

CITY OF LANCASTER
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2022



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**CITY OF LANCASTER
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL	I
PRINCIPAL CITY OFFICIALS	VI
ORGANIZATION CHART	VII

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS (REQUIRED SUPPLEMENTARY INFORMATION)	5

FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

STATEMENT OF NET POSITION	15
STATEMENT OF ACTIVITIES	16

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BALANCE SHEET	18
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION	20
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS	21

BUDGETARY COMPARISON STATEMENTS

GENERAL FUND	24
LANCASTER HOUSING AUTHORITY SPECIAL REVENUE FUND	25
TRANSPORTATION DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND	26

PROPRIETARY FUNDS

STATEMENT OF NET POSITION	27
----------------------------------	-----------

**CITY OF LANCASTER
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION	28
STATEMENT OF CASH FLOWS	29
FIDUCIARY FUNDS	
STATEMENT OF NET POSITION	30
STATEMENT OF CHANGES IN NET POSITION	31
NOTES TO BASIC FINANCIAL STATEMENTS	32
REQUIRED SUPPLEMENTARY INFORMATION	
CALPERS PENSION PLANS	
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS	87
SCHEDULE OF CONTRIBUTIONS	89
PARS PENSION PLAN	
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS	91
SCHEDULE OF CONTRIBUTIONS	93
OTHER POSTEMPLOYMENT BENEFITS PLAN	
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS	95
SCHEDULE OF CONTRIBUTIONS	96
SUPPLEMENTARY INFORMATION	
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES	
OTHER GOVERNMENTAL FUNDS	
COMBINING BALANCE SHEET	99
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	107
OTHER SPECIAL REVENUE FUNDS	

**CITY OF LANCASTER
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

**SCHEDULES OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL**

GAS TAX	115
LANDSCAPE MAINTENANCE DISTRICT	116
HOUSING AND COMMUNITY DEVELOPMENT	117
HOME PROGRAM	118
PROPOSITION A	119
BIKEWAY IMPROVEMENT	120
PROPOSITION C	121
FEDERAL GRANTS	122
STATE GRANTS	123
PARKS DEVELOPMENT	124
DEVELOPER FEES - SIGNALS	125
DEVELOPER FEES - DRAINAGE	126
RECYCLED WATER	127
BIOLOGICAL IMPACT FEES	128
TRAFFIC IMPACT FEES	129
AQMD	130
LANCASTER DRAINAGE MAINTENANCE DISTRICT	131
MISCELLANEOUS GRANTS	132
TRAFFIC SAFETY	133
LA COUNTY REIMBURSEMENT	134
MTA GRANT	135
URBAN STRUCTURE PROGRAM	136
SEWER MAINTENANCE DISTRICT	137

**CITY OF LANCASTER
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

PROPOSITION 1B	138
PROPOSITION 42	139
MEASURE R	140
MEASURE M	141
LANCASTER LIGHTING DISTRICT	142
CUSTODIAL FUNDS	
COMBINING STATEMENT OF FIDUCIARY NET POSITION	143
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	145
STATISTICAL SECTION	
DESCRIPTION OF STATISTICAL SECTION CONTENTS	148
FINANCIAL TRENDS	
NET POSITION BY COMPONENT	149
CHANGES IN NET POSITION	150
FUND BALANCES, GOVERNMENTAL FUNDS	153
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	154
REVENUE CAPACITY	
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS	155
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY	156
DIRECT AND OVERLAPPING PROPERTY TAX RATES	157
PRINCIPAL PROPERTY TAX PAYERS	158
PROPERTY TAX LEVIES AND COLLECTIONS	159
DEBT CAPACITY	
RATIOS OF OUTSTANDING DEBT BY TYPE	160
RATIOS OF GENERAL BONDED DEBT OUTSTANDING	161

**CITY OF LANCASTER
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2022**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT	162
LEGAL DEBT MARGIN INFORMATION	163
PLEDGED-REVENUE COVERAGE	164
DEMOGRAPHIC AND ECONOMIC INFORMATION	
DEMOGRAPHIC AND ECONOMIC STATISTICS	165
TOP 10 PRINCIPAL EMPLOYERS	166
OPERATING INFORMATION	
FULL-TIME-EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION	167
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	168

INTRODUCTORY SECTION



R. REX PARRIS
MAYOR

MARVIN CRIST
VICE MAYOR

KEN MANN
COUNCIL MEMBER

RAJ MAHLI
COUNCIL MEMBER

DARRELL DORRIS
COUNCIL MEMBER

JASON CAUDLE
CITY MANAGER

44933 Fern Avenue
Lancaster, CA 93534
661.723.6000
cityoflancasterca.org

July 19, 2023

Honorable Mayor and Members of the City Council:

We are pleased to submit for your consideration the Annual Comprehensive Financial Report (ACFR) of the City of Lancaster, California, for the fiscal year which ended June 30, 2022. 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 ACFR 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 ACFR incorporates all City funds, including the separate entities under the direction of the City Council. These separate entities include the Lancaster Successor Agency and California CHOICE. 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 north of 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 2020 US Census showed the population remaining steady at a population of 155,822.

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

Highway Safety Improvement Program



The City of Lancaster was awarded \$6.1 Million in grants from Caltrans to accomplish 6 major projects as part of the Lancaster Safer Streets Action Plan. Among the approved projects are Systemic Signalized Upgrades, which will improve vehicle detection technology at 28 intersections. Included are advanced dilemma-zone detection, bike recognition and detection. This

technology will allow the traffic control system to modify timing to reduce the number of drivers who have to hesitate to decide to stop or not at a yellow light. By utilizing this technology, the City will not only improve the driving experience, but will also help reduce and eliminate traffic related casualties.

Hydrogen Efforts Go Global

Lancaster's trailblazing efforts in the area of clean energy innovation have resulted in a place on the global stage. Mayor R. Rex Parris met with the Consul General of Japan to discuss efforts to create a global "Hydrogen Society". As a partnership of committed cities and counties from around the world, the effort seeks to reduce greenhouse gasses through the use of low-cost and zero-emission hydrogen production.





The City also recognized progress in its partnership with Hitachi Zosen Inova in the development of an AD plant at the Lancaster landfill. The \$100 Million plant is being co-developed with a nearby hydrogen facility and utilizes the latest green hydrogen generation technology. This plant will solve waste and energy problems with one of the most environmentally friendly technologies in the world.

Innovation

See And Be Seen



Since 2019, the City experienced continued success in its “See And Be Seen” campaign. The program has been recognized locally, regionally, and nationally for its creative approach to traffic safety education. Intersection improvements have resulted in a large decrease in fatalities and collisions within the City’s most problematic intersections. The City also involved the local youth through various curricular resources and an opportunity for them to create the artwork for utility cabinet wraps around the City. These wraps remind residents to look up from their phones, be aware of

their surroundings, walk only in designated areas, and ensure drivers are aware of pedestrians and bicyclists sharing the road.

Resilience

Measure LC

With the passing of Measure LC, the City’s 0.75% sales tax increase, residents and staff demonstrated their commitment to the long-term fiscal health of their City. The measure was passed by voters on November 3, 2020, and was estimated to provide approximately \$12,000,000 in revenues annually. The City received \$5,070,608 in Fiscal Year 20-21, its first partial year; and \$21,662,000 in Fiscal Year 2021/22, its first full year. All additional revenues created by this sales tax will remain in the City. The goals of this additional funding: community safety, facilities development and maintenance, and services for the highest risk populations, is overseen by a Citizens’ Oversight Committee.



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.



Acknowledgments

The preparation of this document is the result of the hard work of the entire Finance Department staff. 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

George Harris
Finance and Information Technology Director

CITY OF LANCASTER
PRINCIPAL CITY OFFICIALS
YEAR ENDED JUNE 30, 2022

City of Lancaster

CITY COUNCIL

R. Rex Parris – Mayor
Marvin E. Crist – Vice Mayor
Raj Malhi – Council Member
Kenneth Mann – Council Member
Darrell Dorris – Council Member

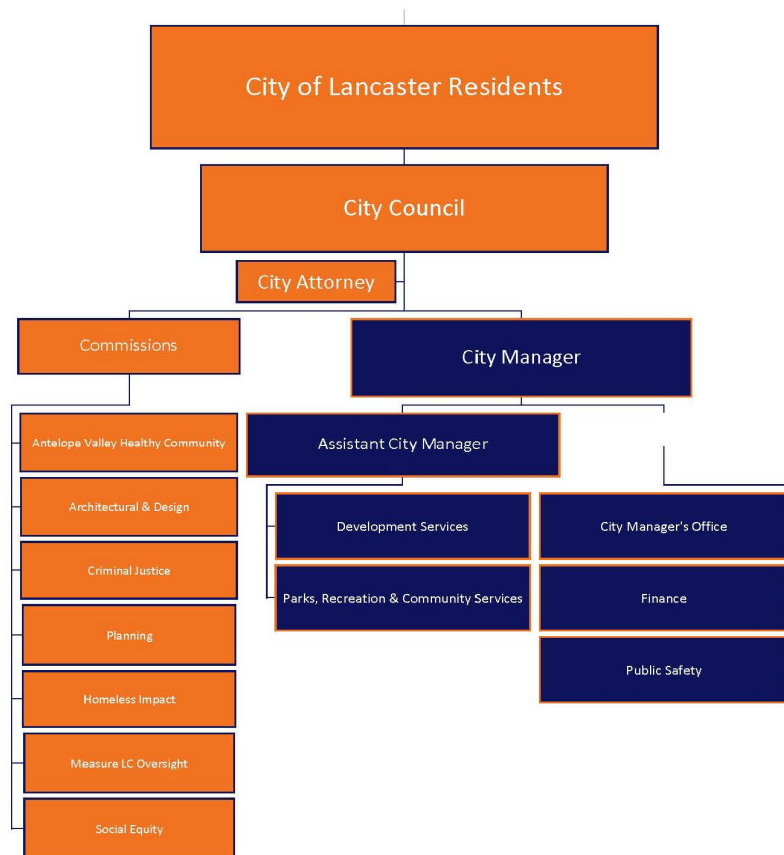
CITY DIRECTORS/MANAGERS

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

CITY OF LANCASTER
ORGANIZATION CHART
YEAR ENDED JUNE 30, 2022

ORGANIZATIONAL STRUCTURE

Org Detail - City of Lancaster



FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, as listed in the table of contents.

In our opinion, the 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 as of June 30, 2022, 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, and the Transportation Development Authority Special Revenue Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective July 1, 2021, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual nonmajor fund financial statements and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

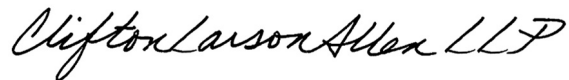
Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

Honorable Mayor and Members of the City Council
City of Lancaster

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2023, 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.



CliftonLarsonAllen LLP

Irvine, California
July 19, 2023

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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, 2022. 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 General Fund revenues were \$137,022,565.
- The cost of the General Fund was \$110,637,398.
- The General Fund reported revenues in excess of expenditures of \$26,385,167.
- For the General Fund, actual resources available for appropriation (revenue inflows and fund balance) was greater than final budget by \$12,806,105; while actual appropriations (outflows) were less than the final budget by \$20,639,126.

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 Custodial Funds and Private Purpose Fund of the Lancaster Successor Agency.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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 debt service fund, one capital projects fund, and two special revenue funds, all of which are considered to be major funds. Data from the other thirty-one 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) 21/22 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.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Government-wide Financial Analysis

Our analysis focuses on the net position and changes in net position of the City's governmental activities.

Governmental Activities. Governmental activities increased the City of Lancaster's net position by \$32,618,550.

- State Shared Sales Taxes performed significantly better than anticipated given the continuing pandemic, and the addition of a voter approved transactions and use district tax (Measure LC), exceeding previous year revenues by \$19,145,726, 60% increase in year over year.
- As COVID restrictions ease, Parks, Recreation and Arts Programming resulted in a \$1,739,569, 229% increase over prior year.

	Fiscal Year	
	<u>2021</u>	<u>2022</u>
Expenses		
General Government	\$ 35,691,615	\$ 27,689,637
Public Safety	32,230,935	35,132,514
Community Development	592,696	664,521
Parks, Recreation and Arts	17,820,781	25,614,746
Development Services	50,239,507	65,722,004
Housing and Neighborhood Revitalization	2,056,358	7,758,697
Interest on long-term debt	3,119,743	2,551,057
Total primary governmental activities expenses	<u>\$ 141,751,635</u>	<u>\$ 165,133,176</u>

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Program Revenues (see Schedule 3)

Governmental activities:

Charges for services:

General Government	\$ 3,335,332	\$ 287,009
Public Safety	2,525,888	802,251
Community Development	430,021	653,198
Parks, Recreation and Arts	759,537	2,499,106
Development Services	18,297,602	20,552,067
Housing and Neighborhood Revitalization	290,464	12
Operating grants and contributions	48,818,504	60,297,493
Capital grants and contributions	14,693,720	10,047,212

Total governmental activities program revenues	\$ 67,064,031	\$ 95,138,348
---	----------------------	----------------------

Governmental activities	\$ (52,600,567)	\$ (69,994,828)
-------------------------	-----------------	-----------------

Other Changes in Net Assets

Governmental activities:

Taxes

Property taxes	26,148,244	27,184,193
Transient occupancy taxes	2,012,943	9,261,656
Intergovernmental - state shared sales taxes	31,805,221	2,709,026
Franchise taxes	7,731,919	1,364,377
Business licenses taxes	1,223,982	1,027,933
Other taxes	1,315,822	186,425
Intergovernmental	118,596	50,950,947
Investment Earnings	1,391,387	(1,397,099)
Miscellaneous	1,546,901	9,577,174
Gain on sale of land held for resale	513,340	801,949
Transfers	875,850	946,797

Total governmental activities	\$ 74,684,205	\$ 102,613,378
--------------------------------------	----------------------	-----------------------

Change in Net Assets

Governmental activities	\$ 22,083,638	\$ 32,618,550
-------------------------	---------------	---------------

Business-Type Activities. Business-type activities increased the City of Lancaster's net position by \$192,112 primarily due to increased power revenue as a result of rate increases and major heat event during summer months that caused a huge increase in energy consumption and sales.

	<u>2021</u>	<u>2022</u>
Expenses		
Business-type activities:		
Lancaster Power Authority	\$ 1,825,146	\$ 1,947,106
Lancaster Choice Energy	47,013,871	51,194,116
California Choice Energy Authority	6,033,722	7,081,730
Total business-type activities expenses	54,872,739	60,222,952

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

Program Revenues (see Schedule 3)

Business-type activities:

Charges for services:

Lancaster Power Authority	\$ 1,896,121	\$ 1,911,332
Lancaster Choice Energy	46,576,991	51,692,560
California Choice Energy Authority	5,987,488	7,206,199

Total business-type activities program revenues	\$ 54,460,600	\$ 60,810,091
--	---------------	---------------

Business-type activities:	(412,139)	587,139
---------------------------	-----------	---------

Other Changes in Net Assets

Business-type activities:

Investment Earnings	\$ 860	\$ 182
Miscellaneous	-	551,588
Transfers	(875,850)	(946,797)

Total business-type activities	\$ (974,990)	\$ (395,027)
---------------------------------------	--------------	--------------

Total Primary Government Revenues, Contributions, and Transfers	\$ 53,585,610	\$ 60,415,064
--	---------------	---------------

Change in Net Assets

Business-type activities	(1,287,129)	192,112
--------------------------	-------------	---------

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. As a result of the on-going pandemic shut-downs and restrictions, many city services were required to continue without the ability to generate revenue. As a result, many activities placed a greater burden on tax-payers for the fiscal year.

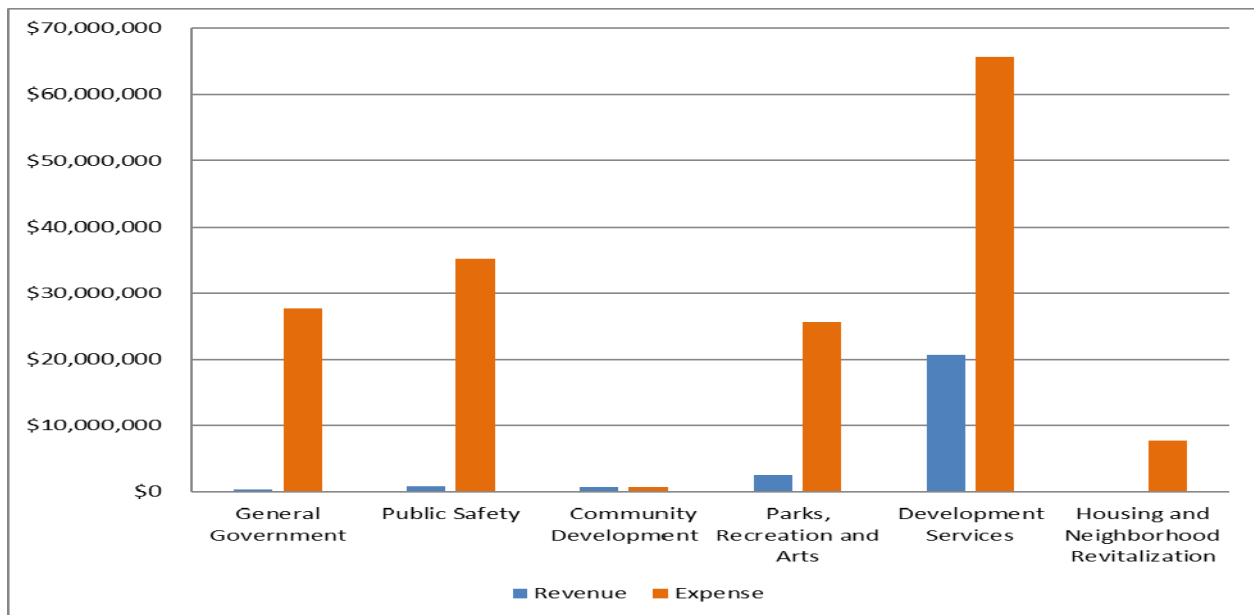
The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program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

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

**CITY OF LANCASTER- COST OF SERVICES
(in thousands)**

	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
General Government	\$ 27,690	\$ 2,782
Public Safety	35,132	(33,294)
Community Development	664	2,188
Parks, Recreation and Arts	25,615	(22,753)
Development Services	65,722	(8,737)
Housing and Neighborhood Revitalization	7,759	(7,630)
Totals	\$ 162,582	\$ (67,444)

**City of Lancaster Governmental Activities
REVENUE & EXPENSE BY SOURCE**



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.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

As of the end of the current fiscal year, the City of Lancaster's governmental funds reported combined ending fund balances of \$262,304,917. This is a decrease of \$8,609,133 from last fiscal year mostly due to significant increase in capital outlay for projects during the year.

