,801	\$ 19,801	\$ 19,801	\$ -
Resources (Inflows):				
Fines and forfeitures	260,000	260,000	190,570	(69,430)
Amounts Available for Appropriations	279,801	279,801	210,371	(69,430)
Charges to Appropriations (Outflows):				
Transfers out	260,000	260,000	260,000	-
Total Charges to Appropriations	260,000	260,000	260,000	-
Budgetary Fund Balance, June 30	\$ 19,801	\$ 19,801	\$ (49,629)	\$ (69,430)

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LA COUNTY REIMBURSEMENT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (22,654)	\$ (22,654)	\$ (22,654)	\$ -
Resources (Inflows):				
Intergovernmental	-	1,322,798	243,530	(1,079,268)
Transfers in	-	-	3,363	3,363
Amounts Available for Appropriations	(22,654)	1,300,144	224,239	(1,075,905)
Charges to Appropriations (Outflows):				
Community development	-	477,798	111,111	366,687
Transfers out	-	225,271	224,020	1,251
Total Charges to Appropriations	-	703,069	335,131	367,938
Budgetary Fund Balance (Deficit), June 30	\$ (22,654)	\$ 597,075	\$ (110,892)	\$ (707,967)

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MTA GRANT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ (1,514,865)	\$ (1,514,865)	\$ (1,514,865)	\$ -
Resources (Inflows):				
Intergovernmental	326,852	3,408,160	1,298,090	(2,110,070)
Transfers in	-	-	49	49
Amounts Available for Appropriations	(1,188,013)	1,893,295	(216,726)	(2,110,021)
Charges to Appropriations (Outflows):				
Transfers out	326,852	2,745,849	219,024	2,526,825
Total Charges to Appropriations	326,852	2,745,849	219,024	2,526,825
Budgetary Fund Balance (Deficit), June 30	\$ (1,514,865)	\$ (852,554)	\$ (435,750)	\$ 416,804

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

URBAN STRUCTURE PROGRAM SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,474,967	\$ 1,474,967	\$ 1,474,967	\$ -
Resources (Inflows):				
Licenses and permits	374,000	374,000	307,964	(66,036)
Amounts Available for Appropriations	1,848,967	1,848,967	1,782,931	(66,036)
Charges to Appropriations (Outflows):				
Transfers out	282,500	1,013,730	627,781	385,949
Total Charges to Appropriations	282,500	1,013,730	627,781	385,949
Budgetary Fund Balance, June 30	\$ 1,566,467	\$ 835,237	\$ 1,155,150	\$ 319,913

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

SEWER MAINTENANCE DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 4,267,059	\$ 4,267,059	\$ 4,267,059	\$ -
Resources (Inflows):				
Taxes	4,200,000	4,200,000	4,391,460	191,460
Licenses and permits	141,100	141,100	107,560	(33,540)
Amounts Available for Appropriations	8,608,159	8,608,159	8,766,079	157,920
Charges to Appropriations (Outflows):				
General government	2,200	2,200	-	2,200
Development services	3,411,457	3,513,811	3,133,016	380,795
Transfers out	1,623,610	2,157,980	1,867,510	290,470
Total Charges to Appropriations	5,037,267	5,673,991	5,000,526	673,465
Budgetary Fund Balance, June 30	\$ 3,570,892	\$ 2,934,168	\$ 3,765,553	\$ 831,385

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION 1B SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 185,709	\$ 185,709	\$ 185,709	\$ -
Resources (Inflows):				
Investment earnings	-	-	2,591	2,591
Amounts Available for Appropriations	185,709	185,709	188,300	2,591
Charges to Appropriations (Outflows):				
Transfers out	181,474	181,474	44,333	137,141
Total Charges to Appropriations	181,474	181,474	44,333	137,141
Budgetary Fund Balance, June 30	\$ 4,235	\$ 4,235	\$ 143,967	\$ 139,732

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

PROPOSITION 42 SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 96,091	\$ 96,091	\$ 96,091	\$ -
Charges to Appropriations (Outflows):				
Transfers out	79,848	96,091	48,957	47,134
Total Charges to Appropriations	79,848	96,091	48,957	47,134
Budgetary Fund Balance, June 30	\$ 16,243	\$ -	\$ 47,134	\$ 47,134

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MEASURE R SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 1,578,018	\$ 1,578,018	\$ 1,578,018	\$ -
Resources (Inflows):				
Intergovernmental	23,990,439	23,990,439	6,889,231	(17,101,208)
Investment earnings	20,500	20,500	3,594	(16,906)
Transfers in	-	-	349,256	349,256
Amounts Available for Appropriations	<u>25,588,957</u>	<u>25,588,957</u>	<u>8,820,099</u>	<u>(16,768,858)</u>
Charges to Appropriations (Outflows):				
Development services	-	-	1,025	(1,025)
Transfers out	<u>22,662,262</u>	<u>60,899,481</u>	<u>8,174,281</u>	<u>52,725,200</u>
Total Charges to Appropriations	<u>22,662,262</u>	<u>60,899,481</u>	<u>8,175,306</u>	<u>52,724,175</u>
Budgetary Fund Balance, June 30	<u>\$ 2,926,695</u>	<u>\$ (35,310,524)</u>	<u>\$ 644,793</u>	<u>\$ 35,955,317</u>

CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

MEASURE M SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 2,913,172	\$ 2,913,172	\$ 2,913,172	\$ -
Resources (Inflows):				
Intergovernmental	3,726,123	3,726,123	2,189,618	(1,536,505)
Investment earnings	10,000	10,000	38,384	28,384
Amounts Available for Appropriations	6,649,295	6,649,295	5,141,174	(1,508,121)
Charges to Appropriations (Outflows):				
Development services	-	-	1,025	(1,025)
Capital outlay	200,000	294,286	147,532	146,754
Transfers out	2,253,649	6,477,727	3,105,229	3,372,498
Total Charges to Appropriations	2,453,649	6,772,013	3,253,786	3,518,227
Budgetary Fund Balance, June 30	\$ 4,195,646	\$ (122,718)	\$ 1,887,388	\$ 2,010,106

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CITY OF LANCASTER

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

LANCASTER LIGHTING DISTRICT SPECIAL REVENUE FUND

For the year ended June 30, 2020

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance (Deficit), July 1	\$ 43,823	\$ 43,823	\$ 43,823	\$ -
Resources (Inflows):				
Charges for services	4,565,000	4,565,000	5,368,627	803,627
Investment earnings	-	-	938	938
Miscellaneous	400,000	400,000	103,933	(296,067)
Transfers in	220,000	220,000	-	(220,000)
Amounts Available for Appropriations	5,228,823	5,228,823	5,517,321	288,498
Charges to Appropriations (Outflows):				
Parks, recreation, and arts	85,000	85,000	84,940	60
Development services	3,019,229	3,118,358	2,462,794	655,564
Principal retirement	550,000	550,000	550,000	-
Interest and fiscal charges	426,755	426,755	422,405	4,350
Transfers out	741,044	741,044	332,347	(408,697)
Total Charges to Appropriations	4,822,028	4,921,157	3,852,486	251,277
Budgetary Fund Balance (Deficit), June 30	\$ 406,795	\$ 307,666	\$ 1,664,835	\$ 539,775

CITY OF LANCASTER

COMBINING STATEMENT OF ASSETS AND LIABILITIES
ALL AGENCY FUNDS

June 30, 2019

	Assessment District	Agency	AD 93-3	AD 92-101
ASSETS				
Pooled cash and investments	\$ 154,596	\$ 10,289	\$ -	\$ 18
Receivable:				
Accounts	-	26,176	-	184
Restricted:				
Cash and investments with fiscal agents	-	-	-	-
TOTAL ASSETS	<u>\$ 154,596</u>	<u>\$ 36,465</u>	<u>\$ -</u>	<u>\$ 202</u>
LIABILITIES				
Deposits payable	\$ -	\$ 36,465	\$ -	\$ -
Due to bondholders	154,596	-	-	202
TOTAL LIABILITIES	<u>\$ 154,596</u>	<u>\$ 36,465</u>	<u>\$ -</u>	<u>\$ 202</u>

<u>CFD 89-1</u>	<u>CFD 90-1</u>	<u>CFD 91-1</u>	<u>CFD 91-2</u>	<u>Total</u>
\$ 234,691	\$ 659	\$ 502	\$ -	\$ 400,755
-	-	40	-	26,400
<u>2,185</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,185</u>
<u>\$ 236,876</u>	<u>\$ 659</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ 429,340</u>
\$ -	\$ -	\$ -	\$ -	\$ 36,465
<u>236,876</u>	<u>659</u>	<u>542</u>	<u>-</u>	<u>392,875</u>
<u>\$ 236,876</u>	<u>\$ 659</u>	<u>\$ 542</u>	<u>\$ -</u>	<u>\$ 429,340</u>

CITY OF LANCASTER

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS

For the year ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
ASSESSMENT DISTRICT				
ASSETS:				
Pooled cash and investments	\$ 154,596	\$ -	\$ -	\$ 154,596
TOTAL ASSETS	\$ 154,596	\$ -	\$ -	\$ 154,596
LIABILITIES:				
Due to bondholders	\$ 154,596	\$ -	\$ -	\$ 154,596
TOTAL LIABILITIES	\$ 154,596	\$ -	\$ -	\$ 154,596
AGENCY				
ASSETS:				
Pooled cash and investments	\$ 266,034	\$ -	\$ (255,745)	\$ 10,289
Receivable:				
Accounts	-	26,176	-	26,176
Taxes	925	-	(925)	-
TOTAL ASSETS	\$ 266,959	\$ 26,176	\$ (256,670)	\$ 36,465
LIABILITIES:				
Deposits payable	\$ 266,959	\$ -	\$ (230,494)	\$ 36,465
TOTAL LIABILITIES	\$ 266,959	\$ -	\$ (230,494)	\$ 36,465
AD 93-3				
ASSETS:				
Pooled cash and investments	\$ 204,619	\$ -	\$ (204,619)	\$ -
Receivable:				
Taxes	17	-	(17)	-
Restricted:				
Cash and investments with fiscal agents	-	-	-	-
TOTAL ASSETS	\$ 204,636	\$ -	\$ (204,636)	\$ -
LIABILITIES:				
Accounts payable	\$ 1,055	\$ -	\$ (1,055)	\$ -
Due to bondholders	203,581	-	(203,581)	-
TOTAL LIABILITIES	\$ 204,636	\$ -	\$ (204,636)	\$ -

CITY OF LANCASTER

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
(CONTINUED)

For the year ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
AD 92-101				
ASSETS:				
Pooled cash and investments	\$ 91,058	\$ -	\$ (91,040)	\$ 18
Receivable:				
Accounts	-	184	-	184
TOTAL ASSETS	<u>\$ 91,058</u>	<u>\$ 184</u>	<u>\$ (91,040)</u>	<u>\$ 202</u>
LIABILITIES:				
Due to bondholders	\$ 91,058	\$ -	\$ (90,856)	\$ 202
TOTAL LIABILITIES	<u>\$ 91,058</u>	<u>\$ -</u>	<u>\$ (90,856)</u>	<u>\$ 202</u>
CFD 89-1				
ASSETS:				
Pooled cash and investments	\$ 631,783	\$ -	\$ (397,092)	\$ 234,691
Receivable:				
Taxes	-	-	-	-
Restricted:				
Cash and investments with fiscal agents	1,862	323	-	2,185
TOTAL ASSETS	<u>\$ 633,645</u>	<u>\$ 323</u>	<u>\$ (397,092)</u>	<u>\$ 236,876</u>
LIABILITIES:				
Accounts payable	\$ 4,710	\$ -	\$ (4,710)	\$ -
Due to bondholders	628,935	-	(392,059)	236,876
TOTAL LIABILITIES	<u>\$ 633,645</u>	<u>\$ -</u>	<u>\$ (396,769)</u>	<u>\$ 236,876</u>
CFD 90-1				
ASSETS:				
Pooled cash and investments	\$ 455,144	\$ -	\$ (454,485)	\$ 659
TOTAL ASSETS	<u>\$ 455,144</u>	<u>\$ -</u>	<u>\$ (454,485)</u>	<u>\$ 659</u>
LIABILITIES:				
Due to bondholders	\$ 455,144	\$ -	\$ (454,485)	\$ 659
TOTAL LIABILITIES	<u>\$ 455,144</u>	<u>\$ -</u>	<u>\$ (454,485)</u>	<u>\$ 659</u>

CITY OF LANCASTER

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
(CONTINUED)

For the year ended June 30, 2020

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
CFD 91-1				
ASSETS:				
Pooled cash and investments	\$ 777,371		\$ (776,869)	\$ 502
Receivable:				
Accounts	-	40	-	40
TOTAL ASSETS	<u>\$ 777,371</u>	<u>\$ 40</u>	<u>\$ (776,869)</u>	<u>\$ 542</u>
LIABILITIES:				
Due to bondholders	\$ 777,371	\$ -	\$ (776,829)	\$ 542
TOTAL LIABILITIES	<u>\$ 777,371</u>	<u>\$ -</u>	<u>\$ (776,829)</u>	<u>\$ 542</u>
CFD 91-2				
ASSETS:				
Pooled cash and investments	\$ 438,874	\$ -	\$ (438,874)	\$ -
TOTAL ASSETS	<u>\$ 438,874</u>	<u>\$ -</u>	<u>\$ (438,874)</u>	<u>\$ -</u>
LIABILITIES:				
Deposits payable	\$ 15,810	\$ -	\$ (15,810)	\$ -
Due to bondholders	423,064		(423,064)	-
TOTAL LIABILITIES	<u>\$ 438,874</u>	<u>\$ -</u>	<u>\$ (438,874)</u>	<u>\$ -</u>

CITY OF LANCASTER

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 ALL AGENCY FUNDS
 (CONTINUED)

For the year ended June 30, 2020

TOTAL - ALL AGENCY FUNDS

	Balance June 30, 2019	Additions	Deletions	Balance June 30, 2020
ASSETS:				
Pooled cash and investments	\$ 3,019,479	\$ -	\$ (2,618,724)	\$ 400,755
Receivable:				
Accounts	-	26,400	-	26,400
Taxes	942	-	(942)	-
Restricted:				
Cash and investments with fiscal agents	1,862	323	-	2,185
TOTAL ASSETS	<u>\$ 3,022,283</u>	<u>\$ 26,723</u>	<u>\$ (2,619,666)</u>	<u>\$ 429,340</u>
LIABILITIES:				
Accounts payable	\$ 5,765	\$ -	\$ (5,765)	\$ -
Deposits payable	282,769	-	(246,304)	36,465
Due to bondholders	2,733,749	-	(2,340,874)	392,875
TOTAL LIABILITIES	<u>\$ 3,022,283</u>	<u>\$ -</u>	<u>\$ (2,592,943)</u>	<u>\$ 429,340</u>

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STATISTICAL SECTION

City of Lancaster

Statistical Section

This part of the City of Lancaster's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	151-155
Revenue Capacity <i>These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.</i>	156-160
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the city's ability to issue additional debt in the future.</i>	161-165
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	166-167
Operating Information <i>These schedules contain information about the City's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.</i>	168-169

Sources: *Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. The city implemented Statement 34 for the fiscal year ended June 30, 2003; schedules presenting government-wide information include information beginning in that year.*