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 revenues and transfers-in in excess of expenditures and transfers-out resulting in a fund balance of \$121,911,511. This increase in fund balance is due primarily to increases in sales tax revenue, which includes the passing and collection of the Measure LC sales taxes and one-time intergovernmental revenues as a result of COVID stimulus (ARPA).

The Transportation Development Authority Fund is a special revenue fund used for local street and road improvements, congestion relief and traffic safety. At the end of the current fiscal year, Transportation Development Authority Fund reported expenditures and transfers out in excess of revenues and transfer-in of \$2,876,459.

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 in excess expenditures and transfers-out of \$76,986,214. The services provided to the community by the Housing and Neighborhood revitalization staff will yield beautiful, family-friendly, new housing tracts in formerly blighted areas of the City.

The Lancaster Financing Authority is a debt service fund used to account for the various Lease Revenue Financings. At the end of the current fiscal year, Lancaster Financing Authority Fund reported revenues and transfers-in in excess of expenditures and transfer-out of \$13,835,298.

Capital Projects Fund is a used to account for various capital projects funded by federal, state or local agencies. At the end of the current fiscal year, the Capital Projects Fund reported transfer-out of \$1,882,051.

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 \$5,954,549, an increase over last year of \$192,112. This is primarily due to higher power sales for Lancaster Choice Energy as a result of rate increases and high heat events during the summer months that increased energy consumption and sales.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual amount of expenditures for the General Fund at year-end were \$20,639,126 less than the final budget to include transfers. 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. Additionally, the City remained conservative in its revenue estimates as a result of projected losses due to the ongoing COVID 19 restrictions. Sales taxes well exceeded expectations and an additional flow of resources from the Federal Government in the form of the CARES Act and ARPA stimulus also resulted in large positive variances from budget. As a result of the decreased spending and increased revenues, the City was still able to see a net positive \$33,445,231 in actuals over appropriations.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets. At the end of FY 2022, the City had \$899.1 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 requested \$78 million in new capital projects through fiscal 2021-22 on new projects. Funding will come from current fund balances and projected revenues. The most significant projects include SR 14 interchange projects, City Hall facelift, pavement management program, and other citywide facility upgrades.

**CAPITAL ASSETS
(in Thousands)**

	Governmental Activities	Business-type Activities	Total Capital Assets
Land	\$ 29,796		\$ 29,796
Structures and Improvements	76,457		76,457
Furniture and Equipment	17,615		17,615
Infrastructure	1,775,488		1,775,488
Construction in Progress	75,534		75,534
Right of Use Assets	79		79
Intangible Assets	-	23,487	23,487
Accumulated Depreciation	(1,075,861)	(9,864)	(1,085,725)
Net Capital Assets	<u>\$ 899,109</u>	<u>\$ 13,622</u>	<u>\$ 912,731</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 decreased by \$2.4 Million from the prior year. This is due to the payments against outstanding debt without the issuance of new debt. As of June 30, 2022, the City of Lancaster had accrued employee benefits outstanding of \$3,776,848.

The City's AA credit rating remained unchanged for FY 21/22.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

On June 28, 2022, the City Council adopted and approved the budget for FY 22/23 along with the Five-Year Capital Improvement Program. Appropriations (including transfers) of \$284.4 million were adopted for the 22/23 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 35% of operating expenditures. This is split into Working Capital, Emergency Operational, Emergency Response, and Business Opportunity/Investment reserves.

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.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2022**

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. Taxes overall represent 25.0% of total revenues 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.

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 George Harris, Director of Finance or ViriDiana Iguaran, Assistant Director of Finance, at the City of Lancaster, 44933 Fern Avenue, Lancaster, CA 93534, or by phone at (661)723-6037.

FINANCIAL STATEMENTS

**CITY OF LANCASTER
STATEMENT OF NET POSITION
JUNE 30, 2022**

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 117,002,764	\$ 9,223,759	\$ 126,226,523
Cash and Investments - Held Separately by CCEA	-	1,813,701	1,813,701
Receivables:			
Accounts	6,040,407	18,796,151	24,836,558
Taxes	10,609,359	-	10,609,359
Accrued Interest	234,140	-	234,140
Leases	974,371	-	974,371
Due from Other Governments	10,914,345	349,716	11,264,061
Notes and Loans	5,395,713	-	5,395,713
Deposits	-	147,000	147,000
Prepaid Items	537,753	3,160,449	3,698,202
Internal Balances	9,732,611	(9,732,611)	-
Inventories	58,392	-	58,392
Land Held for Resale	42,544,258	-	42,544,258
Advances to Successor Agency	63,875,405	-	63,875,405
Restricted Assets:			
Cash and Investments	58,062,674	67	58,062,741
Capital Assets:			
Nondepreciable	105,330,162	-	105,330,162
Depreciable	793,779,057	13,622,329	807,401,386
Total Assets	<u>1,225,091,411</u>	<u>37,380,561</u>	<u>1,262,471,972</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Pension Plan	9,064,028	-	9,064,028
Deferred Amounts on OPEB	3,945,943	-	3,945,943
Total Deferred Outflows of Resources	<u>13,009,971</u>	<u>-</u>	<u>13,009,971</u>
LIABILITIES			
Accounts Payable	24,690,862	10,720,560	35,411,422
Accrued Liabilities	4,666,720	69,356	4,736,076
Accrued Interest	396,400	64,030	460,430
Unearned Revenues	3,187,732	677,298	3,865,030
Deposits Payable	2,075,910	1,055,603	3,131,513
Due to Other Governments	-	511,546	511,546
Noncurrent Liabilities:			
Due Within One Year - Other	5,777,006	735,000	6,512,006
Due in More than One Year:			
Other	81,198,362	17,592,619	98,790,981
Net Pension Liability	46,286,308	-	46,286,308
Net OPEB Liability	8,708,789	-	8,708,789
Total Liabilities	<u>176,988,089</u>	<u>31,426,012</u>	<u>208,414,101</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Leases	945,776	-	945,776
Deferred Amounts on Pension Plan	16,087,115	-	16,087,115
Deferred Amounts on OPEB	7,665,187	-	7,665,187
Total Deferred Inflows of Resources	<u>24,698,078</u>	<u>-</u>	<u>24,698,078</u>
NET POSITION			
Net Investment in Capital Assets	834,367,384	(4,705,290)	829,662,094
Restricted for:			
Community Development Projects	2,888,855	-	2,888,855
Public Safety	333,815	-	333,815
Parks, Recreation, and Arts	2,831,590	-	2,831,590
Development Services	45,899,373	-	45,899,373
Housing and Neighborhood Revitalization	83,347,878	-	83,347,878
Capital Projects	13,522,224	-	13,522,224
Unrestricted	53,224,096	10,659,839	63,883,935
Total Net Position	<u>\$ 1,036,415,215</u>	<u>\$ 5,954,549</u>	<u>\$ 1,042,369,764</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 27,689,637	\$ 287,009	\$ 30,184,295	\$ -
Public Safety	35,132,514	802,251	1,036,721	-
Community Development	664,521	653,198	2,199,279	-
Parks, Recreation, and Arts	25,614,746	2,499,106	362,372	-
Development Services	65,722,004	20,552,067	26,385,825	10,047,212
Housing and Neighborhood Revitalization	7,758,697	12	129,001	-
Interest and Other Charges	2,551,057	-	-	-
Total Governmental Activities	<u>165,133,176</u>	<u>24,793,643</u>	<u>60,297,493</u>	<u>10,047,212</u>
BUSINESS-TYPE ACTIVITIES				
Lancaster Power Authority	1,947,106	1,911,332	-	-
Lancaster Choice Energy	51,194,116	51,692,560	-	-
California Choice Energy Authority	7,081,730	7,206,199	-	-
Total Business-Type Activities	<u>60,222,952</u>	<u>60,810,091</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 225,356,128</u>	<u>\$ 85,603,734</u>	<u>\$ 60,297,493</u>	<u>\$ 10,047,212</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2022**

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ 2,781,667	\$ -	\$ 2,781,667
Public Safety	(33,293,542)	-	(33,293,542)
Community Development	2,187,956	-	2,187,956
Parks, Recreation, and Arts	(22,753,268)	-	(22,753,268)
Development Services	(8,736,900)	-	(8,736,900)
Housing and Neighborhood Revitalization	(7,629,684)	-	(7,629,684)
Interest and Other Charges	(2,551,057)	-	(2,551,057)
Total Governmental Activities	<u>(69,994,828)</u>	-	<u>(69,994,828)</u>
BUSINESS-TYPE ACTIVITIES			
Lancaster Power Authority	-	(35,774)	(35,774)
Lancaster Choice Energy	-	498,444	498,444
California Choice Energy Authority	-	124,469	124,469
Total Business-Type Activities	<u>-</u>	<u>587,139</u>	<u>587,139</u>
Total Primary Government	(69,994,828)	587,139	(69,407,689)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes, Levied for General Purposes	27,184,193	-	27,184,193
Franchise Taxes	9,261,656	-	9,261,656
Transient Occupancy Taxes	2,709,026	-	2,709,026
Business Licenses Taxes	1,364,377	-	1,364,377
Other Taxes	1,027,933	-	1,027,933
Intergovernmental	186,425	-	186,425
Intergovernmental - State Shared Sales Tax	50,950,947	-	50,950,947
Investment Earnings	(1,397,099)	182	(1,396,917)
Miscellaneous	9,577,174	551,588	10,128,762
Gain on Sale of Property	801,949	-	801,949
Transfers	946,797	(946,797)	-
Total General Revenues and Transfers	<u>102,613,378</u>	<u>(395,027)</u>	<u>102,218,351</u>
CHANGE IN NET POSITION	32,618,550	192,112	32,810,662
Net Position - Beginning of Year	<u>1,003,796,665</u>	<u>5,762,437</u>	<u>1,009,559,102</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 1,036,415,215</u>	<u>\$ 5,954,549</u>	<u>\$ 1,042,369,764</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General	Special Revenue Funds		Debt Service Fund
		Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
ASSETS				
Pooled Cash and Investments	\$ 28,526,918	\$ 15,952,918	\$ -	\$ -
Receivables:				
Accounts	2,247,598	8	-	-
Taxes	9,438,627	-	-	-
Accrued Interest	234,140	-	-	-
Leases	974,371	-	-	-
Due from Other Governments	10,717	-	7,020,328	-
Notes and Loans, Net	1,039,376	3,766,276	-	-
Prepaid Items	507,965	-	-	-
Due from Other Funds	66,812,094	-	-	-
Inventories	58,392	-	-	-
Land Held for Resale	-	42,319,492	-	-
Advances to Successor Agency	44,210,447	19,664,958	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	58,062,674
Total Assets	<u>\$ 154,060,645</u>	<u>\$ 81,703,652</u>	<u>\$ 7,020,328</u>	<u>\$ 58,062,674</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 7,658,141	\$ 51,988	\$ -	\$ -
Accrued Liabilities	2,237,190	15,130	-	-
Unearned Revenues	95,006	-	-	-
Deposits Payable	2,075,910	-	-	-
Due to Other Funds	-	-	9,896,787	44,227,376
Total Liabilities	<u>12,066,247</u>	<u>67,118</u>	<u>9,896,787</u>	<u>44,227,376</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	945,776	-	-	-
Unavailable Revenues	19,137,111	4,650,320	-	-
Total Deferred Inflows of Resources	<u>20,082,887</u>	<u>4,650,320</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Notes and Loans	1,039,376	-	-	-
Prepaid Items	507,965	-	-	-
Inventories	58,392	-	-	-
Advances to Successor Agency	25,609,169	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	76,986,214	-	-
Capital Projects	-	-	-	13,835,298
Committed:				
Contingency Reserve	47,957,898	-	-	-
Assigned:				
Employee Benefits	3,434,823	-	-	-
Legal Claims	3,113,000	-	-	-
Capital Projects	7,585,171	-	-	-
Unassigned	32,605,717	-	(2,876,459)	-
Total Fund Balances (Deficit)	<u>121,911,511</u>	<u>76,986,214</u>	<u>(2,876,459)</u>	<u>13,835,298</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 154,060,645</u>	<u>\$ 81,703,652</u>	<u>\$ 7,020,328</u>	<u>\$ 58,062,674</u>

See accompanying Notes to Financial Statements.

CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022

	Capital Projects Fund Capital Projects	Other Governmental Funds	Total Governmental Funds
ASSETS			
Pooled Cash and Investments	\$ 19,280,946	\$ 53,241,982	\$ 117,002,764
Receivables:			
Accounts	-	3,792,801	6,040,407
Taxes	-	1,170,732	10,609,359
Accrued Interest	-	-	234,140
Leases	-	-	974,371
Due from Other Governments	-	3,883,300	10,914,345
Notes and Loans, Net	-	590,061	5,395,713
Prepaid Items	-	29,788	537,753
Due from Other Funds	-	-	66,812,094
Inventories	-	-	58,392
Land Held for Resale	-	224,766	42,544,258
Advances to Successor Agency	-	-	63,875,405
Restricted Assets:			
Cash and Investments with Fiscal Agents	-	-	58,062,674
Total Assets	\$ 19,280,946	\$ 62,933,430	\$ 383,061,675
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 15,735,796	\$ 1,244,937	\$ 24,690,862
Accrued Liabilities	1,663,099	751,301	4,666,720
Unearned Revenues	-	3,092,726	3,187,732
Deposits Payable	-	-	2,075,910
Due to Other Funds	-	2,955,320	57,079,483
Total Liabilities	17,398,895	8,044,284	91,700,707
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Leases	-	-	945,776
Unavailable Revenues	-	4,322,844	28,110,275
	-	4,322,844	29,056,051
FUND BALANCES			
Nonspendable:			
Notes and Loans	-	-	1,039,376
Prepaid Items	-	29,788	537,753
Inventories	-	-	58,392
Advances to Successor Agency	-	-	25,609,169
Restricted:			
Community Development Projects	-	2,791,770	2,791,770
Public Safety	-	333,815	333,815
Parks, Recreation, and Arts	-	2,831,590	2,831,590
Development Services	-	45,899,373	45,899,373
Housing and Neighborhood Revitalization	-	1,711,344	78,697,558
Capital Projects	-	-	13,835,298
Committed:			
Contingency Reserve	-	-	47,957,898
Assigned:			
Employee Benefits	-	-	3,434,823
Legal Claims	-	-	3,113,000
Capital Projects	1,882,051	-	9,467,222
Unassigned	-	(3,031,378)	26,697,880
Total Fund Balances (Deficit)	1,882,051	50,566,302	262,304,917
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,280,946	\$ 62,933,430	\$ 383,061,675

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances - Total Governmental Funds \$ 262,304,917

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	1,974,969,882
Accumulated Depreciation	<u>(1,075,860,663)</u>
	899,109,219

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 expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Balances as of June 30, 2022, are:

Bonds, Notes, Loans, and Leases Payable	(80,144,519)
Claims and Judgments	(3,054,000)
Compensated Absences	<u>(3,776,849)</u>
	(86,975,368)

The net pension liability 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	9,064,028
Net Pension Liability	<u>(46,286,308)</u>
	(53,309,395)

The net OPEB liability 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 inflows 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	3,945,943
Deferred Inflows of Resources	(7,665,187)
Net OPEB Liability	<u>(8,708,789)</u>
	(12,428,033)

Accrued interest payable for the current portion of interest due on bonds is not reported in the governmental funds

(396,400)

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>28,110,275</u>
----------------------	-------------------

Net Position of Governmental Activities \$ 1,036,415,215

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	General	Special Revenue Funds		Debt Service Fund
		Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
REVENUES				
Taxes	\$ 63,086,138	\$ -	\$ -	\$ -
Licenses and Permits	7,472,997	-	-	-
Intergovernmental	55,404,803	-	7,020,329	-
Charges for Services	2,434,116	-	-	-
Investment Earnings	(1,625,182)	23,765	-	50,031
Fines and Forfeitures	758,010	-	-	-
Contributions	-	-	-	-
Rental Income	25,613	-	-	-
Gain from Sale of Land Held for Resale	-	570,576	-	-
Miscellaneous	9,466,070	12,016	-	-
Total Revenues	137,022,565	606,357	7,020,329	50,031
EXPENDITURES				
Current:				
General Government	32,756,057	-	-	1,575
Public Safety	35,083,490	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	20,747,670	-	-	-
Development Services	19,731,144	-	-	-
Housing and Neighborhood Revitalization	-	7,670,746	-	-
Capital Outlay	1,764,793	-	620,173	42,263,511
Debt Service:				
Principal Retirement	504,964	-	-	1,030,000
Interest and Fiscal Charges	49,280	-	-	2,521,381
Total Expenditures	110,637,398	7,670,746	620,173	45,816,467
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	26,385,167	(7,064,389)	6,400,156	(45,766,436)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	576,405	-	-	-
Lease Proceeds	62,519	-	-	-
Transfers In	9,440,627	-	-	3,551,354
Transfers Out	(758,771)	(585,185)	(7,933,429)	-
Total Other Financing Sources (Uses)	9,320,780	(585,185)	(7,933,429)	3,551,354
NET CHANGE IN FUND BALANCES	35,705,947	(7,649,574)	(1,533,273)	(42,215,082)
Fund Balances (Deficit) - Beginning of Year	86,205,564	84,635,788	(1,343,186)	56,050,380
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 121,911,511	\$ 76,986,214	\$ (2,876,459)	\$ 13,835,298

See accompanying Notes to Financial Statements.

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	<u>Capital Projects Fund Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES			
Taxes	\$ -	\$ 4,420,704	\$ 67,506,842
Licenses and Permits	-	2,836,051	10,309,048
Intergovernmental	-	33,420,373	95,845,505
Charges for Services	-	10,107,545	12,541,661
Investment Earnings	-	88,754	(1,462,632)
Fines and Forfeitures	-	216,247	974,257
Contributions	-	59,454	59,454
Rental Income	-	-	25,613
Gain from Sale of Land Held for Resale	-	-	570,576
Miscellaneous	-	21,266	9,499,352
Total Revenues	<u>-</u>	<u>51,170,394</u>	<u>195,869,676</u>
EXPENDITURES			
Current:			
General Government	-	1,845,988	34,603,620
Public Safety	-	-	35,083,490
Community Development	-	236,622	236,622
Parks, Recreation, and Arts	-	2,982,020	23,729,690
Development Services	-	16,718,026	36,449,170
Housing and Neighborhood Revitalization	-	87,951	7,758,697
Capital Outlay	23,497	18,211,998	62,883,972
Debt Service:			
Principal Retirement	-	807,672	2,342,636
Interest and Fiscal Charges	-	405,972	2,976,633
Total Expenditures	<u>23,497</u>	<u>41,296,249</u>	<u>206,064,530</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(23,497)	9,874,145	(10,194,854)
OTHER FINANCING SOURCES (USES)			
Sale of Capital Assets	-	-	576,405
Bond Premium	-	-	62,519
Transfers In	-	7,582,583	20,574,564
Transfers Out	-	(10,350,382)	(19,627,767)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(2,767,799)</u>	<u>1,585,721</u>
NET CHANGE IN FUND BALANCES	(23,497)	7,106,346	(8,609,133)
Fund Balances - Beginning of Year	<u>1,905,548</u>	<u>43,459,956</u>	<u>270,914,050</u>
FUND BALANCES - END OF YEAR	<u>\$ 1,882,051</u>	<u>\$ 50,566,302</u>	<u>\$ 262,304,917</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

P

Net Change in Fund Balances - Total Governmental Funds \$ (8,609,133)

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	62,006,051
Contributed Capital Assets	6,324,408
Disposals	(132,842)
Depreciation Expense	<u>(37,299,081)</u>
	30,898,536

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.

Principal Payments	2,342,636
Leases	(62,519)
Amortization of Bond Premium	<u>407,088</u>
	2,687,205

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	(320,626)
Change in Claims Payable	<u>59,000</u>
	(261,626)

Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.

18,488

OPEB expenditures 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.

2,667,375

Pension expenditures 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.

4,858,857

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.

358,848

Change in Net Position of Governmental Activities **\$ 32,618,550**

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 86,205,564	\$ 86,205,564	\$ 86,205,564	\$ -
RESOURCES (INFLOWS)				
Taxes	49,516,578	58,270,984	63,086,138	4,815,154
Licenses and Permits	4,778,987	6,434,370	7,472,997	1,038,627
Intergovernmental	24,655,903	47,257,720	55,404,803	8,147,083
Charges for Services	3,261,544	3,089,008	2,434,116	(654,892)
Investment Earnings	1,212,787	1,136,337	(1,625,182)	(2,761,519)
Fine and Forfeitures	646,623	646,623	758,010	111,387
Rental Income	-	525,000	25,613	(499,387)
Miscellaneous	10,291,629	9,445,557	9,466,070	20,513
Sale of Capital Assets	36,969	267,942	576,405	308,463
Lease Proceeds	-	-	62,519	62,519
Transfers In	9,602,325	7,222,470	9,440,627	2,218,157
Amounts Available for Appropriations	<u>104,003,345</u>	<u>134,296,011</u>	<u>147,102,116</u>	<u>12,806,105</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	24,560,203	37,081,078	32,756,057	4,325,021
Public Safety	36,660,447	36,916,992	35,083,490	1,833,502
Parks, Recreation, and Arts	21,674,665	23,662,986	20,747,670	2,915,316
Development Services	15,982,885	24,895,879	19,731,144	5,164,735
Capital Outlay	-	38,772	1,764,793	(1,726,021)
Debt Service:				
Principal Retirement	568,876	568,876	504,964	63,912
Interest and Fiscal Charges	64,606	64,606	49,280	15,326
Transfers Out	487,282	8,806,106	758,771	8,047,335
Total Charges to Appropriations	<u>99,998,964</u>	<u>132,035,295</u>	<u>111,396,169</u>	<u>20,639,126</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 90,209,945</u>	<u>\$ 88,466,280</u>	<u>\$ 121,911,511</u>	<u>\$ 33,445,231</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
LANCASTER HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 84,635,788	\$ 84,635,788	\$ 84,635,788	\$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	23,765	23,765
Gain from Sale of Land Held for Resale	-	-	570,576	570,576
Miscellaneous	140,365	140,365	12,016	(128,349)
Amounts Available for Appropriations	<u>84,776,153</u>	<u>84,776,153</u>	<u>85,242,145</u>	<u>465,992</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Housing and Neighborhood Revitalization	1,823,616	1,192,846	7,670,746	(6,477,900)
Transfers Out	574,528	178,192	585,185	(406,993)
Total Charges to Appropriations	<u>2,398,144</u>	<u>1,371,038</u>	<u>8,255,931</u>	<u>(6,884,893)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 82,378,009</u>	<u>\$ 83,405,115</u>	<u>\$ 76,986,214</u>	<u>\$ (6,418,901)</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (1,343,186)	\$ (1,343,186)	\$ (1,343,186)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	14,699,565	14,699,565	7,020,329	(7,679,236)
Amounts Available for Appropriations	13,356,379	13,356,379	5,677,143	(7,679,236)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	620,173	(620,173)
Transfers Out	8,332,792	9,319,566	7,933,429	1,386,137
Total Charges to Appropriations	8,332,792	9,319,566	8,553,602	765,964
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,023,587</u>	<u>\$ 4,036,813</u>	<u>\$ (2,876,459)</u>	<u>\$ (6,913,272)</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022**

	Business-Type Activities Enterprise Funds			Total
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor	
			California Choice Energy Authority	
ASSETS				
Current Assets:				
Cash and Investments - Pooled with City	\$ 4,227,538	\$ 4,996,221	\$ -	\$ 9,223,759
Cash and Investments	-	-	1,813,701	1,813,701
Receivables:				
Accounts	818,924	17,173,346	803,881	18,796,151
Due from Other Governments	-	349,716	-	349,716
Deposits	-	147,000	-	147,000
Prepaid Items	-	3,111,008	49,441	3,160,449
Restricted Assets:				
Cash and Investments	67	-	-	67
Total Current Assets	<u>5,046,529</u>	<u>25,777,291</u>	<u>2,667,023</u>	<u>33,490,843</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable	13,622,329	-	-	13,622,329
Total Noncurrent Assets	<u>13,622,329</u>	<u>-</u>	<u>-</u>	<u>13,622,329</u>
Total Assets	<u>18,668,858</u>	<u>25,777,291</u>	<u>2,667,023</u>	<u>47,113,172</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	38,262	10,016,393	665,905	10,720,560
Accrued Liabilities	-	69,356	-	69,356
Interest Payable	64,030	-	-	64,030
Unearned Revenues	15,105	640,000	22,193	677,298
Due to Other Governments	-	-	511,546	511,546
Due to Other Funds	-	9,732,611	-	9,732,611
Deposits	-	100,000	955,603	1,055,603
Current Portion of Long-Term Liabilities	735,000	-	-	735,000
Total Current Liabilities	<u>852,397</u>	<u>20,558,360</u>	<u>2,155,247</u>	<u>23,566,004</u>
Long-Term Liabilities				
Noncurrent Portion of Long-Term Liabilities	17,592,619	-	-	17,592,619
Total Long-Term Liabilities	<u>17,592,619</u>	<u>-</u>	<u>-</u>	<u>17,592,619</u>
Total Liabilities	<u>18,445,016</u>	<u>20,558,360</u>	<u>2,155,247</u>	<u>41,158,623</u>
NET POSITION				
Net Investment in Capital Assets	(4,705,290)	-	-	(4,705,290)
Unrestricted	4,929,132	5,218,931	511,776	10,659,839
Total Net Position	<u>\$ 223,842</u>	<u>\$ 5,218,931</u>	<u>\$ 511,776</u>	<u>\$ 5,954,549</u>

See accompanying Notes to Financial Statements.

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022

	Business-Type Activities Enterprise Funds			Total
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor	
			California Choice Energy Authority	
OPERATING REVENUES				
Sales and Service Charges	\$ 1,911,332	\$ 51,692,560	\$ 7,206,199	\$ 60,810,091
Total Operating Revenues	<u>1,911,332</u>	<u>51,692,560</u>	<u>7,206,199</u>	<u>60,810,091</u>
OPERATING EXPENSES				
Purchased Power	-	47,600,788	-	47,600,788
Administration and General	3,199	3,593,328	7,081,730	10,678,257
Depreciation Expense	939,471	-	-	939,471
Total Operating Expenses	<u>942,670</u>	<u>51,194,116</u>	<u>7,081,730</u>	<u>59,218,516</u>
OPERATING INCOME (LOSS)	968,662	498,444	124,469	1,591,575
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	182	-	-	182
Other Nonoperating Income (Loss)	(425,219)	551,588	-	126,369
Interest Expense	(579,217)	-	-	(579,217)
Total Nonoperating Revenue (Expenses)	<u>(1,004,254)</u>	<u>551,588</u>	<u>-</u>	<u>(452,666)</u>
INCOME (LOSS) BEFORE TRANSFERS	(35,592)	1,050,032	124,469	1,138,909
TRANSFERS				
Transfers Out	(11,505)	(935,292)	-	(946,797)
Total Transfers	<u>(11,505)</u>	<u>(935,292)</u>	<u>-</u>	<u>(946,797)</u>
CHANGE IN NET POSITION	(47,097)	114,740	124,469	192,112
Net Position - Beginning of Year	<u>270,939</u>	<u>5,104,191</u>	<u>387,307</u>	<u>5,762,437</u>
NET POSITION (DEFICIT) - END OF YEAR	<u>\$ 223,842</u>	<u>\$ 5,218,931</u>	<u>\$ 511,776</u>	<u>\$ 5,954,549</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Business-Type Activities			Total
	Enterprise Funds			
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received From Customers and Users	\$ 794,413	\$ 46,670,940	\$ 7,963,450	\$ 55,428,803
Cash Paid to Suppliers for Goods and Services	35,063	(50,015,826)	(7,040,633)	(57,021,396)
Net Cash Provided (Used) by Operating Activities	829,476	(3,344,886)	922,817	(1,592,593)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received From Other Funds	-	7,064,733	-	7,064,733
Cash Paid to Other Funds	(11,505)	(935,292)	-	(946,797)
Net Cash Provided (Used) by Noncapital Financing Activities	(11,505)	6,129,441	-	6,117,936
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Capital Debt	(1,979,478)	-	-	(1,979,478)
Interest Paid on Capital Debt	(633,965)	-	-	(633,965)
Net Cash Used by Capital and Related Financing Activities	(2,613,443)	-	-	(2,613,443)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	182	-	-	182
Net Cash Provided by Investing Activities	182	-	-	182
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,795,290)	2,784,555	922,817	1,912,082
Cash and Cash Equivalents - Beginning of Year	6,022,895	2,211,666	890,884	9,125,445
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 4,227,605</u>	<u>\$ 4,996,221</u>	<u>\$ 1,813,701</u>	<u>\$ 11,037,527</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 968,662	\$ 498,444	\$ 124,469	\$ 1,591,575
Adjustments to Reconcile Operating Income (Loss)				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(635,580)	(5,635,524)	(121,627)	(6,392,731)
(Increase) Decrease in Due from Other Governments	-	(237,684)	255,073	17,389
(Increase) Decrease in Prepaid Items	-	(2,817,008)	(7,149)	(2,824,157)
Increase (Decrease) in Accounts Payable	38,262	3,980,032	11,117	4,029,411
Increase (Decrease) in Accrued Liabilities	-	15,266	-	15,266
Increase (Decrease) in Due to Other Governments	-	-	566,138	566,138
Increase (Decrease) in Unearned Revenues	(56,120)	400,000	22,193	366,073
Increase (Decrease) in Deposits	-	(100,000)	72,603	(27,397)
Net Cash Provided (Used) by Operating Activities	<u>\$ 829,476</u>	<u>\$ (3,344,886)</u>	<u>\$ 922,817</u>	<u>\$ (1,592,593)</u>

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022**

	Private-Purpose Trust Fund	Custodial Funds
	Successor Agency of the Former RDA	
ASSETS		
Pooled Cash and Investments	\$ 17,829,851	\$ 309,251
Receivables:		
Accounts	9,007	53,830
Taxes	-	298
Notes and Loans, Net	96,035	-
Accrued Interest	19,466	-
Restricted Assets:		
Cash and Investments with Fiscal Agents	2,644,596	2,185
Total Assets	20,598,955	365,564
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Losses on Debt Refundings	4,573,754	-
LIABILITIES		
Accounts Payable	1,800	-
Interest Payable	2,287,187	-
Deposits Payable	-	184,411
Advances from City of Lancaster	63,875,405	-
Long-Term Liabilities:		
Due in One Year	9,893,000	-
Due in More Than One Year	140,841,923	-
Total Liabilities	216,899,315	184,411
DEFERRED INFLOWS OF RESOURCES		
Deferred Gains on Debt Refundings	957,871	-
NET POSITION		
Held in Trust for Other Purposes	(192,684,477)	-
Restricted for Bondholders	-	181,153
Total Net Position	\$ (192,684,477)	\$ 181,153

See accompanying Notes to Financial Statements.

**CITY OF LANCASTER
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2022**

	Private-Purpose Trust Fund		Custodial Funds
	Successor Agency of the Former RDA		
ADDITIONS			
Taxes	\$ 17,654,784		\$ -
Intergovernmental - Other	2,526,000		-
Investment Income (Loss)	(105,148)		-
Rental Income	16,500		-
Miscellaneous	6,661		-
Total Additions	20,098,797		-
DEDUCTIONS			
Administrative Expenses	219,854		908
Cost of Debt Issuance	148,816		-
Payment of Special Tax Debt	6,419,145		-
Remittance to the County of Los Angeles	-		-
Total Deductions	6,787,815		908
CHANGE IN NET POSITION	13,310,982		(908)
Net Position (Deficit) - Beginning of Year	(205,995,459)		182,061
NET POSITION (DEFICIT) - END OF YEAR	\$ (192,684,477)		\$ 181,153

See accompanying Notes to Financial Statements.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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. 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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Reporting Entity (Continued)

The Lancaster Financing Authority Debt Service Fund (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.

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

Government-Wide Financial Statements (Continued)

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.

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.

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 another 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 and custodial funds.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

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).

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 classified as nonspendable fund balance to indicate that it is not available for appropriation and is not an expendable available financial resource.

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Accounting and Measurement Focus (Continued)

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 another 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.

The City's fiduciary funds are accounted for using the economic resources measurement focus and accrual basis of accounting. 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.

Transportation Development Authority Special Revenue Fund – This fund is used to account for restricted funds associated with the Transportation Development Act. The funding is provided to support transportation planning and mass transportation purposes.

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

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Classifications (Continued)

Capital Project Capital Projects Fund – This fund is used to account for various capital projects funded by federal, state, or local agencies.

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 nonprofit 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.

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.

Custodial 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 Custodial 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.
- Deposits – to account for deposits held on behalf of the Downtown Lancaster Association.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

GASB Statement No. 87, Leases

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized 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. Under this standard, a lessee is required to recognize a lease liability and a right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

The City adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption. There was no change to beginning net position as a result of the implementation of this standard. The City is reporting lease receivables and deferred inflows of resources related to leases disclosed in Note 5, and right-to-use assets and lease liabilities in Note 8.

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).

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."

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 when 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.

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.

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:

Structures and Improvements	40 Years
Furniture and Equipment	7 to 10 Years
Infrastructure	50 Years

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases

Lessee

The City is a lessee for noncancellable leases equipment. The City recognizes a lease liability and a right-to-use lease asset (lease asset) in the applicable governmental activities or business-type activities in the government-wide and in the proprietary fund financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and the purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor

The City is a lessor for a noncancellable leases of land and buildings. The City recognizes lease receivables and a deferred inflow of resources in the applicable governmental activities in the government-wide and in the governmental fund financial statements.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Leases (Continued)

Lessor (Continued)

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee. The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

L. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to debt refunding, pensions, and other postemployment benefits. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred outflows on pension and other postemployment benefits are more fully discussed in Notes 9 and 10.

In addition to liabilities, the statement of financial position and the governmental funds balance sheet includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements, the City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits, which are more fully discussed in Notes 9 and 10. The statement of net position and the governmental funds balance sheet also reports a deferred inflow of resources related to leases. The deferred gain on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price is deferred and amortized over the shorter of the life of the refunded or refunding debt.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The City has reported deferred inflows of resources related to unavailable revenues for grants. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

M. 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.

N. Land Held for Resale

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.

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

O. 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.

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. 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. 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.

Q. 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.

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance Classification (Continued)

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.

R. 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.

S. Postemployment 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.

T. 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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 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. Encumbrances are included in the general fund's assigned fund balance under capital projects for \$7,585,171. 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 accounting principles generally accepted in the United States of America.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2022:

	Final Budget	Actual	Variance With Final Budget
Major Funds:			
General Fund			
Capital Outlay	\$ 38,772	\$ 1,764,793	\$ (1,726,021)
Lancaster Housing Authority			
Housing and Neighborhood Revitalization	1,192,846	7,670,746	(6,477,900)
Transportation Development Authority			
Capital Outlay	-	620,173	(620,173)
Other Governmental Special Revenue Funds:			
Gas Tax:			
Capital Outlay	-	620,986	(620,986)
Proposition A			
Capital Outlay	-	898,193	(898,193)
Bikeway Improvement			
Capital Outlay	-	172,444	(172,444)
Proposition C			
Capital Outlay	-	887,483	(887,483)
Federal Grant			
Capital Outlay	-	3,946,749	(3,946,749)
State Grant			
Community Development	99,704	122,093	(22,389)
Capital Outlay	-	152,665	(152,665)
Park Development			
Capital Outlay	-	311,498	(311,498)
Developer Fees - Signals			
Capital Outlay	-	57,125	(57,125)
Developer Fees - Drainage			
Capital Outlay	-	1,892,658	(1,892,658)
Traffic Impact			
Capital Outlay	-	440,286	(440,286)
Biological Impact Fees			
Development Services	-	66,541	(66,541)
AQMD			
Community Development	-	47,500	(47,500)
Landscape Drainage Maintenance District:			
Debt Service - Principal Retirement	-	32,672	(32,672)
Debt Service - Interest and Fiscal Charges	-	2,026	(2,026)
MTA Grant			
Capital Outlay	-	603,994	(603,994)
Urban Structure Program			
Capital Outlay	-	443,185	(443,185)
Sewer Maintenance			
General Government	-	5,146	(5,146)
Measure R:			
Development Services	-	2,110	(2,110)
Capital Outlay	-	6,362,454	(6,362,454)
Measure M:			
Development Services	-	132,776	(132,776)
Capital Outlay	175,751	1,420,694	(1,244,943)
Lancaster Lighting District			
Interest and Fiscal Charges	-	388,281	(388,281)

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Net Position/Fund Balances

The following funds contained deficit fund balances as of June 30, 2022:

	Deficit Amount	
Transportation Development Authority Special Revenue Fund	\$ (2,876,459)	(3)
Other Governmental Special Revenue Funds		
Federal Grants Special Revenue Fund	(1,833,286)	(1)
State Grants Special Revenue Fund	(834,557)	(1)
AQMD	(92,031)	(2)
LA County Reimbursement	(27,110)	(1)
MTA Grant	(244,394)	(1)
Lancaster Choice Energy	(955,156)	(3)

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

NOTE 3 CASH AND INVESTMENTS

Cash and Investments

Cash and investments held by the City at June 30, 2022, are reported in the accompanying financial statements as follows:

Statement of Net Position	
Cash and Investments	\$ 126,226,523
Restricted:	
Cash and Investments	58,062,741
Statement of Fiduciary Assets and Liabilities	
Pooled Cash and Investments	18,139,102
Restricted:	
Cash and Investments with Fiscal Agents	2,646,781
Total Cash and Investments	<u>\$ 205,075,147</u>
Cash and Investments Consisted of the Following:	
Cash on Hand	\$ 2,192
Deposits with Financial Institutions	47,437,290
Investments	157,945,904
Total Cash and Investments	<u>\$ 205,385,386</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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 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, 2022, 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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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, 2022, the City invested in various MTNs and municipal bonds which were rated AA- or better by Standard & Poor's (S&P). At June 30, 2022, 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 U.S. government securities are not considered to have credit risk and, therefore, their credit quality is not disclosed.