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CITY OF LANCASTER

Net Assets by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 726,729,266	\$ 924,786,002	\$ 937,437,269	\$ 923,425,649	\$ 907,594,209	\$ 893,340,891	\$ 868,784,058	\$ 858,554,529	\$ 850,994,405	\$ 852,525,238
Restricted	93,277,881	172,781,575	161,081,541	154,576,976	156,831,806	148,498,481	146,632,874	143,457,885	153,574,408	211,659,170
Unrestricted	71,812,198	23,048,243	5,094,946	30,520,092	(10,727,418)	3,063,526	(1,347,011)	(6,020,947)	(13,964,865)	(80,694,919)
Total governmental activities net assets	\$ 891,819,345	\$ 1,120,615,820	\$ 1,103,613,756	\$ 1,108,522,717	\$ 1,053,698,597	\$ 1,044,902,898	\$ 1,014,069,921	\$ 995,991,467	\$ 990,603,948	\$ 983,489,489
Business-type activities										
Net investment in capital assets	\$ -	\$ -	\$ -	\$ (4,221,367.00)	\$ (1,317,420.00)	\$ (1,175,345)	\$ (998,271)	\$ (1,551,196)	\$ (2,054,121)	\$ (2,507,045)
Unrestricted	-	(252,698)	(1,397,269)	2,469,059	(1,234,241)	1,748,081	3,317,256	4,911,084	4,781,147	9,556,611
Total business-type activities net assets	\$ -	\$ (252,698)	\$ (1,397,269)	\$ (1,752,308)	\$ (2,551,661)	\$ 572,736	\$ 2,318,985	\$ 3,359,888	\$ 2,727,026	\$ 7,049,566
Primary government										
Net investment in capital assets	\$ 726,729,266	\$ 924,786,002	\$ 937,437,269	\$ 919,204,282	\$ 906,276,789	\$ 892,165,546	\$ 867,785,787	\$ 857,003,333	\$ 848,940,284	\$ 850,018,193
Restricted	93,277,881	172,781,575	161,081,541	154,576,976	156,831,806	148,498,481	146,632,874	143,457,885	153,574,408	211,659,170
Unrestricted	71,812,198	22,795,545	3,697,677	32,989,151	(11,961,659)	4,811,607	1,970,245	(1,109,863)	(9,183,718)	(71,138,308)
Total primary government net assets	\$ 891,819,345	\$ 1,120,363,122	\$ 1,102,216,487	\$ 1,106,770,409	\$ 1,051,146,936	\$ 1,045,475,634	\$ 1,016,388,906	\$ 999,351,355	\$ 993,330,974	\$ 990,539,055

CITY OF LANCASTER

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities:										
General Government	\$ 25,975,571	\$ 24,809,328	\$ 20,108,707	\$ 20,826,798	\$ 18,151,158	\$ 24,202,118	\$ 8,960,666	\$ 25,403,881	\$ 36,559,231	\$ 34,227,243
Public Safety	25,206,610	23,493,486	25,618,865	24,042,237	26,777,341	26,305,165	28,407,266	29,600,738	30,472,647	31,515,319
Community Development	14,847,798	12,796,592	6,554,237	4,382,821	3,205,562	3,075,464	3,153,141	3,596,731	3,203,719	657,480
Parks, Recreation and Arts	12,526,273	52,220,277	13,049,889	13,555,843	14,096,265	16,934,244	16,693,089	18,330,765	19,055,172	18,323,761
Development Services	52,085,914	1,722,135	53,654,875	54,078,702	54,734,695	50,457,653	69,971,677	54,409,902	53,929,613	53,960,990
Housing and Neighborhood Revitalization	5,993,185	10,355,215	421,279	3,072,338	4,341,667	2,672,073	2,561,473	2,158,452	2,115,890	1,850,333
Interest on long-term debt	14,873,413	2,316,858	375,667	233,915	180,567	217,001	273,270	793,067	920,559	2,315,735
Total primary governmental activities expenses	\$ 151,508,764	\$ 127,713,891	\$ 119,783,519	\$ 120,192,654	\$ 121,487,255	\$ 123,863,718	\$ 130,020,582	\$ 134,293,536	\$ 146,256,831	\$ 142,850,861
Business-type activities:										
Lancaster Power Authority	\$ -	\$ 1,138,830	\$ 2,990,770	\$ 3,215,141	\$ 2,170,134	\$ 2,166,532	\$ 2,039,939	\$ 1,987,221	\$ 1,968,698	\$ 1,841,253
Lancaster Choice Energy	-	-	-	-	1,430,990	20,238,595	33,808,624	34,290,014	36,835,001	39,965,395
California Choice Energy Authority	-	-	-	-	-	-	52,276	2,414,623	4,287,401	5,650,866
Total business-type activities expenses	-	1,138,830	2,990,770	3,215,141	3,601,124	22,405,127	35,900,839	38,691,858	43,091,100	47,457,514
Total primary government expenses	\$ 151,508,764	\$ 128,852,721	\$ 122,774,289	\$ 123,407,795	\$ 125,088,379	\$ 146,268,845	\$ 165,921,421	\$ 172,985,394	\$ 189,347,931	\$ 190,308,375
Program Revenues (see Schedule 3)										
Governmental activities:										
Charges for services:										
General Government	\$ 1,436,838	\$ 935,460	\$ 284,461	\$ 198,193	\$ 432,988	\$ 513,200	\$ 639,962	\$ 602,044	\$ 619,995	\$ 139,214
Public Safety	2,729,238	1,935,658	1,070,125	978,834	818,277	751,611	984,026	1,062,896	1,085,753	853,945
Community Development	738,985	3,156,519	428,817	568,214	550,551	496,533	661,602	634,154	639,536	597,666
Parks, Recreation and Arts	3,527,840	21,175,600	3,560,430	3,683,705	3,652,517	4,277,377	4,550,335	4,321,483	4,715,881	2,657,974
Development Services	14,103,957	1,306,309	13,352,265	13,285,244	14,021,480	14,565,036	15,011,307	15,313,752	15,847,319	16,463,307
Housing and Neighborhood Revitalization	1,676,262	283,252	908,953	1,009,550	303,541	226,958	229,371	365,977	237,247	1,042,728
Operating grants and contributions	36,719,976	22,221,889	27,016,113	22,338,733	22,198,805	24,493,308	24,106,817	27,378,164	26,646,632	32,101,550
Capital grants and contributions	16,288,773	6,133,131	10,893,821	13,157,118	20,173,224	7,918,787	2,949,315	8,166,904	18,407,817	13,207,647
Total governmental activities program revenues	\$ 77,221,869	\$ 57,147,818	\$ 57,514,985	\$ 55,219,591	\$ 62,151,383	\$ 53,242,810	\$ 49,132,735	\$ 57,845,374	\$ 68,200,180	\$ 67,064,031
Business-type activities:										
Charges for services:										
Lancaster Power Authority	\$ -	\$ 1,479,116	\$ 2,937,736	\$ 3,402,736	\$ 3,273,181	\$ 3,512,716	\$ 2,818,772	\$ 1,861,482	\$ 1,661,277	\$ 1,545,531
Lancaster Choice Energy	-	-	-	-	275,128	23,437,682	36,023,817	37,454,517	37,059,153	43,397,265
California Choice Energy Authority	-	-	-	-	-	-	80,000	1,495,702	4,535,102	5,438,167
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	-	\$ 1,479,116	\$ 2,937,736	\$ 3,402,736	\$ 3,548,309	\$ 26,950,398	\$ 38,922,589	\$ 40,811,701	\$ 43,255,532	\$ 50,380,963
Total primary government program revenues	\$ 77,221,869	\$ 58,626,934	\$ 60,452,721	\$ 58,622,327	\$ 65,699,692	\$ 80,193,208	\$ 88,055,324	\$ 98,657,075	\$ 111,455,712	\$ 117,444,994
Governmental activities	\$ (74,286,895)	\$ (70,566,073)	\$ (62,374,602)	\$ (64,838,504)	\$ (59,335,872)	\$ (70,620,908)	\$ (80,887,847)	\$ (76,448,162)	\$ (78,056,651)	\$ (75,786,830)
Business-type activities:	-	340,286	53,034	53,036	(52,815)	4,545,271	3,021,750	2,119,843	164,432	2,923,449
Net Primary Government Revenue (Expense)	\$ (74,286,895)	\$ (70,225,787)	\$ (62,321,568)	\$ (64,785,468)	\$ (59,388,687)	\$ (66,075,637)	\$ (77,866,097)	\$ (74,328,319)	\$ (77,892,219)	\$ (72,863,381)
Other Changes in Net Assets										
Governmental activities:										
Taxes										
Property taxes	\$ 35,895,395	\$ 25,370,913	\$ 14,142,727	\$ 14,370,865	\$ 16,854,719	\$ 19,252,156	19,468,926	20,423,770	22,583,607	24,296,937
Transient occupancy taxes	1,300,067	1,338,016	1,314,747	1,313,033	1,614,404	1,866,299	2,064,522	2,202,452	2,211,230	1,965,102
Intergovernmental - state shared sales taxes	15,607,533	17,259,589	16,254,549	18,043,706	18,540,150	19,498,624	20,462,687	20,483,067	23,611,132	21,961,474
Franchise taxes	2,697,165	2,655,535	2,617,877	2,669,286	2,776,634	2,821,855	2,926,257	4,706,453	7,637,948	7,663,335
Business licenses taxes	1,008,810	955,466	906,896	929,618	983,968	915,740	842,598	932,469	920,998	722,837
Other taxes	310,397	284,519	406,441	413,913	419,034	428,651	630,705	991,873	885,093	1,279,397
Intergovernmental	679,772	78,065	80,905	67,299	65,519	64,874	70,376	83,074	77,514	127,902
Investment Earnings	3,952,452	2,102,259	38,131	252,605	331,645	532,869	465,226	243,124	1,942,204	4,696,743
Miscellaneous	336,649	3,913,577	1,008,418	331,511	1,141,731	1,041,187	2,308,190	3,393,939	10,536,241	4,138,146
Gain on sale of land held for resale	-	5,078,193	109,072	4,160,149	2,129,772	1,158,860	443,926	1,283,807	1,220,392	888,441
Transfers	-	600,000	600,000	600,000	800,000	1,600,000	1,358,064	1,525,000	845,513	893,410