As of June 30, 2022, 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, 2022, none of the City's deposits or investments were exposed to custodial credit risk.

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, 2022, 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 bond 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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

As of June 30, 2022, the City had the following investments and original maturities:

<u>Investment Type</u>	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	\$ 9,046,059	\$ 7,931,591	\$ 1,073,452	\$ -	\$ 18,051,102
United States Government Sponsored Agency Securities	2,637,801	8,628,087	-	-	11,265,888
Medium-Term Corporate Notes	1,301,820	5,310,076	-	-	6,611,896
Certificates of Deposit	150,980	-	-	-	150,980
Municipal Bonds	2,043,600	2,556,849	-	-	4,600,449
California Local Agency Investment Fund (LAIF)	56,541,633	-	-	-	56,541,633
Money Market Mutual Funds	16,684	-	-	-	16,684
Held by Fiscal Agent:					
Money Market Mutual Funds	60,707,272	-	-	-	60,707,272
Total	<u>\$ 132,445,849</u>	<u>\$ 24,426,603</u>	<u>\$ 1,073,452</u>	<u>\$ -</u>	<u>\$ 157,945,904</u>

Fair Value Measurements

The City categorizes its fair value measurement within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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).

The City has the following recurring fair value measurements as of June 30, 2022:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Treasury Securities	\$ 18,051,102	\$ -	\$ -	\$ 18,051,102
United States Government Sponsored Agency Securities	-	11,265,888	-	11,265,888
Medium-Term Corporate Notes	-	6,611,896	-	6,611,896
Certificates of Deposit	-	150,980	-	150,980
Municipal Bonds	-	4,600,449	-	4,600,449
Total Subject to Hierarchy	<u>\$ 18,051,102</u>	<u>\$ 22,629,213</u>	<u>\$ -</u>	<u>40,680,315</u>
LAIF (1)				56,541,633
Money Market Mutual Funds (1)				16,684
Held by Fiscal Agent:				
Money Market Mutual Funds (1)				60,707,272
Total Investment Portfolio				<u>\$ 157,945,904</u>

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

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 2022, were as follows:

	Loans and Notes Receivable Repayments	Loan Forgiveness/ Allowance Terms	Long-Term Lump-Sum Repayment Terms	Total
General Fund	\$ 1,702,489	\$ (624,770)	\$ (38,343)	\$ 1,039,376
Lancaster Housing Authority Special Revenue Fund	3,766,276	-	-	3,766,276
Other Governmental Funds HOME Program Special Revenue Fund	15,377,995	(14,787,934)	-	590,061
Total	<u>\$ 20,846,760</u>	<u>\$ (15,412,704)</u>	<u>\$ (38,343)</u>	<u>\$ 5,395,713</u>
Fiduciary Private-Purpose Trust Fund	<u>\$ 104,368</u>	<u>\$ (8,333)</u>	<u>\$ -</u>	<u>\$ 96,035</u>

Loan forgiveness/allowance is a reduction in the balance for the amount forgiven or allowed for based on assessment of collectability on the loans by the City during the fiscal year. The long-term lump-sum repayment terms reduces the loan balance for the payments received during the year.

NOTE 5 LEASE RECEIVABLE

The City, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2033 and provide for renewal options ranging from three months to six years. As of July 1, 2021, the City restated the financial statements to include \$1,258,128 in leases receivable with an offset of a similar amount to deferred inflows in the General Fund. During the year ended June 30, 2022, the City recognized \$312,352 and \$54,999 in lease revenue and interest revenue, respectively, pursuant to these contracts.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2022, was as follows:

Governmental Activities

	Balance at June 30, 2021 As Restated	Construction in Progress Transfers	Additions	Deletions	Balance at June 30, 2022
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land, as Restated	\$ 29,796,320	\$ -	\$ -	\$ -	\$ 29,796,320
Construction in Progress	55,815,158	(34,267,256)	53,985,940		75,533,842
Total Capital Assets, Not Depreciated	85,611,478	(34,267,256)	53,985,940	-	105,330,162
Capital Assets, Being Depreciated:					
Structures and Improvements	76,456,526	-	-	-	76,456,526
Furniture and Equipment	17,325,228	-	930,326	(640,085)	17,615,469
Right to Use Assets	17,267	-	62,519	-	79,786
Infrastructure	1,727,869,009	34,267,256	13,351,674	-	1,775,487,939
Total Capital Assets, Being Depreciated	1,821,668,030	34,267,256	14,344,519	(640,085)	1,869,639,720
Less Accumulated Depreciation for:					
Structures and Improvements	(38,045,094)	-	(1,522,829)	-	(39,567,923)
Furniture and Equipment	(12,828,270)	-	(986,365)	507,243	(13,307,392)
Right to Use Assets	-	-	(22,272)	-	(22,272)
Infrastructure	(988,195,461)	-	(34,767,615)	-	(1,022,963,076)
Total Accumulated Depreciation	(1,039,068,825)	-	(37,299,081)	507,243	(1,075,860,663)
Total Capital Assets, Being Depreciated, Net	782,599,205	34,267,256	(22,954,562)	(132,842)	793,779,057
Governmental Activities Capital Assets, Net	<u>\$ 868,210,683</u>	<u>\$ -</u>	<u>\$ 31,031,378</u>	<u>\$ (132,842)</u>	<u>\$ 899,109,219</u>

Depreciation expense was charged in the following functions in the statement of activities for the year ended June 30, 2022, as follows:

General Government	\$ 350,623
Development Services	34,635,503
Community Development	427,899
Parks, Recreation, and Arts	1,885,056
Total	<u>\$ 37,299,081</u>

Business-Type Activities

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance at June 30, 2021	Additions	Deletions	Balance at June 30, 2022
Capital Assets, Not Depreciated:				
Intangible Assets	\$ 23,486,774	\$ -	\$ -	\$ 23,486,774
Less Accumulated Depreciation for:				
Intangible Assets	(8,924,974)	(939,471)		(9,864,445)
Total Business-Type Activities Capital Assets, Net	<u>\$ 14,561,800</u>	<u>\$ (939,471)</u>	<u>\$ -</u>	<u>\$ 13,622,329</u>

The depreciation expense of \$939,471 was charged to the Lancaster Power Authority program for the year ended June 30, 2022.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

Due To/From Other Funds

Interfund receivable and payable balances at June 30, 2022, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund		
	Transportation Development Authority	\$ 9,896,787
	Lancaster Financing Authority	44,227,376
	Other Governmental Funds	2,955,320
	California Choice Energy Authority	
	Enterprise Fund	9,732,611
	Total	<u>\$ 66,812,094</u>

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

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

Transfers

The following schedule summarizes the City's transfer activity:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
General Fund	Lancaster Housing Authority Special Revenue Fund	\$ 585,185
	Transportation Special Revenue Fund	688,725
	Other Governmental Funds	7,245,371
	Lancaster Power Authority Enterprise Fund	11,505
	Lancaster Choice Energy Enterprise Fund	909,841
Lancaster Financing Authority Debt Service Fund	General Fund	593,860
	Other Governmental Funds	2,932,043
	Lancaster Choice Energy Enterprise Fund	25,451
Other Governmental Funds	General Fund	164,911
	Lancaster Housing Authority Special Revenue Fund	-
	Transportation Special Revenue Fund	7,244,704
	Other Governmental Funds	172,968
	Total	<u>\$ 20,574,564</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS (CONTINUED)

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

Transfers made to the Transportation Development Authority Special Revenue Fund were for project expenses.

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

Transfers made to Other Governmental Funds were to cover various operations and capital projects.

NOTE 8 LONG-TERM LIABILITIES

Governmental Activities

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2022, are as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due One Year	Due in More than One Year
Direct Borrowings:						
Section 108 Notes:						
Series 2015-A1	\$ 296,000	\$ -	\$ 95,000	\$ 201,000	\$ 99,000	\$ 102,000
Series 2015-A2	403,000	-	95,000	308,000	99,000	209,000
Equipment Agreements Payable	831,006	-	216,322	614,684	207,154	407,530
Loans	575,499	-	121,314	454,185	124,981	329,204
Settlement Agreement	1,200,000	-	200,000	1,000,000	200,000	800,000
Other Debt:						
Streetlight Acquisition						
Issue of 2016	12,060,000	-	585,000	11,475,000	605,000	10,870,000
Public Improvements Project						
Issue of 2018	13,820,000	-	275,000	13,545,000	290,000	13,255,000
Measure M & R Street Improvement						
Profit Issue of 2018	46,235,000	-	755,000	45,480,000	785,000	44,695,000
Unamortized Bond Premium	7,415,353	-	407,088	7,008,265	-	7,008,265
Other Long-Term Liabilities:						
Lease Payable	-	58,386	-	58,386	41,716	16,670
Accrued Employee Benefits	3,434,822	2,468,181	2,126,155	3,776,848	2,126,155	1,650,693
Claims and Judgements	3,113,000	602,586	661,586	3,054,000	1,199,000	1,855,000
Total Governmental Activities	<u>\$ 89,383,680</u>	<u>\$ 3,129,153</u>	<u>\$ 5,537,465</u>	<u>\$ 86,975,368</u>	<u>\$ 5,777,006</u>	<u>\$ 81,198,362</u>

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

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Section 108 Notes

Series 2015-A1

On August 7, 2003, the City issued \$1,450,000 of U.S. 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, 2022, was \$201,000.

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, 2022, was \$308,000.

The annual requirements to amortize the Section 108 Notes outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30.</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 198,000	\$ 11,187	\$ 209,187
2024	205,000	5,891	210,891
2025	106,000	1,510	107,510
Total	<u>\$ 509,000</u>	<u>\$ 18,588</u>	<u>\$ 527,588</u>

Equipment Agreements Payable

On March 1, 2011, the City entered into an equipment 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. The total cost of the equipment acquired under the 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, 2022, is \$531,969.

On August 1, 2016, the City entered into an equipment purchase agreement for vehicles. The total cost of the equipment acquired under the 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, 2022, is \$33,767.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Equipment Agreements Payable (Continued)

On February 22, 2017, the City entered into an equipment purchase agreement for vehicles. The total cost of the equipment acquired under the 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, 2022, is \$73.

On May 2, 2017, the City entered into an equipment purchase agreement for vehicles. The total cost of the equipment acquired under the agreement was \$246,407. The financing was obtained from National Cooperative on May 2, 2017, for \$246,407 with an interest rate of 5.09% per annum and annual payments of \$54,519. (May 2022). The note was paid off during the year.

On July 27, 2018, the City entered into an equipment purchase agreement for vehicles. The total cost of the equipment acquired under the 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 term (July 2023). The outstanding balance at June 30, 2022, is \$48,875.

The future payments debt service payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 207,253	\$ 25,461	\$ 232,714
2024	130,015	16,326	146,341
2025	135,732	10,608	146,340
2026	141,684	4,640	146,324
Total	<u>\$ 614,684</u>	<u>\$ 57,035</u>	<u>\$ 671,719</u>

Loans

In January 2011, the City entered into a loan agreement with the State of California Energy Resources Conservation and Development Commission for a 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, 2022, is \$454,185.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOPTÉ 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Loans (Continued)

The annual requirements to amortize the outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 124,981	\$ 12,698	\$ 137,679
2024	128,736	8,943	137,679
2025	132,649	5,030	137,679
2026	67,819	1,020	68,839
Total	<u>\$ 454,185</u>	<u>\$ 27,691</u>	<u>\$ 481,876</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, 2022, is \$11,475,000.

The bond indenture requires the City to maintain a bond reserve in the amount of \$975,606. To satisfy this requirement, the City purchased as municipal bond insurance policy. The annual requirements to amortize the outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 605,000	\$ 370,431	\$ 975,431
2024	620,000	352,056	972,056
2025	640,000	333,156	973,156
2026	660,000	313,656	973,656
2027	680,000	293,556	973,556
2028 - 2032	3,785,000	1,054,381	4,839,381
2033 - 2037	4,485,000	359,298	4,844,298
Total	<u>\$ 11,475,000</u>	<u>\$ 3,076,534</u>	<u>\$ 14,551,534</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, 2022, is \$13,545,000.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Lease Revenue Bonds (Continued)

Public Improvements Project, Issue of 2018 (Continued)

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 annual requirements to amortize the outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 290,000	\$ 559,631	\$ 849,631
2024	305,000	545,131	850,131
2025	320,000	529,881	849,881
2026	330,000	520,281	850,281
2027	345,000	503,781	848,781
2028 - 2032	2,015,000	2,240,906	4,255,906
2033 - 2037	2,490,000	1,761,175	4,251,175
2038 - 2042	2,995,000	1,258,013	4,253,013
2043 - 2047	3,635,000	611,600	4,246,600
2048	820,000	32,800	852,800
Total	<u>\$ 13,545,000</u>	<u>\$ 8,563,199</u>	<u>\$ 22,108,199</u>

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, 2022, is \$45,480,000.

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 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 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

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Lease Revenue Bonds (Continued)

Street Improvements Project, Issue of 2019 (Continued)

The annual requirements to amortize the outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	905,000	1,794,050	2,699,050
2027	950,000	1,748,800	2,698,800
2028 - 2032	5,530,000	7,980,500	13,510,500
2033 - 2037	6,915,000	6,592,600	13,507,600
2037 - 2042	9,450,000	5,073,800	14,523,800
2043 - 2047	13,205,000	2,835,800	16,040,800
2048 - 2049	6,050,000	365,400	6,415,400
Total	<u>\$ 45,480,000</u>	<u>\$ 32,024,600</u>	<u>\$ 77,504,600</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, 2022, is \$1,000,000.

Business-Type Activities

Changes in long-term liabilities for the business-type activities for the year ended June 30, 2022, are as follows:

	<u>Balance July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2022</u>	<u>Due One Year</u>	<u>Due in One Year</u>
Other Debt:						
2012A Solar Renewable Energy Revenue Bonds	\$ 20,655,000	\$ -	\$ 20,655,000	\$ -	\$ -	\$ -
Taxable Revenue Refunding Bonds, Series 2021	-	19,305,000	630,000	18,675,000	735,000	17,940,000
Unamortized Bond Discount	(371,357)	(363,538)	387,514	(347,381)	-	(347,381)
Total Business-Type Activities	<u>\$ 20,283,643</u>	<u>\$ 18,941,462</u>	<u>\$ 21,672,514</u>	<u>\$ 18,327,619</u>	<u>\$ 735,000</u>	<u>\$ 17,592,619</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. The 2012A Solar Renewable bonds were refunded in advance with the proceeds from the Taxable Revenue Refunding Bonds, Series 2021.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

Taxable Revenue Refunding Bonds, Series 2021

On October 1, 2021, the Lancaster Power Authority issued \$19,305,000 of Taxable Revenue Refunding Bonds, Series 2021. These bonds were used advance refund the 2021A Solar Renewable Energy Revenue Bonds, purchase a surety bonds for the reserve account, purchase a municipal bond insurance policy and pay costs of issuance. Principal on the bonds is due annually on November 1 and interest payments are due November 1 and April 1 of each year. The advance refunding resulted in cash flow difference of \$2.88 million and present value savings of 2.47 million.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 735,000	\$ 382,550	\$ 1,117,550
2024	785,000	378,878	1,163,878
2025	830,000	373,225	1,203,225
2026	945,000	364,041	1,309,041
2027	1,005,000	351,510	1,356,510
2028 - 2032	6,080,000	1,448,742	7,528,742
2033 - 2037	8,295,000	604,470	8,899,470
Total	<u>\$ 18,675,000</u>	<u>\$ 3,903,416</u>	<u>\$ 22,578,416</u>

Leases

The City leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2027.

Total future minimum lease payment are as follows:

<u>Year Ended June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 41,716	\$ 1,796	\$ 43,512
2024	5,491	654	6,145
2025	4,305	441	4,746
2026	4,525	221	4,746
2027	2,349	24	2,373
Total Minimum Lease Payments	<u>\$ 58,386</u>	<u>\$ 3,136</u>	<u>\$ 61,522</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Leases (Continued)

Right-to-use assets acquired through outstanding leases are shown below, by underlying asset class.

	Governmental Activities
Equipment	\$ 38,314
Buildings	41,472
Less: Accumulated Amortization	(22,272)
Total	<u>\$ 57,514</u>

NOTE 9 DEFINED BENEFIT PENSION PLANS

The following is a summary of pension-related items for the year ended June 30, 2022:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension (Income) Expense
CalPERS Miscellaneous	\$ 43,914,708	\$ 9,064,028	\$ (15,187,255)	\$ 3,940,299
PARS	2,371,600	-	(899,860)	(1,099,859)
Total	<u>\$ 46,286,308</u>	<u>\$ 9,064,028</u>	<u>\$ (16,087,115)</u>	<u>\$ 2,840,440</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 multiemployer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Miscellaneous 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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information About the Pension Plan (Continued)

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 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 Miscellaneous Plan's provisions and benefits in effect at June 30, 2022, are summarized as follows:

	Miscellaneous Plan		
	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	2.0% @ 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	12.13%	12.13%	12.13%
Payment of Unfunded Liability	\$ 4,902,008	\$ -	\$ -

Employees Covered

At the June 30, 2021, measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits	322
Inactive Employees Entitled to But Not Yet Receiving Benefits	508
Active Employees	247
Total	<u>1,077</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

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. The City made contributions to the plan during fiscal year ended June 30, 2022, of \$7,699,142.

Net Pension Liability

The City's net pension liability for the Miscellaneous 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, 2021, using an annual actuarial valuation as of June 30, 2020, rolled forward to June 30, 2021, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2020, actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous Plan</u>
Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.5%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Income	(3)

(1) Varies by entry age and service.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Actuarial Assumptions (Continued)

(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.

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

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10</u>	<u>Real Return Years 11+</u>
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	<u>100.00%</u>		

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

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

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-2021. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Changes in the Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 196,024,173	\$ 133,101,609	\$ 62,922,564
Changes in the Year:			
Service Cost	3,835,000	-	3,835,000
Interest on the Total Pension Liability	13,947,225	-	13,947,225
Differences Between Expected and Actual Experience	1,656,000	-	1,656,000
Contribution - Employer	-	6,735,805	(6,735,805)
Contribution - Employee	-	1,518,908	(1,518,908)
Net Investment Income	-	30,324,328	(30,324,328)
Administrative Expenses	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,063,152)	(9,063,152)	-
Other Miscellaneous Income (Expense)	-	(132,960)	132,960
Net Changes	<u>10,375,073</u>	<u>29,382,929</u>	<u>(19,007,856)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 206,399,246</u>	<u>\$ 162,484,538</u>	<u>\$ 43,914,708</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 Miscellaneous Plan, calculated using the discount rate of the Miscellaneous 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 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Net Pension Liability	\$ 72,252,193	\$ 43,914,708	\$ 20,555,385

Pension Plans Fiduciary Net Position

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

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

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

For the year ended June 30, 2022, the City recognized pension expense of \$3,940,302. At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension Contributions Subsequent to Measurement Date	\$ 7,699,142	\$ -
Differences Between Expected and Actual Experience	1,364,886	-
Net Differences Between Projected and Actual Earnings on Plan Investments	-	(15,187,255)
Total	<u>\$ 9,064,028</u>	<u>\$ (15,187,255)</u>

Deferred outflows of resources of \$7,699,142 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (2,808,018)
2024	(3,196,704)
2025	(3,645,685)
2026	(4,171,962)
2027	-
Thereafter	-
Total	<u>\$ (13,822,369)</u>

Payable to the Pension Plans

At June 30, 2022, the City had no outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2022.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Public Employees Retirement System (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 (IRC), 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, 2021, measurement date, there were 70 inactive employees or beneficiaries receiving benefits.

Contributions

The actuarial contribution is determined on the funding policy and most recent measurement available when the contribution for the reporting period was adopted.

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, 2021, using an annual actuarial valuation as of June 30, 2021. 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, 2021, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	4.30%
Inflation	2.50%
Salary Scale	Aggregate - 3.00% Merit - CalPERS 1997-2015 Experience Study
Investment Rate of Return	5.5%
Mortality Assumption for Service	CalPERS 2000-2019 Experience Study

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Public Employees Retirement System (PARS) (Continued)

General Information about the Pension Plan (Continued)

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, 2021, the discount rate was updated from 3.83% to 4.30%. In addition, the mortality improvement scale was updated to Scale MP-2021.

Discount Rate

The discount rate of 4.30% 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 2.16% at June 30, 2021. In a crossover test, future employer contributions to the trust were assumed to be zero.

The 5.50% long-term expected rate of return was derived based on the inflation assumption of 2.50% and a long-term asset allocation of 50.00% equities, 45% fixed income, and 5% cash equivalent. The geometric real rates of return were assumed to be 4.56% for equities, .78% for fixed income, and (0.05)% 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	50.00%	4.56%
Fixed Income	45.00%	0.78%
Cash	5.00%	(0.50%)
Total	<u>100.00%</u>	

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Public Employees Retirement System (PARS) (Continued)

General Information about the Pension Plan (Continued)

Changes in the Net Pension Liability

The changes in the net pension liability for the plans, using the measurement period ended June 30, 2021, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2020 (Measurement Date)	\$ 12,937,758	\$ 8,445,237	\$ 4,492,521
Changes in the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	481,917	-	481,917
Changes in Benefit Terms	-	-	-
Changes in Assumptions	(670,041)	-	(670,041)
Differences Between Expected and Actual Experience	(163,673)	-	(163,673)
Net Investment Income	-	1,786,017	(1,786,017)
Administrative Expenses	-	-	-
Benefit Payments	(710,129)	(710,129)	-
Administrative Expenses	-	(16,893)	16,893
Net Changes	<u>(1,061,926)</u>	<u>1,058,995</u>	<u>(2,120,921)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 11,875,832</u>	<u>\$ 9,504,232</u>	<u>\$ 2,371,600</u>

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 3.30%	Discount Rate 4.30%	1% Increase 5.30%
Net Pension Liability (Asset)	\$ 3,715,513	\$ 2,371,600	\$ 1,237,361

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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

B. Public Employees Retirement System (PARS) (Continued)

General Information about the Pension Plan (Continued)

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

For the year ended June 30, 2022, the City recognized pension income of \$1,099,861. At June 30, 2022, 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 Earnings on Plan Investments	\$ -	\$ (899,860)
Total	\$ -	\$ (899,860)

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
2023	\$ (216,675)
2024	(212,828)
2025	(210,135)
2026	(260,222)
2027	-
Thereafter	-
Total	\$ (899,860)

Payable to the Pension Plans

At June 30, 2022, the City had no outstanding contributions to the PARS pension plan required for the year ended June 30, 2022.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN

General Information about the OPEB Plan

Plan Description

The City provides other postemployment 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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

Employees Covered

As of the June 30, 2021, measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees, Spouses, or Beneficiaries	
Current Receiving Benefits	126
Active Employees	<u>234</u>
Total	<u><u>360</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 year ended June 30, 2022, the City's cash contributions were \$2,785,339 in payments to the trust and the estimated implicit subsidy was \$242,266, resulting in total contributions of \$3,027,605.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2021. A summary of the principal assumptions and methods used to determine the total OPEB liability is shown below.

Actuarial Assumptions

The total OPEB liability as of June 30, 2021, 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, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Projected Salary Increase	Aggregate - 3.00%
Expected Long-Term Investment Rate of Return	5.50%
Health Care Cost Trend Rates	Non-Medicare 6.5% for 2023, decreasing to 3.75% in 2076, Medicare (Non-Kaiser) - 5.65% for 2023, decreasing to 3.75% in 2076 Medicare (Kaiser)- 4.6% for 2023, Decreasing to 3.75% in 2076
Mortality, Retirement, Disability, and Termination	Derived from CalPERS 2000-2019 Experience Study.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

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%	4.56%
Fixed Income	43.00%	0.78%
TIPS	5.00%	-0.08%
REITs	8.00%	4.06%
Commodities	4.00%	1.22%
Total	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability is 5.50%. This is the expected long-term rate of return on City assets using investment strategy 2 within 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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2020 (Measurement Date)	\$ 27,973,354	\$ 12,001,643	\$ 15,971,711
Changes in the Year:			
Service Cost	556,718	-	556,718
Interest on the Total OPEB Liability	1,747,735	-	1,747,735
Differences Between Actual and Expected Experience	(5,656,872)	-	(5,656,872)
Changes in Assumptions	(358,865)	-	(358,865)
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	1,132,629	(1,132,629)
Net Investment Income	-	2,423,434	(2,423,434)
Administrative Expenses	-	(4,425)	4,425
Benefit Payments	(1,132,629)	(1,132,629)	-
Net Changes	<u>(4,843,913)</u>	<u>2,419,009</u>	<u>(7,262,922)</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 23,129,441</u>	<u>\$ 14,420,652</u>	<u>\$ 8,708,789</u>

Change of Assumptions

The discount rate was updated based on newer capital market assumptions, inflation changed from 2.75% to 2.50%, newer CalPERS 2000-2019 experience study was used for demographic assumptions, and mortality improvement scale was updated to MP-2021.

Change of Benefit Terms

There was no change of benefit terms.

Subsequent Events

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

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

The following presents the net OPEB liability of the City, calculated using the discount rate for the Plan, as well as what the City's net 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 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	\$ 11,590,977	\$ 8,708,789	\$ 6,303,190

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Changes in the Net OPEB Liability (Continued)

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

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using health-care cost trend rates that are one percentage point lower (5.5% Non-Medicare and 4.65% Medicare) or one percentage point higher (7.5% Non-Medicare and 6.65% Medicare) than current health-care cost trend rates:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 6,151,025	\$ 8,708,789	\$ 11,783,611

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

For the year ended June 30, 2022, the City recognized OPEB expense of \$360,230. At June 30, 2022, 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	\$ 3,027,605	\$ -
Differences Between Actual and Expected Experience	918,338	4,881,958
Change in Assumptions	-	1,489,838
Differences Between Projected and Actual Earnings	-	1,293,391
Total	\$ 3,945,943	\$ 7,665,187

An amount of \$3,027,605, 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, 2023. 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
2023	\$ (1,190,674)
2024	(1,193,607)
2025	(1,177,472)
2026	(1,202,378)
2027	(872,078)
Thereafter	(1,110,640)
Total	\$ (6,746,849)

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Payable to the OPEB Plan

At June 30, 2022, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2022.

NOTE 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.

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, 2022 (latest information available), Antelope Valley Transit Authority's financial position was as follows:

Assets	<u>\$ 146,165,994</u>
Deferred Outflow of Resources	<u>\$ 744,260</u>
Liabilities	<u>\$ 14,945,988</u>
Deferred Inflows of Resources	<u>\$ 395,311</u>
Net Position	<u>\$ 131,568,955</u>
Revenues	\$ 71,100,417
Expenses	44,287,678
Changes in Net Position	<u>\$ 26,812,739</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 12 ANTELOPE VALLEY TRANSIT AUTHORITY JOINT VENTURE (CONTINUED)

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, California 93534.

NOTE 12 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 PRISM, with statutory limit coverage. The City also maintained property coverage including earthquake and flood.

At June 30, 2022, \$3,113,000 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, 2022, 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 2020 and 2022 were as follows:

<u>Fiscal Year Ended</u>	<u>Beginning of Fiscal Year Liability</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>End of Fiscal Year Liability</u>
2020 - 2021	\$ 2,637,000	\$ 942,000	\$ 466,000	\$ 3,113,000
2021 - 2022	3,113,000	602,586	661,586	3,054,000

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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 13 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.

NOTE 14 CONSTRUCTION COMMITMENTS

The following material construction commitments existed at June 30, 2022:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2022	Remaining Commitments
10TH ST W & AVE J IMPS (HSIP)	\$ 2,860,326	\$ 2,379,237	\$ 481,089
2020 FALL PMP	91,925	51,196	40,729
2021 FALL PMP	5,910,779	4,878,297	1,032,482
2021 NEIGHBORHOOD IMPROVEMENTS	487,718	48,913	438,805
2021 SUMMER PMP	6,061,313	4,821,973	1,239,340
2022 SPRING PMP	4,652,696	598,604	4,054,092
2022 SUMMER PMP	8,575,473	6,723,209	1,852,264
ARPA - MAINT YD PKG LOT	49,875	-	49,875
AV EVENT CENTER AND EVAC CENTR	1,088,322	504,411	583,911
AVE J/SR 14 INTERCHANGE	5,667,292	4,945,643	721,649
AVE K/SR 14 INTERCHANGE -MSR R	5,186,460	341,761	4,844,699
AVTA BUS STOP IMPROVEMENTS	207,812	81,891	125,921
BOOSTER PUMP IMPROVEMENTS	221,047	141,083	79,964
CITY BEAUTIFICATION	2,573,388	24,500	2,548,888
CITY HALL FACE LIFT	8,883,725	4,519,678	4,364,047
LPAC IMPROVEMENTS	1,019,328	536,345	482,983
METRO LINK RR FENCE & LANDSCAP	749,930	-	749,930
MOAH HVAC IMPROVEMENTS	2,171,558	45,002	2,126,556
PARK AND FACILITY BUILD RENNO	129,579	10,000	119,579

NOTE 15 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, 2022, totaled \$1,323,102.

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, 2022, the total payments made by LCE under the take or pay contracts was \$49,791,508. At June 30, 2022, the remaining take or pay contracts for LCE is \$154,009,491 through December 2036.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 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.

Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2022, was as follows:

	Balance July 1, 2021	Additions	Deletions	Balance June 30, 2022	Due One Year	Due in More than One Year
Other Borrowings:						
2004 County Fire	\$ 2,240,000	\$ -	\$ 710,000	1,530,000	\$ 750,000	\$ 780,000
2004 County - Sheriff	4,795,000	-	1,520,000	3,275,000	1,595,000	1,680,000
2015 Housing A&B	19,400,000	-	1,045,000	18,355,000	1,075,000	17,280,000
2017 Housing	55,715,000	-	2,540,000	53,175,000	2,645,000	50,530,000
2010 Non-Housing Lease Revenue	4,035,000	-	4,035,000	-	-	-
2016 A-1 & A-2 Non-Housing	50,120,000	-	2,780,000	47,340,000	2,870,000	44,470,000
2016 B-1 & B-2 Non-Housing	14,385,000	-	695,000	13,690,000	730,000	12,960,000
2021 Lease Revenue Bonds	-	3,805,000	161,000	3,644,000	228,000	3,416,000
Total Successor Agency	150,690,000	3,805,000	13,486,000	141,009,000	9,893,000	131,116,000
Unamortized Original Issue (Discount) or Premium	10,332,776	-	606,853	9,725,923	-	9,725,923
Net Long-Term Debt	\$ 161,022,776	\$ 3,805,000	\$ 14,092,853	\$ 150,734,923	\$ 9,893,000	\$ 140,841,923

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, 2022, is \$1,530,000.
- 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, 2022, is \$3,275,000.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Combined Tax Allocation Notes and Bonds (Combined)

- 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, 2022, is \$18,355,000.
- 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, 2022, is \$53,175,000.
- 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 bonds were refunded in the current fiscal year.
- 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, 2022, is \$47,340,000.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Combined Tax Allocation Notes and Bonds (Continued)

- 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, 2022, is \$13,690,000.
- h. On July 23, 2021, the Lancaster Financing Authority issued \$3,805,000 of 2021 Lease Revenue Refunding Bonds. This financing was undertaken to advance refund \$4,035,000 in outstanding Agency debt. The principal portion of these bonds is payable from December 1, 2021 to 2035. Interest is payable semiannually on June 1 and December 1 of each year, commencing on December 1, 2021. The outstanding balance at June 30, 2022, is \$3,644,000. The advance refunding resulted in cash flow difference of \$1,598,843 and present value savings of \$971,176.

The annual requirements to amortize the outstanding bond indebtedness for the Lancaster Redevelopment Agency Bonds and Notes, as of June 30, 2022, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	9,903,000	5,570,555	15,473,555
2024	10,327,000	5,125,806	15,452,806
2025	8,191,000	4,714,674	12,905,674
2026	8,235,000	4,346,622	12,581,622
2027	8,593,000	3,975,233	12,568,233
2028 - 2032	48,152,000	14,108,025	62,260,025
2033 - 2037	41,493,000	4,237,219	45,730,219
2038 - 2041	6,115,000	301,400	6,416,400
Total	<u>\$ 141,009,000</u>	<u>\$ 42,379,534</u>	<u>\$ 183,388,534</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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Pledged Revenue (Continued)

Total principal and interest remaining on the debt is \$183,388,534 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 \$20,180,784 and the debt service obligation on the bonds was \$19,259,579 broken down as follows:

	Received in FY 21/22		
Scope of Fund Recognized by Successor Agency for enforceable Obligations:			
Redevelopment Property Tax Trust Funds (RPTTF)	\$	17,654,784	
Pass-Through Funds Remitted by Los Angeles County Fire and Sheriff		2,526,000	
Total Funds Recognized by the Successor Agency Available for the Payment of Debt Services	\$	20,180,784	
Debt Service Obligations Due in FY 21/22	Principal Due	Interest Due	Total
Non-Housing, Housing, and School Bus (RPTTF)	\$ 11,095,000	\$ 5,638,579	\$ 16,733,579
County Fire and Sheriff Bonds (Paid From Fire and Sheriff Pass-Through Funds)	2,230,000	296,000	2,526,000
Total Successor Agency Debt Service Obligations FY 21/22	\$ 13,325,000	\$ 5,934,579	\$ 19,259,579

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Due to the City of Lancaster and Lancaster Housing Authority

A. 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, 2022, is \$8,612,345. The Successor Agency made repayments totaling \$4,637,215 to the Lancaster Housing Authority during the current fiscal years.

B. 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, 2022, totals \$23,251,598. The total amount due to the City and Housing Authority from the Successor Agency on these prior advances is \$55,263,060. No repayments were made during the current fiscal year and accrued unpaid interest of \$960,364 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, 2022, the following defeased bond issues are still outstanding:

	<u>Outstanding Amount</u>
The Combined Housing Financing Bonds 2003 Issue	\$ 2,140,000
Tax Allocation Bonds (Housing Programs) 2009 Issue	21,330,000

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 17 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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 12.

NOTE 17 DEFERRED COMPENSATION PLAN

The City has made available to its regular employees and mandatory for its temporary employees an 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.

NOTE 18 DEFINED CONTRIBUTION PLAN

The City provides a tax-qualified retirement savings plan under Section 401(a) of the IRC 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 275 participants in the Plan for the year ended June 30, 2022. Employer contributions are based on an employee's tier of eligibility. For the year ended June 30, 2022, employer contributions totaled \$913,743. 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
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 19 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 postemployment 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 postemployment 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 263 individuals in the RHSP at June 30, 2022. Employer contributions for the year ended June 30, 2022, totaled \$595,482.

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.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS PENSION PLANS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability:				
Service Cost	\$ 3,835,000	\$ 3,812,712	\$ 3,984,412	\$ 4,089,766
Interest on Total Pension Liability	13,947,225	13,228,411	12,492,922	11,749,454
Differences Between Expected and Actual Experience	1,656,000	1,608,904	1,303,631	925,375
Changes in Assumptions	-	-	-	(1,119,628)
Benefit Payments, Including Refunds of Employee Contributions	(9,063,152)	(8,246,671)	(7,180,971)	(6,203,088)
Net Change in Total Pension Liability	10,375,073	10,403,356	10,599,994	9,441,879
Total Pension Liability - Beginning of Year	196,024,173	185,620,817	175,020,823	165,578,944
Total Pension Liability - End of Year (a)	\$ 206,399,246	\$ 196,024,173	\$ 185,620,817	\$ 175,020,823
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 6,735,805	\$ 6,104,781	\$ 5,376,086	\$ 4,949,350
Contributions - Employee	1,518,908	1,680,632	1,594,327	1,606,648
Net Investment Income (Loss)	30,324,328	6,427,646	7,935,508	9,429,980
Benefit Payments	(9,063,152)	(8,246,671)	(7,180,971)	(6,203,088)
Net Plan to Plan Resource Movement	-	-	277	(277)
Administrative and Other Expense	(132,960)	(179,482)	(85,403)	(498,688)
Net Change in Plan Fiduciary Net Position	29,382,929	5,786,906	7,639,824	9,283,925
Plan Fiduciary Net Position - Beginning of Year	133,101,609	127,314,703	119,674,879	110,390,954
Plan Fiduciary Net Position - End of Year (b)	\$ 162,484,538	\$ 133,101,609	\$ 127,314,703	\$ 119,674,879
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 43,914,708	\$ 62,922,564	\$ 58,306,114	\$ 55,345,944
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.72%	67.90%	68.59%	68.38%
Covered Payroll	\$ 23,010,769	\$ 20,370,100	\$ 19,995,467	\$ 20,482,128
Net Pension Liability as Percentage of Covered Payroll	190.84%	308.90%	291.60%	270.22%

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.