CITY OF LANCASTER

Changes in Net Assets
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total governmental activities	\$ 61,788,240	\$ 59,636,132	\$ 37,479,763	\$ 43,151,985	\$ 45,657,576	\$ 49,181,115	\$ 51,041,477	\$ 56,269,028	\$ 72,471,872	\$ 68,633,724
Business-type activities:										
Investment Earnings	\$ -	\$ 7,016	\$ 2,421	\$ 9,533	\$ 1,762	\$ 6,041	\$ 10,109	\$ 25,250	\$ 48,219	\$ 34,247
Miscellaneous	-	-	42,750	47,833	51,700	173,085	72,454	420,810		2,258,254
Transfers	-	(600,000)	(600,000)	(600,000)	(800,000)	(1,600,000)	(1,358,064)	(1,525,000)	(845,513)	(893,410)
Total business-type activities	\$ -	\$ (592,984)	\$ (554,829)	\$ (542,634)	\$ (746,538)	\$ (1,420,874)	\$ (1,275,501)	\$ (1,078,940)	\$ (797,294)	\$ 1,399,091
Total Primary Government Revenues, Contributions Extraordinary Items and Transfers	\$ 61,788,240	\$ 295,853,091	\$ 22,441,989	\$ 84,078,781	\$ 44,911,038	\$ 59,549,553	\$ 49,765,976	\$ 55,190,088	\$ 71,674,578	\$ 70,032,815
Change in Net Assets										
Governmental activities	\$ (12,498,655)	\$ 225,880,002	\$ (39,271,716)	\$ 19,648,352	\$ (13,678,296)	\$ (9,650,481)	\$ (29,846,370)	\$ (20,179,134)	\$ (5,584,779)	\$ (7,153,106)
Business-type activities		(252,698)	(607,863)	(355,039)	(799,353)	3,124,397	1,746,249	1,040,903	(632,862)	4,322,540
Total Primary Government	\$ (12,498,655)	\$ 225,627,304	\$ (39,879,579)	\$ 19,293,313	\$ (14,477,649)	\$ (6,526,084)	\$ (28,100,121)	\$ (19,138,231)	\$ (6,217,641)	\$ (2,830,566)

CITY OF LANCASTER

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Nonspendable	\$ 40,175,246	\$ 22,319,854	\$ 8,852,742	\$ 28,221,235	\$ 30,146,378	\$ 35,269,352	\$ 35,371,160	\$ 34,813,055	\$ 29,262,811	\$ 29,674,751
Committed	-	-	-	-	-	-	-	-	3,365,000	1,614,733
Assigned	6,665,011	4,889,386	4,800,218	4,680,626	4,928,059	5,271,564	16,385,000	21,342,040	23,159,000	9,055,493
Unassigned	16,502,115	11,700,986	12,927,615	8,742,053	7,363,284	14,512,289	3,799,199	27,264	7,120,806	24,936,990
Total general fund	<u>\$ 63,342,372</u>	<u>\$ 38,910,226</u>	<u>\$ 26,580,575</u>	<u>\$ 41,643,914</u>	<u>\$ 42,437,721</u>	<u>\$ 55,053,205</u>	<u>\$ 55,555,359</u>	<u>\$ 56,182,359</u>	<u>\$ 62,907,617</u>	<u>\$ 65,281,967</u>
All Other Governmental Funds										
Nonspendable	\$ 96,049,746	\$ 94,373,593	\$ 87,303,062	\$ -	\$ 47,639	\$ 138,887	\$ 302,869	\$ -	\$ 1,952	\$ -
Restricted	58,134,394	60,392,063	56,185,252	151,441,914	153,298,355	143,175,424	138,738,574	135,604,095	145,720,618	194,765,788
Assigned	278,646.00	509	509	509	17,055	-	60,647.00	60,647	60,647	556,466
Unassigned	(62,878,650)	(4,902,734)	(5,397,190)	(2,637,423)	(2,503,461)	(2,239,594)	(4,009,386)	(5,552,234)	(4,758,232)	(12,709,657)
Total all other governmental funds	<u>\$ 91,584,136</u>	<u>\$ 149,863,431</u>	<u>\$ 138,091,633</u>	<u>\$ 148,805,000</u>	<u>\$ 150,859,588</u>	<u>\$ 141,074,717</u>	<u>\$ 135,092,704</u>	<u>\$ 130,112,508</u>	<u>\$ 141,024,985</u>	<u>\$ 182,612,597</u>

Explanation of fund balance categories and descriptions can be found in Note 1 - Summary of Significant Accounting Policies; differences in fund balances between FY 18/19 & 19/20 are discussed in Management Discussion and Analysis section.

CITY OF LANCASTER

**Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)**

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 57,914,640	\$ 48,495,344	\$ 49,816,195	\$ 43,142,049	\$ 45,955,569	\$ 50,788,011	\$ 51,225,214	\$ 32,694,321	\$ 45,375,573	\$ 39,776,377
Licenses, fees, and permits	3,742,427	10,644,481	4,758,487	3,765,131	4,213,219	7,618,177	7,154,796	7,311,998	7,258,884	6,148,835
Intergovernmental	30,291,807	23,563,011	20,477,373	25,441,406	29,814,201	20,399,991	20,131,473	49,677,753	57,084,430	56,422,007
Charges for services	10,645,688	10,166,791	10,773,394	11,055,161	11,579,958	11,943,261	12,047,968	12,110,502	12,735,980	11,656,942
Investment earnings	4,750,765	3,491,243	2,515,570	5,988,730	3,027,639	1,315,125	865,832	1,011,369	2,587,662	2,913,406
Fines and forfeitures	2,729,238	1,935,658	1,253,922	1,164,109	1,031,987	958,579	1,076,830	1,248,494	1,296,476	996,310
Contributions	-	-	-	-	-	-	630	35,586	8,033	2,669
Rental Income	-	-	-	-	5,748	194,687	155,750	155,750	156,958	128,893
Gain from sale of land held	-	-	-	-	-	-	-	-	156,958	30,303
Miscellaneous	2,148,883	8,697,718	4,693,687	1,108,353	2,167,266	2,365,424	5,320,963	6,340,721	5,930,584	6,331,271
Total revenues	\$ 112,223,448	\$ 106,994,246	\$ 94,288,628	\$ 91,664,939	\$ 97,795,587	\$ 95,583,255	\$ 97,979,456	\$ 110,586,494	\$ 132,434,580	\$ 124,407,013
Expenditures										
General Government	\$ 20,564,844	\$ 19,429,696	\$ 16,729,037	\$ 13,998,033	\$ 15,994,460	\$ 20,261,382	\$ 19,648,188	\$ 21,765,331	\$ 31,975,792	\$ 28,610,023
Public Safety	25,188,927	23,456,553	25,349,866	24,238,229	25,019,344	26,299,308	28,401,068	29,429,466	30,290,409	31,325,203
Community Development	14,737,406	11,423,703	7,171,105	4,021,302	2,732,422	2,796,072	2,879,556	3,352,591	2,779,144	236,826
Parks, Recreation and Arts	11,335,806	16,530,854	11,639,064	12,324,636	12,819,404	15,218,338	16,157,838	16,769,802	17,655,903	17,042,667
Development Services	17,367,107	1,722,135	18,383,201	17,639,737	19,678,403	18,634,314	34,626,426	20,337,475	19,389,078	20,176,895
Housing and Neighborhood Revitalization	5,993,185	10,207,101	452,079	5,063,159	4,341,667	2,672,073	3,564,603	2,158,452	2,115,890	1,850,333
Capital outlay	20,847,133	22,019,463	17,762,739	11,121,837	14,852,578	17,109,139	13,067,378	22,380,893	24,040,695	32,485,154
Debt service										
Principal	6,382,000	4,832,000	6,556,995	528,151	549,758	607,293	771,403	1,774,883	2,524,442	3,397,596
Interest	14,315,824	7,195,509	463,046	244,583	221,672	185,367	293,259	660,933	845,577	2,413,747
Total expenditures	\$ 136,732,232	\$ 116,817,014	\$ 104,507,132	\$ 89,179,667	\$ 96,209,708	\$ 103,783,286	\$ 119,409,719	\$ 118,629,826	\$ 131,616,930	\$ 137,538,444
Excess of revenues over (under) expenditures	\$ (24,508,784)	\$ (9,822,768)	\$ (10,218,504)	\$ 2,485,272	\$ 1,585,879	\$ (8,200,031)	\$ (21,430,263)	\$ (8,043,332)	\$ 817,650	\$ (13,131,431)
Other Financing Sources (Uses)										
Sale of capital assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 526,178
Bonds, notes and loans issued	-	-	-	-	-	-	14,250,000	-	14,955,000	48,405,000
Bonds issuance premium	-	-	-	-	-	-	529,230	-	387,570	7,268,805
Transfers in	48,993,462	49,040,910	24,370,408	23,056,901	24,675,475	31,209,370	22,640,266	36,663,811	36,307,639	50,727,058
Transfers out	(48,993,462)	(48,440,910)	(23,770,408)	(22,456,901)	(23,875,475)	(29,609,370)	(21,282,202)	(35,138,811)	(35,462,126)	(49,833,648)
Total other financing sources (uses)	-	5,678,193	600,000	600,000	800,000	1,855,981	16,692,515	1,615,300	16,622,825	57,093,393
Net change in fund balances	\$ (24,508,784)	\$ 28,181,291	\$ (24,461,449)	\$ 25,922,071	\$ 2,385,879	\$ 2,830,613	\$ (4,737,748)	\$ (6,428,032)	\$ 17,440,475	\$ 43,961,962
Debt service as a percentage of noncapital expenditures	17.86%	12.69%	8.09%	0.99%	0.95%	0.91%	1.00%	2.53%	3.13%	5.53%

2018 & beyond - Sales Taxes moved from Taxes category to Intergovernmental category.

CITY OF LANCASTER

Tax Revenues by Source, Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

Fiscal Year	*Property Taxes	Transient Occupancy	Intergovernmental		Franchise Taxes	Business Licenses Taxes	Other Taxes	Total	
			State Shared Sales Taxes						
2011	35,895,395	1,300,067	15,607,533		2,697,165	1,008,810	310,397	56,819,367	
2012	25,370,913	1,338,016	16,435,979		2,655,535	1,001,935	304,942	47,107,320	
2013	14,142,727	1,314,747	16,254,549		2,617,877	906,896	406,441	35,643,237	
2014	14,370,865	1,313,033	18,043,706		2,669,286	929,618	413,913	37,740,421	
2015	16,854,719	1,614,404	18,540,150		2,776,634	983,968	419,034	41,188,909	
2016	19,252,156	1,866,299	19,498,624	15,982,000	3,516,624	2,821,855	915,740	428,651	64,281,949
2017	19,468,926	2,064,522	20,462,687	20,097,483	365,204	2,926,257	842,598	630,705	66,858,382
2018	20,423,770	2,202,452	20,483,067	20,653,375	(170,308)	4,706,453	932,469	991,873	70,223,151
2019	22,583,607	2,211,230	23,611,132	22,980,662	630,470	7,637,948	920,998	885,093	81,461,140
2020	24,296,937	1,965,102	21,961,474	22,535,050	(573,576)	7,663,335	722,837	1,279,397	79,850,556
Change 2010-2019	8.39% (1,713,330) -32.3%	-11.18% 246,128 51.2%	-8.05% 1,649,658 40.7%		0.54% (25,387) 184.1%	-21.25% 198,161 -28.3%	39.75% (394,304) 312.2%	-2.29% 1,610,584 40.5%	

*Since 2013 Property Taxes have been substantially less due to dissolution of Lancaster Redevelopment Agency
 Source: City of Lancaster Finance Department

CITY OF LANCASTER

**Assessed Value and Estimated Actual
Value of Taxable Property (in thousands)
Last Ten Fiscal Years**

Fiscal Year	Residential Property*	Commercial Property*	Industrial Property*	Other Property*	Unsecured Property*	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate*
2010-11	5,752,260	1,119,257	405,506	1,217,476	331,486	(428,418)	8,397,567	0.667880
2011-12	5,881,635	1,099,774	410,978	1,108,713	316,057	(457,271)	8,359,886	0.669320
2012-13	5,775,643	1,109,273	417,524	1,093,610	309,749	(447,236)	8,258,563	0.629500
2013-14	6,028,269	1,142,422	421,089	1,086,064	290,049	(491,828)	8,476,065	0.094360
2014-15	6,875,938	1,151,791	429,440	1,105,203	278,624	(501,969)	9,339,027	0.092970
2015-16	7,366,323	1,272,042	431,603	1,137,342	291,158	(513,024)	9,985,444	0.091940
2016-17	7,772,454	1,293,080	439,480	1,175,301	309,909	(429,860)	10,560,364	0.091220
2017-18	8,248,993	1,331,678	455,985	1,213,136	283,133	(487,736)	11,045,188	0.090230
2018-19	8,849,447	1,396,589	514,693	1,219,625	280,558	(461,721)	11,799,191	0.089460
2019-20	9,457,797	1,444,154	550,237	1,332,867	360,368	(428,683)	12,716,740	0.088530

Source: Los Angeles County Assessor data, Hdl, Coren & Cone

*Total Direct Rate is the weighted average of all individual direct rates applied by the City and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