From fiscal year June 30, 2020, to June 30, 2021:

There were no significant changes in assumptions.

From fiscal year June 30, 2021, to June 30, 2022:

There were no significant changes in assumptions.

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

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:				
Service Cost	\$ 4,120,166	\$ 3,757,280	\$ 3,659,838	\$ 3,783,673
Interest on Total Pension Liability	11,094,780	10,446,457	9,650,056	9,015,665
Differences Between Expected and Actual Experience	(449,010)	1,362,060	(445,730)	-
Changes in Assumptions	9,732,561	-	(2,517,116)	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(5,495,333)</u>	<u>(4,608,628)</u>	<u>(4,011,772)</u>	<u>(3,666,038)</u>
Net Change in Total Pension Liability	19,003,164	10,957,169	6,335,276	9,133,300
Total Pension Liability - Beginning of Year	<u>146,575,780</u>	<u>135,618,611</u>	<u>129,283,335</u>	<u>120,150,035</u>
Total Pension Liability - End of Year (a)	<u><u>\$ 165,578,944</u></u>	<u><u>\$ 146,575,780</u></u>	<u><u>\$ 135,618,611</u></u>	<u><u>\$ 129,283,335</u></u>
Plan Fiduciary Net Position:				
Contributions - Employer	\$ 4,609,250	\$ 4,077,018	\$ 3,803,574	\$ 3,549,119
Contributions - Employee	1,558,516	1,628,815	1,611,229	1,556,684
Net Investment Income (Loss)	11,061,811	535,654	2,090,380	13,752,204
Benefit Payments	(5,495,333)	(4,608,628)	(4,011,772)	(3,666,038)
Net Plan to Plan Resource Movement	-	-	-	-
Administrative and Other Expense	<u>(145,875)</u>	<u>(59,256)</u>	<u>(109,427)</u>	<u>-</u>
Net Change in Plan Fiduciary Net Position	11,588,369	1,573,603	3,383,984	15,191,969
Plan Fiduciary Net Position - Beginning of Year	<u>98,802,585</u>	<u>97,228,982</u>	<u>93,844,998</u>	<u>78,653,029</u>
Plan Fiduciary Net Position - End of Year (b)	<u><u>\$ 110,390,954</u></u>	<u><u>\$ 98,802,585</u></u>	<u><u>\$ 97,228,982</u></u>	<u><u>\$ 93,844,998</u></u>
Net Pension Liability (Asset) - Ending (a)-(b)	<u><u>\$ 55,187,990</u></u>	<u><u>\$ 47,773,195</u></u>	<u><u>\$ 38,389,629</u></u>	<u><u>\$ 35,438,337</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	66.67%	67.41%	71.69%	72.59%
Covered Payroll	\$ 19,501,764	\$ 19,428,612	\$ 19,407,546	\$ 19,312,337
Net Pension Liability as Percentage of Covered Payroll	282.99%	245.89%	197.81%	183.50%

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CalPERS PENSION PLANS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially Determined Contribution	\$ 7,699,142	\$ 6,735,678	\$ 6,104,781	\$ 5,376,086
Contributions in Relation to the Actuarially Determined Contributions	<u>(7,699,142)</u>	<u>(6,735,678)</u>	<u>(6,104,781)</u>	<u>(5,376,086)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 20,370,100	\$ 20,158,000	\$ 20,370,100	\$ 19,995,467
Contributions as a Percentage of Covered Payroll	37.80%	33.41%	29.92%	26.81%

Notes to Schedule:

Valuation Date	6/30/2018	6/30/2018	6/30/2017	6/30/2016
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.375% (3)	7.375% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(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 eight years are shown.

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CaIPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 4,949,350	\$ 4,609,250	\$ 4,077,018	\$ 3,803,574
Contributions in Relation to the Actuarially Determined Contributions	<u>(4,949,350)</u>	<u>(4,609,250)</u>	<u>(4,077,018)</u>	<u>(3,803,574)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 20,482,128	\$ 19,501,764	\$ 19,428,612	\$ 19,407,546
Contributions as a Percentage of Covered Payroll	24.16%	22.71%	20.96%	19.60%

Notes to Schedule:

Valuation Date	6/30/2015	6/30/2014	6/30/213	6/30/2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement Age	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS
PARS PENSION PLAN
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability:				
Service Cost	\$ -	\$ -	\$ 1,569	\$ 1,577
Interest on Total Pension Liability	481,917	545,037	569,756	568,236
Differences Between Expected and Actual Experience	-	-	134,522	-
Changes in Assumptions	(670,041)	1,173,341	439,122	(188,575)
Changes in benefits	(163,672)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(710,129)	(705,047)	(694,049)	(678,957)
Net Change in Total Pension Liability	(1,061,925)	1,013,331	450,920	(297,719)
Total Pension Liability - Beginning of Year	12,937,758	11,924,427	11,473,507	11,771,226
Total Pension Liability - End of Year (a)	\$ 11,875,833	\$ 12,937,758	\$ 11,924,427	\$ 11,473,507
Plan Fiduciary Net Position:				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	1,786,017	262,205	536,880	551,796
Administrative Expense	(16,893)	(16,793)	(17,313)	(18,115)
Benefit Payments	(710,129)	(705,047)	(694,049)	(678,957)
Net Change in Plan Fiduciary Net Position	1,058,995	(459,635)	(174,482)	(145,276)
Plan Fiduciary Net Position - Beginning of Year	8,445,237	8,904,872	9,079,354	9,224,630
Plan Fiduciary Net Position - End of Year (b)	\$ 9,504,232	\$ 8,445,237	\$ 8,904,872	\$ 9,079,354
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 2,371,601	\$ 4,492,521	\$ 3,019,555	\$ 2,394,153
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.03%	65.28%	74.68%	79.13%
Covered Payroll	None	None	None	None
Net Pension Liability as Percentage of Covered Payroll	N/A	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 7.50% 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, 2018, to June 30, 2019:

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

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

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

From fiscal year June 30, 2020, to June 30, 2021:

The discount rate was updated from 4.71% to 3.83%

From fiscal year June 30, 2021, to June 30, 2022:

The discount rate was updated from 3.83% to 4.30% and mortality improvement scale was updated to Scale MP-2021.

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

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET POSITION LIABILITY AND RELATED RATIOS
PARS PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:				
Service Cost	\$ 1,485	\$ 1,000	\$ 1,000	\$ 1,000
Interest on Total Pension Liability	578,723	636,000	605,000	607,000
Differences Between Expected and Actual Experience	89,030	-	156,000	-
Changes in Assumptions	(161,368)	1,837,000	350,000	-
Changes in benefits	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(665,644)	(652,000)	(640,000)	(627,000)
Net Change in Total Pension Liability	(157,774)	1,822,000	472,000	(19,000)
Total Pension Liability - Beginning of Year	11,929,000	10,107,000	9,635,000	9,654,000
Total Pension Liability - End of Year (a)	\$ 11,771,226	\$ 11,929,000	\$ 10,107,000	\$ 9,635,000
Plan Fiduciary Net Position:				
Contributions - Employer	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-
Net Investment Income (Loss)	881,421	(108)	230,000	1,204,000
Administrative Expense	(18,063)	(23,332)	(20,000)	(20,000)
Benefit Payments	(665,644)	(665,644)	(640,000)	(627,000)
Net Change in Plan Fiduciary Net Position	197,714	(689,084)	(430,000)	557,000
Plan Fiduciary Net Position - Beginning of Year	9,026,916	9,716,000	10,146,000	9,589,000
Plan Fiduciary Net Position - End of Year (b)	\$ 9,224,630	\$ 9,026,916	\$ 9,716,000	\$ 10,146,000
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 2,546,596	\$ 2,902,084	\$ 391,000	\$ (511,000)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	78.37%	75.67%	96.13%	105.30%
Covered Payroll	None	None	None	None
Net Pension Liability as Percentage of Covered Payroll	N/A	N/A	N/A	N/A

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially Determined Contribution	\$ 217,689	\$ 233,631	\$ 311,000	\$ 337,000
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ 217,689</u>	<u>\$ 233,631</u>	<u>\$ 311,000</u>	<u>\$ 337,000</u>
Covered Payroll	None	None	None	None
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A
Notes to Schedule:				
Valuation Date	6/30/2021	6/30/2019	6/30/2017	6/30/2017
Methods and Assumptions Used to Determine Contribution Rates:				
Single and Agent Employers	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Period	10 Years Open	10 Years Open	10 Years Open	10 Years Open
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.75%	2.75%	2.75%
Salary Scale:				
Aggregate	3.00%	3.00%	3.00%	3.00%
Merit (CalPERS Experience Study)	2000-2019	1997-2015	1997-2015	1997-2015
Investment Rate of Return:				
06/30/21 Valuation	5.5%, net of investment expenses only			
06/30/19 Valuation	6.0%, net of investment expenses only			
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:				
06/30/21 Valuation	Mortality Table projected fully generational with Society of Actuaries Scale MP-2021.			
06/30/19 Valuation	Mortality Table projected fully generational with Society of Actuaries Scale MP-2019.			
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:				
06/30/21 Valuation	CalPERS 2000-2019 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2019.			
06/30/17 and 6/30/19 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 eight years are shown.

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Actuarially Determined Contribution	\$ 89,000	\$ 93,000	\$ 52,000	\$ -
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ 89,000</u>	<u>\$ 93,000</u>	<u>\$ 52,000</u>	<u>\$ -</u>
Covered Payroll	None	None	None	None
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A
Notes to Schedule:				
Valuation Date	6/30/2015	6/30/2015	6/30/213	6/30/213
Methods and Assumptions Used to Determine Contribution Rates:				
Single and Agent Employers	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Period	10 Years Open	10 Years Open	10 Years Closed	10 Years Open
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value
Inflation	3.00%	3.00%	3.00%	3.00%
Salary Scale:				
Aggregate	3.25%	3.25%	3.25%	3.25%
Merit (CalPERS Experience Study)	1997-2011	1997-2011	1997-2007	1997-2007

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022

Fiscal Year End	<u>6/30/2022</u>	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Measurement Date	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Total OPEB Liability:					
Service Cost	\$ 556,718	\$ 544,912	\$ 514,497	\$ 549,862	\$ 533,847
Interest on Total OPEB Liability	1,747,735	1,711,964	1,640,380	1,574,306	1,500,990
Change in Assumption	(358,865)	(498,407)	(1,320,939)	-	-
Difference Between Expected and Actual Experience	(5,656,872)	-	1,492,298	-	-
Benefit Payments, Including Refunds of Employee Contributions	<u>(1,132,629)</u>	<u>(1,263,243)</u>	<u>(1,159,375)</u>	<u>(903,880)</u>	<u>(851,733)</u>
Net Change in Total OPEB Liability	(4,843,913)	495,226	1,166,861	1,220,288	1,183,104
Total OPEB Liability - Beginning of Year	<u>27,973,354</u>	<u>27,478,128</u>	<u>26,311,267</u>	<u>25,090,979</u>	<u>23,907,875</u>
Total OPEB Liability - End of Year (a)	<u>23,129,441</u>	<u>27,973,354</u>	<u>27,478,128</u>	<u>26,311,267</u>	<u>25,090,979</u>
Plan Fiduciary Net Position:					
Contributions - Employer	1,132,629	2,451,000	2,973,720	2,521,850	2,757,002
Net Investment Income	2,423,434	652,096	717,403	470,766	400,018
Administrative Expenses	(4,425)	(6,167)	(2,205)	(11,481)	(3,027)
Benefit Payments	<u>(1,132,629)</u>	<u>(1,263,243)</u>	<u>(1,159,375)</u>	<u>(903,880)</u>	<u>(851,733)</u>
Net Change in Plan Fiduciary Net Position	2,419,009	1,833,686	2,529,543	2,077,255	2,302,260
Plan Fiduciary Net Position - Beginning of Year	<u>12,001,643</u>	<u>10,167,957</u>	<u>7,638,414</u>	<u>5,561,159</u>	<u>3,258,899</u>
Plan Fiduciary Net Position - End of Year (b)	<u>14,420,652</u>	<u>12,001,643</u>	<u>10,167,957</u>	<u>7,638,414</u>	<u>5,561,159</u>
Net OPEB Liability - Ending (a)-(b)	<u>\$ 8,708,789</u>	<u>\$ 15,971,711</u>	<u>\$ 17,310,171</u>	<u>\$ 18,672,853</u>	<u>\$ 19,529,820</u>
Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability	62.35%	42.90%	37.00%	29.03%	22.16%
Covered - Employee Payroll	\$ 21,125,169	\$ 20,370,100	\$ 21,066,497	\$ 19,015,391	\$ 20,878,494
Net OPEB Liability as Percentage of Covered - Employee Payroll	41.22%	78.41%	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, 2018, to June 30, 2019:

Mortality improvement scale was updated to Scale MP-2019

Assumed plan elections at retirement were updated

Spousal coverage assumption was updated from 50% to 30%

From fiscal year June 30, 2021, to June 30, 2022:

Inflation changed from 2.75% to 2.5%

Medicare advantage plan removed

Mortality improvement scale was updated to Scale MP-2021

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

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2022**

Fiscal Year Ended	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Contractually Required Contribution (Actuarially Determined)	\$ 1,846,515	\$ 1,985,527	\$ 1,973,000	\$ 2,009,000	\$ 2,099,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,027,604)</u>	<u>(1,132,629)</u>	<u>(2,451,000)</u>	<u>(2,973,720)</u>	<u>(2,521,850)</u>
Contribution Deficiency (Excess)	<u>\$ (1,181,089)</u>	<u>\$ 852,898</u>	<u>\$ (478,000)</u>	<u>\$ (964,720)</u>	<u>\$ (422,850)</u>
Covered - Employee Payroll	24544346	\$ 21,125,169	\$ 20,370,100	\$ 21,066,497	\$ 19,015,391
Contributions as a Percentage of Covered - Employee Payroll	12.30%	5.36%	12.03%	14.12%	13.26%

Notes to Schedule:

Valuation Date	6/30/2019	6/30/2019	6/30/2017	6/30/2017	6/30/2015
Methods and Assumptions Used to Determine Contribution Rates: Single and Agent Employers Amortization Method	Entry Age Level Dollar	Entry Age Level Dollar	Entry Age Level Dollar	Entry age Level dollar	Entry age Level dollar
Amortization Period	23 Year Fixed Period	24 Year Fixed Period	25 Year Fixed Period	26 Year Fixed Period	27 Year Fixed Period
Inflation	2.75%	2.75%	2.75%	2.75%	3.00%
Mortality	CalPERS 1997-2015	CalPERS 1997-2015	CalPERS 1997-2015	CalPERS 1997-2015	CalPERS 1997-2011
Mortality Improvements	Experience Mortality	Experience Mortality	Experience Mortality	Experience Mortality	Experience Mortality
	Projected Fully Generational With Scale MP-2019	Projected Fully Generational With Scale MP-2019	Projected Fully Generational With Scale MP-2017	Projected Fully Generational With Scale MP-2017	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.				
06/30/19 Valuation	Non-Medicare 7.25% decreasing to 4.00% in 2076, Medicare 6.30% decreasing to 4.00% in 2076.				