CITY OF LANCASTER

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year	General	Los Angeles County	Antelope Valley Union High School District	Elementary School Districts	Community College	Water	Total Direct & Overlapping(1)	City's Share of 1% Levy Per Prop 13(2)	Total Direct(3)
2011	1.00000%	0.00000%	0.02902%	0.16804%	0.02539%	0.07049%	1.29293%	0.06611%	0.667880
2012	1.00000%	0.00000%	0.02913%	0.16285%	0.02599%	0.07049%	1.28846%	0.06611%	0.669320
2013	1.00000%	0.00000%	0.03075%	0.17208%	0.02949%	0.07049%	1.30281%	0.06611%	0.629500
2014	1.00000%	0.00000%	0.02602%	0.19795%	0.02741%	0.07049%	1.32186%	0.06611%	0.094360
2015	1.00000%	0.00000%	0.02585%	0.21896%	0.02480%	0.07049%	1.34010%	0.06611%	0.092970
2016	1.00000%	0.00000%	0.02428%	0.21732%	0.02556%	0.07049%	1.33765%	0.06611%	0.091940
2017	1.00000%	0.00000%	0.02474%	0.21889%	0.02560%	0.07049%	1.33972%	0.06611%	0.091220
2018	1.00000%	0.00000%	0.02357%	0.21331%	0.04869%	0.07049%	1.35606%	0.06611%	0.090230
2019	1.00000%	0.00000%	0.02317%	0.20772%	0.04847%	0.07049%	1.34985%	0.06611%	0.089460
2020	1.00000%	0.00000%	2.18700%	0.20734%	0.04722%	0.07049%	1.34691%	0.06611%	0.088530

Source: Los Angeles County Auditor 2010/11-2019/20 Tax Rate Table, HdL Coren & Cone

(1) Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all property owners.

(2) City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the City. The City's ERAF portion of the City's Levy has been subtracted where known.

(3) Total Direct Rate is the weighted average of all individual direct rates applied by the City and excludes revenues derived from aircraft. Beginning in 2013/14, the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

CITY OF LANCASTER

Top Ten Property Taxpayers
Last Fiscal Year and Nine Years Prior

Taxpayer	2019-20			Taxpayer	2010-11		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Kaiser Foundation Health Plan	\$ 116,954,513	1	0.92%	Walmart Real Estate Business Trust	\$ 62,376,796	1	0.73%
Walmart Real Estate Business Trust	61,271,556	2	0.48%	Ave K Lancaster UCM Cadence LLC	46,529,500	2	0.54%
TA-High Desert LLC	57,578,394	3	0.45%	US Industrial REIT II	45,284,000	3	0.53%
BRE MG Granda Villas, LLC	53,850,528	4	0.42%	Basrock Woodcreek Gardens CA	38,324,800	4	0.45%
AG Sunset Ridge Owner LP	51,648,619	5	0.41%	Thrifty Payless Inc	34,181,804	5	0.40%
BRE MG Cordova Park LLC	51,162,236	6	0.40%	Bank of America NA	31,847,611	6	0.37%
BYD Coach & Bus LLC	48,767,449	7	0.38%	Federal National Mortgage Assoc	31,618,238	7	0.37%
Thrifty Payless INC	48,256,477	8	0.38%	Basrock Antelope Pines CA LLC	29,271,100	8	0.34%
Vereit Real Estate Ip	46,368,578	9	0.36%	Kaiser	28,719,994	9	0.34%
BRE MG Sienna Heights LLC	44,368,578	10	0.35%	Basrock Villa Mirage CA LLC	27,435,743	10	0.32%
Top Ten Total	<u>\$ 580,226,928</u>		<u>4.56%</u>	Top Ten Total	<u>\$ 375,589,586</u>		<u>4.40%</u>

CITY OF LANCASTER

**Property Tax Levies and Collections
Last Ten Fiscal Years**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2011	2,947,289	2,947,289	100%	-	2,947,289	100%
2012	3,188,619	3,188,619	100%	-	3,188,619	100%
2013	5,545,157	5,545,157	100%	-	5,545,157	100%
2014	3,686,297	3,686,297	100%	-	3,686,297	100%
2015	5,101,745	5,101,745	100%	-	5,101,745	100%
2016	6,698,981	6,698,981	100%	-	6,698,981	100%
2017	6,205,334	6,205,334	100%	-	6,205,334	100%
2018	6,560,915	6,560,915	100%	-	6,560,915	100%
2019	7,931,274	7,931,274	100%	-	7,931,274	100%
2020	8,272,425	8,272,425	100%	-	8,272,425	100%

Source: City of Lancaster Finance Department

CITY OF LANCASTER

Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years
 (dollars in thousands, except per capita)

<u>Fiscal Year</u>	<u>Lease Revenue Bonds</u>	<u>Assessment District Bonds</u>	<u>*Business-Type Activity Revenue Bonds</u>	<u>Total Primary Government</u>	<u>Percentage of Personal Income</u>	<u>Per Capita</u>
2011		4,265		4,265	22.83%	0.03
2012		3,760	26,895	30,655	159.55%	0.19
2013		3,295	26,336	29,631	148.45%	0.19
2014		2,805	25,359	28,164	142.01%	0.18
2015		2,280	24,850	27,130	136.81%	0.17
2016		1,370	23,745	25,115	125.87%	0.16
2017		15,200	22,140	37,340	195.17%	0.24
2018		14,215	22,195	36,410	191.69%	0.23
2019	14,340	14,157	21,735	50,232	254.71%	0.31
2020	14,085	12,630	21,225	47,940	229.77%	0.30

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements

CITY OF LANCASTER

**Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(dollars in thousands, except per capita)**

Fiscal Year	General Bonded Debt Outstanding			Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Tax Allocation Redevelopment Bonds	Total		
2011	-	255,605	255,605	3.0438%	1.75
2012	-	249,160	249,160	2.9804%	1.58
2013	-	242,465	242,465	2.9359%	1.53
2014	-	228,955	228,955	2.7012%	1.43
2015	-	218,715	218,715	2.3419%	1.37
2016	-	193,400	193,400	1.9368%	1.23
2017	-	180,410	180,410	1.7084%	1.14
2018	-	172,275	172,275	1.5597%	1.07
2019	-	163,995	163,995	1.3899%	1.01
2020	-	154,784	154,784	1.2172%	0.96

Notes: Details regarding the outstanding redevelopment debt can be found in the notes to the financial statements.

^a See Schedule 6 (Exhibit C-1) for property value data.

^b Population data can be found in Schedule 14 (Exhibit E-1).