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

SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
ASSETS				
Pooled Cash and Investments	\$ 2,892,256	\$ 114,813	\$ 1,074,001	\$ 2,635,983
Receivables:				
Accounts	18,652	-	18,322	-
Taxes	648,118	-	63,017	-
Due from Other Governments	686,932	-	-	97,085
Notes and Loans, Net	-	-	-	-
Prepaid Items	12,675	-	-	-
Land Held for Resale	-	-	-	224,766
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,258,633</u>	<u>\$ 114,813</u>	<u>\$ 1,155,340</u>	<u>\$ 2,957,834</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 590,020	\$ 8,811	\$ 240,965	\$ 17,185
Accrued Liabilities	166,805	-	16,350	1,767
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	-	156,029
Total Liabilities	<u>756,825</u>	<u>8,811</u>	<u>257,315</u>	<u>174,981</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	97,085
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,085</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	12,675	-	-	-
Restricted:				
Community Development Projects	-	106,002	-	2,685,768
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	3,489,133	-	898,025	-
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,501,808</u>	<u>106,002</u>	<u>898,025</u>	<u>2,685,768</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,258,633</u>	<u>\$ 114,813</u>	<u>\$ 1,155,340</u>	<u>\$ 2,957,834</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
ASSETS				
Pooled Cash and Investments	\$ 1,121,283	\$ 5,060,048	\$ 10,755	\$ 7,980,329
Receivables:				
Accounts	-	-	-	-
Taxes	-	-	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	590,061	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 1,711,344</u>	<u>\$ 5,060,048</u>	<u>\$ 10,755</u>	<u>\$ 7,980,329</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 606	\$ -	\$ -
Accrued Liabilities	-	400,674	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u> </u>	<u>401,280</u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	4,658,768	10,755	7,980,329
Housing and Neighborhood Revitalization	1,711,344	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>1,711,344</u>	<u>4,658,768</u>	<u>10,755</u>	<u>7,980,329</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,711,344</u>	<u>\$ 5,060,048</u>	<u>\$ 10,755</u>	<u>\$ 7,980,329</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
ASSETS				
Pooled Cash and Investments	\$ -	\$ 415,514	\$ 623,256	\$ 2,730,543
Receivables:				
Accounts	1,483,508	50,100	-	98,058
Taxes	-	-	-	-
Due from Other Governments	159,157	658,225	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 1,642,665</u>	<u>\$ 1,123,839</u>	<u>\$ 623,256</u>	<u>\$ 2,828,601</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 41,312	\$ -	\$ -
Accrued Liabilities	-	849	-	-
Unearned Revenues	-	831,164	-	98,058
Due to Other Funds	2,293,942	426,846	-	-
Total Liabilities	<u>2,293,942</u>	<u>1,300,171</u>	<u>-</u>	<u>98,058</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	1,182,009	658,225	-	-
Total Deferred Inflows of Resources	<u>1,182,009</u>	<u>658,225</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	623,256	-
Development Services	-	-	-	2,730,543
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	(1,833,286)	(834,557)	-	-
Total Fund Balances (Deficits)	<u>(1,833,286)</u>	<u>(834,557)</u>	<u>623,256</u>	<u>2,730,543</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,642,665</u>	<u>\$ 1,123,839</u>	<u>\$ 623,256</u>	<u>\$ 2,828,601</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
ASSETS				
Pooled Cash and Investments	\$ 9,865,502	\$ -	\$ 816,801	\$ 1,452,782
Receivables:				
Accounts	234,028	33,699	-	210,493
Taxes	-	-	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 10,099,530</u>	<u>\$ 33,699</u>	<u>\$ 816,801</u>	<u>\$ 1,663,275</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 7,154	\$ -	\$ -
Accrued Liabilities	-	3,130	-	-
Unearned Revenues	234,028	-	-	210,494
Due to Other Funds	-	14,472	-	-
Total Liabilities	<u>234,028</u>	<u>24,756</u>	<u>-</u>	<u>210,494</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	8,943	-	-
Development Services	9,865,502	-	816,801	1,452,781
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>9,865,502</u>	<u>8,943</u>	<u>816,801</u>	<u>1,452,781</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 10,099,530</u>	<u>\$ 33,699</u>	<u>\$ 816,801</u>	<u>\$ 1,663,275</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
		Lancaster Drainage Maintenance District	Miscellaneous Grants	Traffic Safety
	AQMD			
ASSETS				
Pooled Cash and Investments	\$ -	\$ 1,748,793	\$ -	\$ 298,729
Receivables:				
Accounts	-	-	-	-
Taxes	-	100,200	-	-
Due from Other Governments	-	-	-	35,086
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	6,825	-	-
Land Held for Resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ -</u>	<u>\$ 1,855,818</u>	<u>\$ -</u>	<u>\$ 333,815</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 60,529	\$ -	\$ -
Accrued Liabilities	28,000	30,094	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	64,031	-	-	-
Total Liabilities	<u>92,031</u>	<u>90,623</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	6,825	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	333,815
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	1,758,370	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	(92,031)	-	-	-
Total Fund Balances (Deficits)	<u>(92,031)</u>	<u>1,765,195</u>	<u>-</u>	<u>333,815</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 1,855,818</u>	<u>\$ -</u>	<u>\$ 333,815</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
	Zero-Net Energy Solar Mitigation In Lieu	LA County Reimbursement	MTA Grant	Urban Structure Program
ASSETS				
Pooled Cash and Investments	\$ 106,700	\$ 240,597	\$ 908,155	\$ 2,199,391
Receivables:				
Accounts	-	-	269,554	24,275
Taxes	-	-	-	-
Due from Other Governments	-	27,150	197,907	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 106,700</u>	<u>\$ 267,747</u>	<u>\$ 1,375,616</u>	<u>\$ 2,223,666</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	267,707	1,427,000	24,275
Due to Other Funds	-	-	-	-
Total Liabilities	<u> </u>	<u>267,707</u>	<u>1,427,000</u>	<u>24,275</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	27,150	193,010	-
Total Deferred Inflows of Resources	<u> </u>	<u>27,150</u>	<u>193,010</u>	<u> </u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	2,199,391
Development Services	106,700	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	(27,110)	(244,394)	-
Total Fund Balances (Deficits)	<u>106,700</u>	<u>(27,110)</u>	<u>(244,394)</u>	<u>2,199,391</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 106,700</u>	<u>\$ 267,747</u>	<u>\$ 1,375,616</u>	<u>\$ 2,223,666</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			
	Mariposa Lily	Sewer Maintenance District	Proposition 1B	Proposition 42
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
ASSETS				
Pooled Cash and Investments	\$ 62,733	\$ 3,510,586	\$ 6,123	\$ 46,543
Receivables:				
Accounts	-	192	-	-
Taxes	-	131,828	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	5,413	-	-
Land Held for Resale	-	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 62,733</u>	<u>\$ 3,648,019</u>	<u>\$ 6,123</u>	<u>\$ 46,543</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 29,987	\$ -	\$ -
Accrued Liabilities	-	86,761	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u> </u>	<u>116,748</u>	<u> </u>	<u> </u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	<u> </u>	<u> </u>	<u> </u>	<u> </u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	5,413	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	62,733	3,525,858	6,123	46,543
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>62,733</u>	<u>3,531,271</u>	<u>6,123</u>	<u>46,543</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 62,733</u>	<u>\$ 3,648,019</u>	<u>\$ 6,123</u>	<u>\$ 46,543</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds			Total Other Governmental Funds
	Measure R	Measure M	Lancaster Lighting District	
ASSETS				
Pooled Cash and Investments	\$ 805,069	\$ 1,837,586	\$ 4,677,111	\$ 53,241,982
Receivables:				
Accounts	648,312	257,810	445,798	3,792,801
Taxes	-	-	227,569	1,170,732
Due from Other Governments	2,021,758	-	-	3,883,300
Notes and Loans, Net	-	-	-	590,061
Prepaid Items	-	-	4,875	29,788
Land Held for Resale	-	-	-	224,766
	\$ 3,475,139	\$ 2,095,396	\$ 5,355,353	\$ 62,933,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 28,401	\$ 219,967	\$ 1,244,937
Accrued Liabilities	-	-	16,871	751,301
Unearned Revenues	-	-	-	3,092,726
Due to Other Funds	-	-	-	2,955,320
Total Liabilities	-	28,401	236,838	8,044,284
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	2,021,758	-	143,607	4,322,844
Total Deferred Inflows of Resources	2,021,758	-	143,607	4,322,844
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	4,875	29,788
Restricted:				
Community Development Projects	-	-	-	2,791,770
Public Safety	-	-	-	333,815
Parks, Recreation, and Arts	-	-	-	2,831,590
Development Services	1,453,381	2,066,995	4,970,033	45,899,373
Housing and Neighborhood Revitalization	-	-	-	1,711,344
Unassigned	-	-	-	(3,031,378)
Total Fund Balances (Deficits)	1,453,381	2,066,995	4,974,908	50,566,302
	\$ 3,475,139	\$ 2,095,396	\$ 5,355,353	\$ 62,933,430
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 3,475,139	\$ 2,095,396	\$ 5,355,353	\$ 62,933,430

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	7,122,213	-	-	398,999
Charges for Services	-	-	1,983,811	-
Investment Earnings	21,686	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	59,454	-
Miscellaneous	7,689	34,961	-	-
Total Revenues	<u>7,151,588</u>	<u>34,961</u>	<u>2,043,265</u>	<u>398,999</u>
EXPENDITURES				
Current:				
General Government	-	33,652	-	48,092
Community Development	-	15,353	-	-
Parks, Recreation, and Arts	836,131	-	1,886,419	-
Development Services	8,716,161	-	35,847	-
Housing and Neighborhood Revitalization	-	-	-	87,951
Capital Outlay	620,986	-	-	-
Debt Service:				
Principal Retirement	-	-	-	190,000
Interest and Fiscal Charges	-	-	-	15,665
Total Expenditures	<u>10,173,278</u>	<u>49,005</u>	<u>1,922,266</u>	<u>341,708</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,021,690)	(14,044)	120,999	57,291
OTHER FINANCING SOURCES (USES)				
Transfers In	7,294,074	-	-	164,911
Transfers Out	(3,283,714)	-	(554,258)	(48,110)
Total Other Financing Sources (Uses)	<u>4,010,360</u>	<u>-</u>	<u>(554,258)</u>	<u>116,801</u>
NET CHANGE IN FUND BALANCES	988,670	(14,044)	(433,259)	174,092
Fund Balances (Deficits) - Beginning of Year	<u>2,513,138</u>	<u>120,046</u>	<u>1,331,284</u>	<u>2,511,676</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 3,501,808</u>	<u>\$ 106,002</u>	<u>\$ 898,025</u>	<u>\$ 2,685,768</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	516,878	4,083,387	170,069	3,387,085
Charges for Services	-	-	-	-
Investment Earnings	-	22,142	(68)	34,756
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	12,464	-
Total Revenues	<u>516,878</u>	<u>4,105,529</u>	<u>182,465</u>	<u>3,421,841</u>
EXPENDITURES				
Current:				
General Government	-	1,759,098	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	898,193	172,444	887,483
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>2,657,291</u>	<u>172,444</u>	<u>887,483</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	516,878	1,448,238	10,021	2,534,358
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	2,272	27,792
Transfers Out	(1,037)	(237,090)	-	-
Total Other Financing Sources (Uses)	<u>(1,037)</u>	<u>(237,090)</u>	<u>2,272</u>	<u>27,792</u>
NET CHANGE IN FUND BALANCES	515,841	1,211,148	12,293	2,562,150
Fund Balances (Deficits) - Beginning of Year	<u>1,195,503</u>	<u>3,447,620</u>	<u>(1,538)</u>	<u>5,418,179</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,711,344</u>	<u>\$ 4,658,768</u>	<u>\$ 10,755</u>	<u>\$ 7,980,329</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	174,750	420,996
Intergovernmental	3,153,098	1,797,949	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	(309)	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>3,153,098</u>	<u>1,797,640</u>	<u>174,750</u>	<u>420,996</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	122,093	-	-
Parks, Recreation, and Arts	185,880	-	-	-
Development Services	-	512,080	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	3,946,749	152,665	311,498	57,125
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>4,132,629</u>	<u>786,838</u>	<u>311,498</u>	<u>57,125</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(979,531)	1,010,802	(136,748)	363,871
OTHER FINANCING SOURCES (USES)				
Transfers In	41,060	-	-	141
Transfers Out	(451,032)	(14,620)	-	-
Total Other Financing Sources (Uses)	<u>(409,972)</u>	<u>(14,620)</u>	<u>-</u>	<u>141</u>
NET CHANGE IN FUND BALANCES	(1,389,503)	996,182	(136,748)	364,012
Fund Balances (Deficits) - Beginning of Year	<u>(443,783)</u>	<u>(1,830,739)</u>	<u>760,004</u>	<u>2,366,531</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (1,833,286)</u>	<u>\$ (834,557)</u>	<u>\$ 623,256</u>	<u>\$ 2,730,543</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	773,916	-	243,281	471,854
Intergovernmental	-	-	-	-
Charges for Services	-	151,258	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	1,595
Total Revenues	<u>773,916</u>	<u>151,258</u>	<u>243,281</u>	<u>473,449</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	188,805	66,541	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	1,892,658	-	-	440,286
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>1,892,658</u>	<u>188,805</u>	<u>66,541</u>	<u>440,286</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,118,742)	(37,547)	176,740	33,163
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(79,027)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>(79,027)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(1,118,742)	(116,574)	176,740	33,163
Fund Balances (Deficits) - Beginning of Year	<u>10,984,244</u>	<u>125,517</u>	<u>640,061</u>	<u>1,419,618</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 9,865,502</u>	<u>\$ 8,943</u>	<u>\$ 816,801</u>	<u>\$ 1,452,781</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Lancaster			
	AQMD	Drainage Maintenance District	Miscellaneous Grants	Traffic Safety
REVENUES				
Taxes	\$ -	\$ -	\$ 11,505	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	2,137,095	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	216,247
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>2,137,095</u>	<u>11,505</u>	<u>216,247</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	47,500	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	1,758,446	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	32,672	-	-
Interest and Fiscal Charges	-	2,026	-	-
Total Expenditures	<u>47,500</u>	<u>1,793,144</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(47,500)	343,951	11,505	216,247
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(5,279)	(649,390)	(24,032)	-
Total Other Financing Sources (Uses)	<u>(5,279)</u>	<u>(649,390)</u>	<u>(24,032)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(52,779)	(305,439)	(12,527)	216,247
Fund Balances (Deficits) - Beginning of Year	<u>(39,252)</u>	<u>2,070,634</u>	<u>12,527</u>	<u>117,568</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (92,031)</u>	<u>\$ 1,765,195</u>	<u>\$ -</u>	<u>\$ 333,815</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Zero-Net Energy Solar Mitigation	LA County Reimbursement	MTA Grant	Urban Structure Program
	In Lieu	Reimbursement	MTA Grant	Program
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	575,162
Intergovernmental	-	242,617	740,634	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>242,617</u>	<u>740,634</u>	<u>575,162</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	51,676	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	-	603,994	443,185
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>51,676</u>	<u>603,994</u>	<u>443,185</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	190,941	136,640	131,977
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	52,333	-
Transfers Out	-	(38,483)	(57,474)	(42,419)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(38,483)</u>	<u>(5,141)</u>	<u>(42,419)</u>
NET CHANGE IN FUND BALANCES	-	152,458	131,499	89,558
Fund Balances (Deficits) - Beginning of Year	<u>106,700</u>	<u>(179,568)</u>	<u>(375,893)</u>	<u>2,109,833</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 106,700</u>	<u>\$ (27,110)</u>	<u>\$ (244,394)</u>	<u>\$ 2,199,391</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			
	Mariposa	Sewer	Proposition	Proposition
	Lily	Maintenance District	1B	42
REVENUES				
Taxes	\$ -	\$ 4,409,199	\$ -	\$ -
Licenses and Permits	-	176,092	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	10	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	420	-	-
Total Revenues	-	4,585,711	10	-
EXPENDITURES				
Current:				
General Government	-	5,146	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	2,799,078	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	2,804,224	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	1,781,487	10	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(1,748,222)	-	-
Total Other Financing Sources (Uses)	-	(1,748,222)	-	-
NET CHANGE IN FUND BALANCES	-	33,265	10	-
Fund Balances (Deficits) - Beginning of Year	62,733	3,498,006	6,113	46,543
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 62,733</u>	<u>\$ 3,531,271</u>	<u>\$ 6,123</u>	<u>\$ 46,543</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022

	Special Revenue Funds			Total Other Governmental Funds
	Measure R	Measure M	Lancaster Lighting District	
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ 4,420,704
Licenses and Permits	-	-	-	2,836,051
Intergovernmental	8,675,438	3,132,006	-	33,420,373
Charges for Services	-	-	5,835,381	10,107,545
Investment Earnings	4,877	5,651	9	88,754
Fines and Forfeitures	-	-	-	216,247
Contributions	-	-	-	59,454
Miscellaneous	-	-	(35,863)	21,266
Total Revenues	<u>8,680,315</u>	<u>3,137,657</u>	<u>5,799,527</u>	<u>51,170,394</u>
EXPENDITURES				
Current:				
General Government	-	-	-	1,845,988
Community Development	-	-	-	236,622
Parks, Recreation, and Arts	-	-	73,590	2,982,020
Development Services	2,110	132,776	2,506,182	16,718,026
Housing and Neighborhood Revitalization	-	-	-	87,951
Capital Outlay	6,362,454	1,420,694	1,584	18,211,998
Debt Service:				
Principal Retirement	-	-	585,000	807,672
Interest and Fiscal Charges	-	-	388,281	405,972
Total Expenditures	<u>6,364,564</u>	<u>1,553,470</u>	<u>3,554,637</u>	<u>41,296,249</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,315,751	1,584,187	2,244,890	9,874,145
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	7,582,583
Transfers Out	(1,122,253)	(1,621,790)	(372,152)	(10,350,382)
Total Other Financing Sources (Uses)	<u>(1,122,253)</u>	<u>(1,621,790)</u>	<u>(372,152)</u>	<u>(2,767,799)</u>
NET CHANGE IN FUND BALANCES	1,193,498	(37,603)	1,872,738	7,106,346
Fund Balances (Deficits) - Beginning of Year	<u>259,883</u>	<u>2,104,598</u>	<u>3,102,170</u>	<u>43,459,956</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,453,381</u>	<u>\$ 2,066,995</u>	<u>\$ 4,974,908</u>	<u>\$ 50,566,302</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,513,138	\$ 2,513,138	\$ 2,513,138	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	6,583,857	6,583,857	7,122,213	538,356
Investment Earnings	-	-	21,686	21,686
Miscellaneous	209,000	2,000	7,689	5,689
Transfers In	7,780,369	7,271,887	7,294,074	22,187
Amounts Available for Appropriations	<u>17,086,364</u>	<u>16,370,882</u>	<u>16,958,800</u>	<u>587,918</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	1,020,047	1,024,851	836,131	188,720
Development Services	8,256,078	10,093,504	8,716,161	1,377,343
Capital Outlay	-	-	620,986	(620,986)
Transfers Out	3,173,182	2,744,960	3,283,714	(538,754)
Total Charges to Appropriations	<u>12,449,307</u>	<u>13,863,315</u>	<u>13,456,992</u>	<u>406,323</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 4,637,057</u>	<u>\$ 2,507,567</u>	<u>\$ 3,501,808</u>	<u>\$ 994,241</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,331,284	\$ 1,331,284	\$ 1,331,284	\$ -
RESOURCES (INFLOWS)				
Charges for Services	1,707,000	1,707,000	1,983,811	276,811
Contributions	3,000	50,000	59,454	9,454
Amounts Available for Appropriations	<u>3,041,284</u>	<u>3,088,284</u>	<u>3,374,549</u>	<u>286,265</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	1,910,159	1,926,090	1,886,419	39,671
Development Services	56,964	52,696	35,847	16,849
Transfers Out	550,155	270,392	554,258	(283,866)
Total Charges to Appropriations	<u>2,517,278</u>	<u>2,249,178</u>	<u>2,476,524</u>	<u>(227,346)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 524,006</u>	<u>\$ 839,106</u>	<u>\$ 898,025</u>	<u>\$ 58,919</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOUSING AND COMMUNITY DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,511,676	\$ 2,511,676	\$ 2,511,676	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,572,221	1,572,221	398,999	(1,173,222)
Transfers In	-	-	164,911	164,911
Amounts Available for Appropriations	<u>4,083,897</u>	<u>4,083,897</u>	<u>3,075,586</u>	<u>(1,008,311)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Housing and Neighborhood Revitalization	746,377	444,910	87,951	356,959
Debt Service:				
Principal Retirement	190,000	190,000	190,000	-
Interest and Fiscal Charges	205,845	205,845	15,665	190,180
Transfers Out	671,550	48,110	48,110	-
Total Charges to Appropriations	<u>1,863,794</u>	<u>937,712</u>	<u>389,818</u>	<u>547,894</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,220,103</u>	<u>\$ 3,146,185</u>	<u>\$ 2,685,768</u>	<u>\$ (460,417)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOME PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,195,503	\$ 1,195,503	\$ 1,195,503	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	-	516,878	516,878
Amounts Available for Appropriations	1,195,503	1,195,503	1,712,381	516,878
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	-	-	1,037	(1,037)
Total Charges to Appropriations	-	-	1,037	(1,037)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,195,503</u>	<u>\$ 1,195,503</u>	<u>\$ 1,711,344</u>	<u>\$ 515,841</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,447,620	\$ 3,447,620	\$ 3,447,620	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	3,265,428	3,265,428	4,083,387	817,959
Investment Earnings	14,040	14,040	22,142	8,102
Amounts Available for Appropriations	<u>6,727,088</u>	<u>6,727,088</u>	<u>7,553,149</u>	<u>826,061</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	1,702,311	1,804,321	1,759,098	45,223
Capital Outlay	-	-	898,193	(898,193)
Transfers Out	244,590	3,051,581	237,090	2,814,491
Total Charges to Appropriations	<u>1,946,901</u>	<u>4,855,902</u>	<u>2,894,381</u>	<u>1,961,521</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 4,780,187</u>	<u>\$ 1,871,186</u>	<u>\$ 4,658,768</u>	<u>\$ 2,787,582</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BIKEWAY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (1,538)	\$ (1,538)	\$ (1,538)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	379,171	379,171	170,069	(209,102)
Investment Earnings	-	-	(68)	(68)
Miscellaneous	-	-	12,464	12,464
Transfers In	-	-	2,272	2,272
Amounts Available for Appropriations	<u>377,633</u>	<u>377,633</u>	<u>183,199</u>	<u>(194,434)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	172,444	(172,444)
Transfers Out	-	313,814	-	313,814
Total Charges to Appropriations	<u>-</u>	<u>313,814</u>	<u>172,444</u>	<u>141,370</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 377,633</u>	<u>\$ 63,819</u>	<u>\$ 10,755</u>	<u>\$ (53,064)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 5,418,179	\$ 5,418,179	\$ 5,418,179	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,708,587	2,708,587	3,387,085	678,498
Investment Earnings	18,000	18,000	34,756	16,756
Transfers In	-	-	27,792	27,792
Amounts Available for Appropriations	<u>8,144,766</u>	<u>8,144,766</u>	<u>8,867,812</u>	<u>723,046</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	887,483	(887,483)
Transfers Out	-	4,959,254	-	4,959,254
Total Charges to Appropriations	<u>-</u>	<u>4,959,254</u>	<u>887,483</u>	<u>4,071,771</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 8,144,766</u>	<u>\$ 3,185,512</u>	<u>\$ 7,980,329</u>	<u>\$ 4,794,817</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FEDERAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (443,783)	\$ (443,783)	\$ (443,783)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	5,521,264	3,130,956	3,153,098	22,142
Transfers In	-	-	41,060	41,060
Amounts Available for Appropriations	<u>5,077,481</u>	<u>2,687,173</u>	<u>2,750,375</u>	<u>63,202</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	-	621,325	185,880	435,445
Capital Outlay	-	-	3,946,749	(3,946,749)
Transfers Out	-	14,635,358	451,032	14,184,326
Total Charges to Appropriations	<u>-</u>	<u>15,256,683</u>	<u>4,583,661</u>	<u>10,673,022</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,077,481</u>	<u>\$ (12,569,510)</u>	<u>\$ (1,833,286)</u>	<u>\$ 10,736,224</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (1,830,739)	\$ (1,830,739)	\$ (1,830,739)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	5,553,768	(2,121,765)	1,797,949	3,919,714
Investment Earnings	-	-	(309)	(309)
Amounts Available for Appropriations	<u>3,723,029</u>	<u>(3,952,504)</u>	<u>(33,099)</u>	<u>3,919,405</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	-	99,704	122,093	(22,389)
Development Services	597,365	1,733,681	512,080	1,221,601
Capital Outlay	-	-	152,665	(152,665)
Transfers Out	350,026	1,692,317	14,620	1,677,697
Total Charges to Appropriations	<u>947,391</u>	<u>3,525,702</u>	<u>801,458</u>	<u>2,724,244</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,775,638</u>	<u>\$ (7,478,206)</u>	<u>\$ (834,557)</u>	<u>\$ 6,643,649</u>