CITY OF LANCASTER

Direct and Overlapping Governmental Activities Debt
As of June 30, 2020

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt (see Note 7 for detailed list of debt)			
Direct Borrowings	4,088,085	100.00%	4,088,085
Other Debt:			
Streetlight Acquisition Bonds of 2016	12,630,000	100.00%	12,630,000
Public Improvement Project Bonds of 2018	14,085,000	100.00%	14,085,000
Unamortized Bond Premiums	7,797,476	100.00%	7,797,476
CFD 89-1 Series 1997 A & B	713,112	100.00%	713,112
Measure M & R Street Improvement	46,960,000	100.00%	46,960,000
Other Long-Term Liabilities	5,671,572	100.00%	5,671,572
Total Direct Debt			\$ 91,945,245
Overlapping Tax and Assessment Debt			
464.5 EASTSIDE UNION DS 1998 SERIES A	\$ 907,862	62.219%	\$ 564,860
464.54 EASTSIDE UNION DS 2016 REF	3,955,000	62.219%	\$ 2,460,748
529.5 LANCASTER SD DS 1999 SERIES A	2,189,714	97.328%	\$ 2,131,197
529.51 LANCASTER SD DS 1999 SERIES 2001	6,690,468	97.328%	\$ 6,511,674
529.53 LANCASTER SD DS 2012 SERIES 2013A	17,205,000	97.328%	\$ 16,745,219
529.54 LANCASTER SD DS 2012 SERIES 2013B	10,755,000	97.328%	\$ 10,467,587
529.55 LANCASTER SD DS 2012 SERIES 2018C	26,184,908	97.328%	\$ 25,485,151
689.54 WESTSIDE UNION SD DS 1998 SERIES A	1,844,130	29.029%	\$ 535,336
689.55 WESTSIDE UNION SD DS 1998 S-2001A	2,516,302	29.029%	\$ 730,463
689.56 WESTSIDE UNION SD DS 1998 S-2002A	1,865,450	29.029%	\$ 541,525
689.61 WESTSIDE UNION SD DS 2008 SERIES A	8,668,068	29.029%	\$ 2,516,272
689.62 WESTSIDE UNION SD DS 2008 SERIES B	12,753,931	29.029%	\$ 3,702,365
689.63 WESTSIDE UNION SD DS 2012 SERIES A	10,615,000	29.029%	\$ 3,081,451
689.64 WESTSIDE UNION SD DS 2012 SERIES B	13,410,000	29.029%	\$ 3,892,817
717.54 ANTELOPE VALLEY JUHSD REF SERIES 2012	46,810,000	38.613%	\$ 18,074,972
717.55 ANTELOPE VALLEY UNION HSD DS REF 2015	4,504,873	38.613%	\$ 1,739,488
792.55 ANTELOPE VALLEY CCD DS 2014 REF SERIES A	17,400,000	36.262%	\$ 6,309,659
792.56 ANTELOPE VALLEY CCD DS 2014 REF SERIES B	8,760,000	36.262%	\$ 3,176,587
792.57 ANTELOPE VALLEY CCD DS 2015 REF	77,683,682	36.262%	\$ 42,204,006
792.58 ANTELOPE VALLEY CCD DS 2016 SERIES A	22,945,000	36.262%	\$ 8,320,410
792.59 ANTELOPE VALLEY CCD DS 2020	220,685,000	36.262%	\$ 80,025,699
Total Overlapping Tax And Assessment Debt			\$ 239,217,486
Total Direct And Overlapping Governmental Funds Debt			\$ 331,162,731
City Assessed Valuation	\$ 4,256,996,964		
Incremental Value	7,530,141,888		
Total Assessed Valuation	\$ 11,787,138,852		
Debt to Assessed Valuation Ratios:			
Direct Debt		0.780%	
Overlapping and Assessment Debt		2.029%	
Total Direct and Overlapping Governmental Funds Debt		2.810%	

Notes:

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City of Lancaster. The percentage of overlapping debt applicable is estimated by using taxable assessed values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

CITY OF LANCASTER

**Legal Debt Margin
Last Ten Fiscal Years
(dollars in thousands)**

	Fiscal Year									
	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Assessed Valuation	\$8,397,567	\$ 8,359,886	\$ 8,258,563	\$ 8,476,065	\$ 9,339,027	\$ 9,985,444	\$ 10,560,364	\$ 11,045,188	\$ 11,799,191	\$ 12,716,740
Debt limit (3.75% of Gross AV)	<u>\$ 314,909</u>	<u>\$ 313,496</u>	<u>\$ 309,696</u>	<u>\$ 317,852</u>	<u>\$ 350,214</u>	<u>\$ 374,454</u>	<u>\$ 396,014</u>	<u>\$ 414,195</u>	<u>\$ 442,470</u>	<u>\$ 476,878</u>
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 314,909</u>	<u>\$ 313,496</u>	<u>\$ 309,696</u>	<u>\$ 317,852</u>	<u>\$ 350,214</u>	<u>\$ 374,454</u>	<u>\$ 396,014</u>	<u>\$ 414,195</u>	<u>\$ 442,470</u>	<u>\$ 476,878</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Los Angeles County Assessor data, HdL Coren & Cone

CITY OF LANCASTER

Pledged-Revenue Coverage
Last Ten Fiscal Years
(dollars in thousands)

Fiscal Year	Redevelopment Tax Allocation Bonds			
	Property Tax Increment	Debt Service		Coverage
		Principal	Interest	
2011	55,395	5,620	13,299	2.93
2012: 7/1/11-1/31/12*	24,020	4,155	6,717	2.21
2012: 1/31/12-6/30/12*	9,288	2,495	6,629	1.02
2012	33,308	6,650	13,346	1.67
2013	19,564	6,695	12,618	1.01
2014	23,252	16,005	12,313	0.82
2015	23,535	9,675	11,477	1.11
2016	25,590	11,255	10,531	1.17
2017	21,248	6,350	7,600	1.52
2018	20,826	8,285	6,729	1.39
2019	19,409	8,435	7,002	1.26
2020	20,350	8,685	6,802	1.31

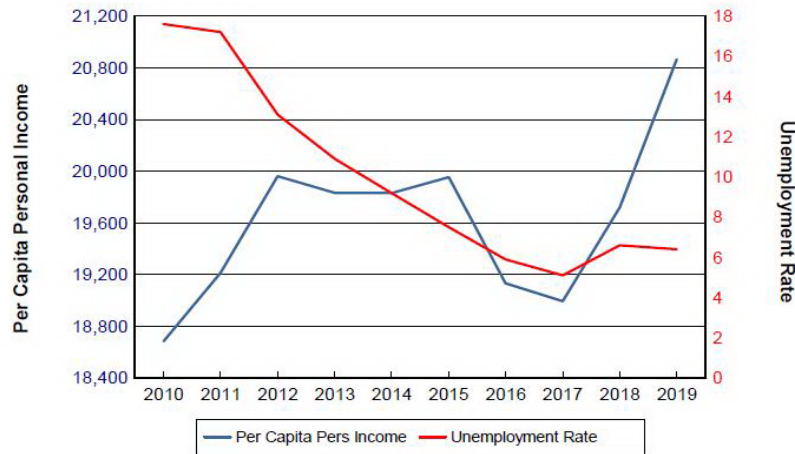
Notes: Details regarding the city's outstanding redevelopment debt can be found in the notes to the financial statements.
 *Fiscal year 2012 is split because the Redevelopment Agency officially dissolved on 2/1/2012 and started receiving property taxes from the County of Los Angeles instead of "Property Tax Increment."

CITY OF LANCASTER

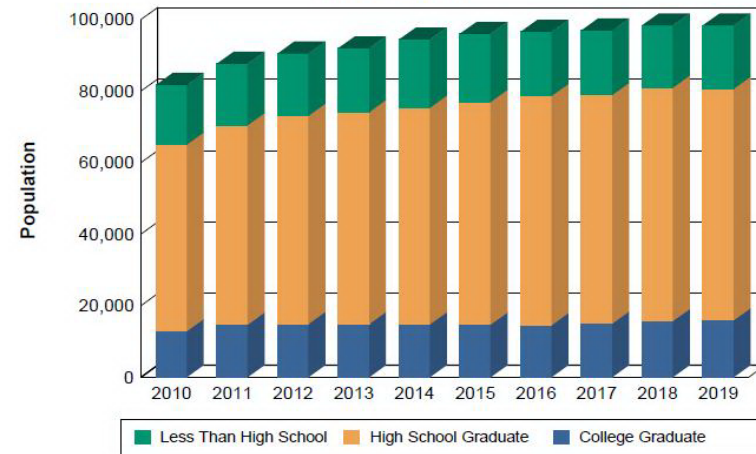
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal income (in Thousands)	Per Capita Personal Income	Unemployment Rate	Median Age	% of Pop 25+ with High School Degree	% of Pop 25+ with Bachelor's Degree
2010	145,875	\$2,725,529	\$18,684	17.60%	30.2	79.60%	15.80%
2011	157,826	\$3,032,469	\$19,214	17.20%	30.6	80.40%	16.80%
2012	158,630	\$3,166,255	\$19,960	13.10%	31.4	80.80%	16.50%
2013	159,878	\$3,170,860	\$19,833	10.90%	31.5	80.60%	16.20%
2014	159,956	\$3,171,927	\$19,830	9.20%	32.3	79.80%	15.70%
2015	157,094	\$3,134,596	\$19,953	7.50%	32.2	80.20%	15.40%
2016	157,820	\$3,019,475	\$19,132	5.90%	31.7	81.40%	15.10%
2017	161,485	\$3,067,258	\$18,994	5.10%	31.8	81.40%	15.50%
2018	161,604	\$3,187,146	\$19,721	6.60%	32.4	82.30%	16.00%
2019	161,699	\$3,373,741	\$20,864	6.40%	32.4	82.00%	16.20%

Personal Income and Unemployment



Education Level Attained for Population 25 and Over



CITY OF LANCASTER

**Top 10 Principal Employers
Current Calendar Year and Ten Years Prior**

<u>Employer</u>	<u>2020</u>			<u>Employer</u>	<u>2011</u>		
	<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total Valley Employment</u>		<u>Estimated Employees</u>	<u>Rank</u>	<u>Percentage of Total Valley Employment</u>
Edwards AFB	11,285	1	14.55%	Edwards Air Force Base	10,610	1	17.13%
China Lake NWC	6,838	2	8.82%	China Lake Navel Weapons	6,734	2	10.87%
Lockheed Martin	3,900	3	4.65%	County of Los Angeles	3,953	3	6.38%
County of Los Angeles	3,604	4	2.96%	Lockheed Martin	3,100	4	5.01%
Northrop Grumman	2,294	5	5.03%	Palmdale School District	2,739	5	4.42%
Antelope Valley Hospital Medical Center	2,280	6	2.71%	Antelope Valley Hospital	2,722	6	4.40%
Antelope Valley Union Highschool District	2,100	7	2.94%	Northrop Grumman	2,611	7	4.22%
Walmart	1,957	8	2.52%	AV Union High School District	2,054	8	3.32%
AV Mall	1,800	9	2.32%	California Correctional Institute Tehachapi	1,911	9	3.09%
Palmdale School District	1,800	10	2.32%	Bank of America	1,846	10	2.98%
TOTAL Employment	77,542		48.82%		62,087		61.82%

Source: GAVEA 2020: City of Lancaster CAFR FY 2010-2011

Notes: Total employment as used above may represent figures from total employment located within the Greater Antelope Valley region. The Greater Antelope Valley is considered to be the City's economic region and covers 3,514.2 square miles of area and includes Lancaster, Palmdale, Tehachapi, Mojave, Edwards AFB, and Ridgecrest.

CITY OF LANCASTER

**Full-time-Equivalent City Government
Employees by Function
Last Ten Fiscal Years**

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Government										
Administrative Services	4	2	4	8	6	3	1	13	16	15
City Clerk	3.62	4	4	3	2	3	3	3	3	3
City Manager	7.63	8.25	8.25	9.25	10.25	11.75	12.75	9.75	8	10
Economic Development	-	4	2	2	3	4	4	5	2	
Finance	21	22	21	25	24	25	25	19	18	17
Housing and Neighborhood Revitalization	-	30	22	20	19	20	20	19	21	17
Human Resources	11	5	5	5	5	4	6	7	7	7
Planning	12	12	-	-	-	-	-	-	-	0
Redevelopment	38	-	-	-	-	-	-	-	-	0
City Attorney	-	0	0	0	1	1	2	2	2	
Development Services	124	128	124	125	124	131	131	124	124	122
Lancaster Choice Energy	-	0	0	0	0	8	8	5	4	1
Parks, Recreation and Arts	59	56	54	51	53	45	45	45	47	45
Public Safety	20	16	15	13	13	12	12	13	11	12
Less vacancies filled by internal recruitments				(11.00)	(8.00)	(22.00)	(18.75)	(19.00)	(8.00)	
Total	<u>300.25</u>	<u>287.25</u>	<u>259.25</u>	<u>250.25</u>	<u>252.25</u>	<u>245.75</u>	<u>251.00</u>	<u>245.75</u>	<u>255.00</u>	<u>249.00</u>
Year over year	4.00	(13.00)	(28.00)	(9.00)	2.00	(6.50)	5.25	(5.25)	9.25	(6.00)

Source: City Human Resources Department

Note: The Lancaster Redevelopment Agency was dissolved according to ABx1 26 which was signed into law June 29, 2011.

CITY OF LANCASTER

Capital Asset Statistics by Function/Program

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
City Hall	1	1	1	1	1	1	1	1	1	1
Annex/Record Center	1	-	-	-	-	-	-	-	-	-
Community Development										
Brierwood Mobile Home Park	1	-	-	-	-	-	-	-	-	-
Desert Sands Mobile Home Park	1	1	1	-	-	-	-	-	-	-
Development Services										
Maintenance Yard - Modular Office Bldg.	1	1	1	1	1	1	1	1	1	1
Maintenance Yard - Office/Warehouse	1	1	1	1	1	1	1	1	1	1
Maintenance Yard - Maintenance Garage	1	1	1	1	1	1	1	1	1	1
Maintenance Yard - Canopy	1	1	1	1	1	1	1	1	1	1
Maintenance Yard - Storage Bldg	4	4	4	4	3	3	3	3	3	3
Maintenance Yard - Wash Bay	1	1	1	1	1	1	1	1	1	1
Maintenance Yard - HazMat Storage Bldg	1	1	1	1	1	1	1	1	1	1
Streets (miles)	630	633	640	640	1,765	1,765	1,765	1,765	1,765	1,769
Streetlights (owned by City)	1,149	1,157	1,875	1,895	1,895	1,908	19,576	19,576	19,576	19,576
Traffic signals	138	138	137	139	147	145	153	153	141	143
Street Signs	29,058	26,334	26,378	26,400	26,412	26,472	26,759	38,000	38,000	38,000
Fleet Vehicles	292	301	301	318	304	322	320	318	321	321
Storm Drain Pipe (LF)	381,821	434,005	485,113	485,113	485,113	485,113	420,239	420,239	430,445	430,868
Storm Drain Box (LF)	31,570	26,169	27,993	27,996	27,996	27,996	27,996	27,996	9,217	9,217
Storm Drain Box (Each)							1,547	1,547	1,477	1,477
Storm Drain Channel (LF)	48,715	44,883	44,883	44,883	44,883	44,883	45,733	45,733	45,951	45,951
Sewer Pipe (LF)	2,077,192	2,265,580	2,261,609	2,265,120	2,265,120	2,262,626	2,268,696	2,268,527	2,265,120	2,271,627
Sewer Manholes	8,089	9,005	9,035	9,188	9,042	8,966	8,975	8,977	9,073	9,106
Sewer Lift Station	1	1	1	1	1	1	1	1	1	1
Parks, Recreation and Arts										
Acreage	538	538	538	538	538	538	538	538	558	558
Developed park sites	14	14	14	14	14	14	14	14	14	14
Pools	2	2	2	2	2	2	2	2	2	2
Big 8 Tournament Baseball complex	1	1	1	1	1	1	1	1	1	1
Batting Cage Facility	1	1	1	1	1	1	1	1	1	1
Soccer complex	1	1	1	1	1	1	1	1	1	1
Community/Activity Centers	7	7	8	8	8	8	8	8	8	8
Cedar Center	1	1	1	1	1	1	1	1	1	1
Prime Desert Woodlands Preserve/Nature Cntr	1	1	1	1	1	1	1	1	1	1
Municipal Baseball Stadium	1	1	1	1	1	1	1	1	1	1
Performing Arts Center	1	1	1	1	1	1	1	1	1	1
Museum and Art Gallery	1	1	1	1	1	1	1	1	1	1
Western Hotel (historic site)	1	1	1	1	1	1	1	1	1	1
Metrolink Station	1	1	1	1	1	1	1	1	1	1
Park and Ride Lots	8	8	8	8	8	8	8	8	8	8

Sources: Various city departments.

*Estimated figures

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