**CITY OF LANCASTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 PARKS DEVELOPMENT SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 760,004	\$ 760,004	\$ 760,004	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	100,000	40,000	174,750	134,750
Amounts Available for Appropriations	<u>860,004</u>	<u>800,004</u>	<u>934,754</u>	<u>134,750</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	311,498	(311,498)
Transfers Out	-	8,289	-	8,289
Total Charges to Appropriations	<u>-</u>	<u>8,289</u>	<u>311,498</u>	<u>(303,209)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 860,004</u>	<u>\$ 791,715</u>	<u>\$ 623,256</u>	<u>\$ (168,459)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEVELOPER FEES – SIGNALS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,366,531	\$ 2,366,531	\$ 2,366,531	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	160,000	160,000	420,996	260,996
Transfers In	-	-	141	141
Amounts Available for Appropriations	<u>2,526,531</u>	<u>2,526,531</u>	<u>2,787,668</u>	<u>261,137</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	57,125	(57,125)
Transfers Out	-	1,060,885	-	1,060,885
Total Charges to Appropriations	<u>-</u>	<u>1,060,885</u>	<u>57,125</u>	<u>1,003,760</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,526,531</u>	<u>\$ 1,465,646</u>	<u>\$ 2,730,543</u>	<u>\$ 1,264,897</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
DEVELOPER FEES – DRAINAGE SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 10,984,244	\$ 10,984,244	\$ 10,984,244	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	450,000	450,000	773,916	323,916
Amounts Available for Appropriations	11,434,244	11,434,244	11,758,160	323,916
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	1,892,658	(1,892,658)
Transfers Out	-	1,852,255	-	1,852,255
Total Charges to Appropriations	-	1,852,255	1,892,658	(40,403)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 11,434,244</u>	<u>\$ 9,581,989</u>	<u>\$ 9,865,502</u>	<u>\$ 283,513</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
RECYCLED WATER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 125,517	\$ 125,517	\$ 125,517	\$ -
RESOURCES (INFLOWS)				
Charges for Services	100,000	100,000	151,258	51,258
Amounts Available for Appropriations	325,375	225,517	276,775	51,258
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	188,131	228,199	188,805	39,394
Transfers Out	77,772	22,353	79,027	(56,674)
Total Charges to Appropriations	265,903	250,552	267,832	(17,280)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 59,472</u>	<u>\$ (25,035)</u>	<u>\$ 8,943</u>	<u>\$ 33,978</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BIOLOGICAL IMPACT FEES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 640,061	\$ 640,061	\$ 640,061	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	175,000	260,000	243,281	(16,719)
Amounts Available for Appropriations	<u>815,061</u>	<u>900,061</u>	<u>883,342</u>	<u>(16,719)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	66,541	(66,541)
Transfers Out	-	20,918	-	20,918
Total Charges to Appropriations	<u>-</u>	<u>20,918</u>	<u>66,541</u>	<u>(45,623)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 815,061</u>	<u>\$ 879,143</u>	<u>\$ 816,801</u>	<u>\$ (62,342)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TRAFFIC IMPACT FEES SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,419,618	\$ 1,419,618	\$ 1,419,618	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	270,000	100,000	471,854	371,854
Miscellaneous	-	-	1,595	1,595
Amounts Available for Appropriations	<u>1,689,618</u>	<u>1,519,618</u>	<u>1,893,067</u>	<u>373,449</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	440,286	(440,286)
Transfers Out	-	727,868	-	727,868
Total Charges to Appropriations	<u>-</u>	<u>727,868</u>	<u>440,286</u>	<u>287,582</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,689,618</u>	<u>\$ 791,750</u>	<u>\$ 1,452,781</u>	<u>\$ 661,031</u>

**CITY OF LANCASTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 AQMD SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (39,252)	\$ (39,252)	\$ (39,252)	\$ -
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	-	-	47,500	(47,500)
Transfers Out	-	-	5,279	(5,279)
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>52,779</u>	<u>(52,779)</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (39,252)</u>	<u>\$ (39,252)</u>	<u>\$ (92,031)</u>	<u>\$ (52,779)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LANCASTER DRAINAGE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,070,634	\$ 2,070,634	\$ 2,070,634	\$ -
RESOURCES (INFLOWS)				
Charges for Services	1,650,000	1,695,000	2,137,095	442,095
Amounts Available for Appropriations	3,720,634	3,765,634	4,207,729	442,095
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	2,073,183	2,186,942	1,758,446	428,496
Debt Service:				
Principal Retirement	-	-	32,672	(32,672)
Interest and Fiscal Charges	-	-	2,026	(2,026)
Transfers Out	635,393	301,843	649,390	(347,547)
Total Charges to Appropriations	2,708,576	2,488,785	2,442,534	46,251
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,012,058</u>	<u>\$ 1,276,849</u>	<u>\$ 1,765,195</u>	<u>\$ 488,346</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MISCELLANEOUS GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 12,527	\$ 12,527	\$ 12,527	\$ -
RESOURCES (INFLOWS)				
Taxes	11,000	11,000	11,505	505
Amounts Available for Appropriations	23,527	23,527	24,032	505
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	11,000	11,000	24,032	(13,032)
Total Charges to Appropriations	11,000	11,000	24,032	(13,032)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 12,527</u>	<u>\$ 12,527</u>	<u>\$ -</u>	<u>\$ (12,527)</u>

**CITY OF LANCASTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 TRAFFIC SAFETY SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ 117,568	\$ 117,568	\$ 117,568	\$ -
RESOURCES (INFLOWS)				
Fines and Forfeitures	260,000	260,000	216,247	(43,753)
Amounts Available for Appropriations	377,568	377,568	333,815	(43,753)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 117,568</u>	<u>\$ 377,568</u>	<u>\$ 333,815</u>	<u>\$ (43,753)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LA COUNTY REIMBURSEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (179,568)	\$ (179,568)	\$ (179,568)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,272,934	-	242,617	242,617
Amounts Available for Appropriations	<u>1,093,366</u>	<u>(179,568)</u>	63,049	242,617
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	1,272,934	749,178	51,676	697,502
Transfers Out	-	-	38,483	(38,483)
Total Charges to Appropriations	<u>1,272,934</u>	<u>749,178</u>	<u>90,159</u>	<u>659,019</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ (179,568)</u>	<u>\$ (928,746)</u>	<u>\$ (27,110)</u>	<u>\$ 901,636</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MTA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (375,893)	\$ (375,893)	\$ (375,893)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	3,622,232	4,101,603	740,634	(3,360,969)
Transfers In	-	-	52,333	52,333
Amounts Available for Appropriations	<u>3,246,339</u>	<u>3,725,710</u>	<u>417,074</u>	<u>(3,308,636)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	603,994	(603,994)
Transfers Out	-	916,927	57,474	859,453
Total Charges to Appropriations	<u>-</u>	<u>916,927</u>	<u>661,468</u>	<u>255,459</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 3,246,339</u>	<u>\$ 2,808,783</u>	<u>\$ (244,394)</u>	<u>\$ (3,053,177)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
URBAN STRUCTURE PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,109,833	\$ 2,109,833	\$ 2,109,833	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	277,000	117,000	575,162	458,162
Amounts Available for Appropriations	2,386,833	2,226,833	2,684,995	458,162
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	443,185	(443,185)
Transfers Out	42,419	153,449	42,419	111,030
Total Charges to Appropriations	42,419	153,449	485,604	(332,155)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,344,414</u>	<u>\$ 2,073,384</u>	<u>\$ 2,199,391</u>	<u>\$ 126,007</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
SEWER MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,498,006	\$ 3,498,006	\$ 3,498,006	\$ -
RESOURCES (INFLOWS)				
Taxes	4,100,000	4,100,000	4,409,199	309,199
Licenses and Permits	123,300	174,456	176,092	1,636
Miscellaneous	-	-	420	420
Amounts Available for Appropriations	<u>7,721,306</u>	<u>7,772,462</u>	<u>8,083,717</u>	<u>311,255</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	5,146	(5,146)
Development Services	3,334,943	3,136,165	2,799,078	337,087
Transfers Out	1,721,762	693,648	1,748,222	(1,054,574)
Total Charges to Appropriations	<u>5,056,705</u>	<u>3,829,813</u>	<u>4,552,446</u>	<u>(722,633)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,664,601</u>	<u>\$ 3,942,649</u>	<u>\$ 3,531,271</u>	<u>\$ (411,378)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION 1B SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 6,113	\$ 6,113	\$ 6,113	\$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	10	10
Amounts Available for Appropriations	6,113	6,113	6,123	10
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	-	395	-	395
Total Charges to Appropriations	-	395	-	395
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 6,113</u>	<u>\$ 5,718</u>	<u>\$ 6,123</u>	<u>\$ 405</u>

**CITY OF LANCASTER
 SCHEDULE OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
 PROPOSITION 42 SPECIAL REVENUE FUND
 YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 46,543	\$ 46,543	\$ 46,543	\$ -
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Charges to Appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 46,543</u>	<u>\$ 46,543</u>	<u>\$ 46,543</u>	<u>\$ -</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 259,883	\$ 259,883	\$ 259,883	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	39,783,280	39,783,280	8,675,438	(31,107,842)
Investment Earnings	20,500	20,500	4,877	(15,623)
Amounts Available for Appropriations	<u>40,063,663</u>	<u>40,063,663</u>	<u>8,940,198</u>	<u>(31,123,465)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	2,110	(2,110)
Capital Outlay	-	-	6,362,454	(6,362,454)
Transfers Out	1,081,200	20,493,837	1,122,253	19,371,584
Total Charges to Appropriations	<u>1,081,200</u>	<u>20,493,837</u>	<u>7,486,817</u>	<u>13,007,020</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 38,982,463</u>	<u>\$ 19,569,826</u>	<u>\$ 1,453,381</u>	<u>\$ (18,116,445)</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,104,598	\$ 2,104,598	\$ 2,104,598	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,302,299	3,046,591	3,132,006	85,415
Investment Earnings	10,000	10,000	5,651	(4,349)
Amounts Available for Appropriations	<u>4,416,897</u>	<u>5,161,189</u>	<u>5,242,255</u>	<u>81,066</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	132,776	(132,776)
Capital Outlay	-	175,751	1,420,694	(1,244,943)
Transfers Out	2,130,282	3,824,155	1,621,790	2,202,365
Total Charges to Appropriations	<u>2,130,282</u>	<u>3,999,906</u>	<u>3,175,260</u>	<u>824,646</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,286,615</u>	<u>\$ 1,161,283</u>	<u>\$ 2,066,995</u>	<u>\$ 905,712</u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
LANCASTER LIGHTING DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,102,170	\$ 3,102,170	\$ 3,102,170	\$ -
RESOURCES (INFLOWS)				
Charges for Services	4,465,000	4,520,000	5,835,381	1,315,381
Investment Earnings	-	-	9	9
Miscellaneous	-	700	(35,863)	(36,563)
Amounts Available for Appropriations	<u>7,567,170</u>	<u>7,622,870</u>	<u>8,901,697</u>	<u>1,278,827</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	85,000	85,000	73,590	11,410
Development Services	2,893,745	3,231,995	2,506,182	725,813
Capital Outlay	1,892,658	57,124	1,584	55,540
Principal Retirement	585,000	585,000	585,000	-
Interest and Fiscal Charges	388,300	-	388,281	(388,281)
Transfers Out	366,876	307,668	372,152	64,484
Total Charges to Appropriations	<u>6,211,579</u>	<u>4,266,787</u>	<u>3,926,789</u>	<u>468,966</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,355,591</u>	<u>\$ 3,356,083</u>	<u>\$ 4,974,908</u>	<u>\$ 1,747,793</u>

**CITY OF LANCASTER
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2022**

	<u>Assessment District</u>	<u>Deposits</u>	<u>AD 92-101</u>
ASSETS			
Pooled Cash and Investments	\$ 154,596	\$ 130,581	\$ 202
Receivable:			
Accounts	-	53,830	-
Taxes	-	-	-
Restricted:			
Cash and Investments with Fiscal Agents	-	-	-
	<u>154,596</u>	<u>184,411</u>	<u>202</u>
LIABILITIES			
Deposits Payable	-	184,411	-
	<u>-</u>	<u>184,411</u>	<u>-</u>
NET POSITION			
Restricted for Bondholders	<u>154,596</u>	<u>-</u>	<u>202</u>
	<u>\$ 154,596</u>	<u>\$ -</u>	<u>\$ 202</u>

CITY OF LANCASTER
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS (CONTINUED)
JUNE 30, 2022

	<u>CFD 89-1</u>	<u>CFD 90-1</u>	<u>CFD 91-1</u>	<u>Total</u>
ASSETS				
Pooled Cash and Investments	\$ 23,537	\$ (207)	\$ 542	\$ 309,251
Receivable:				
Accounts	-	-	-	53,830
Taxes	298	-	-	298
Restricted:				
Cash and Investments with Fiscal Agents	<u>2,185</u>	<u>-</u>	<u>-</u>	<u>2,185</u>
Total Assets	26,020	(207)	542	365,564
LIABILITIES				
Deposits Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,411</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,411</u>
NET POSITION				
Restricted for Bondholders	<u>26,020</u>	<u>(207)</u>	<u>542</u>	<u>181,153</u>
Total Net Position	<u>\$ 26,020</u>	<u>\$ (207)</u>	<u>\$ 542</u>	<u>\$ 365,564</u>

**CITY OF LANCASTER
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022**

	<u>Assessment District</u>	<u>Deposits</u>	<u>AD 92-101</u>
DEDUCTIONS			
Administrative Expenses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Deductions	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	-	-	-
Total Net Position - Beginning of Year	<u>154,596</u>	<u>-</u>	<u>202</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 154,596</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 202</u></u>

**CITY OF LANCASTER
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2022**

	<u>CFD 89-1</u>	<u>CFD 90-1</u>	<u>CFD 91-1</u>	<u>Total</u>
DEDUCTIONS				
Administrative Expenses	<u>\$ 82</u>	<u>\$ 826</u>	<u>\$ -</u>	<u>\$ 908</u>
Total Deductions	<u>82</u>	<u>826</u>	<u>-</u>	<u>908</u>
CHANGE IN NET POSITION	(82)	(826)	-	(908)
Total Net Position - Beginning of Year	<u>26,102</u>	<u>619</u>	<u>542</u>	<u>182,061</u>
TOTAL NET POSITION - END OF YEAR	<u><u>\$ 26,020</u></u>	<u><u>\$ (207)</u></u>	<u><u>\$ 542</u></u>	<u><u>\$ 181,153</u></u>

STATISTICAL SECTION

**CITY OF LANCASTER
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2022**

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>	149-154
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>	155-159
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>	160-164
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>	165-166
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>	167-168

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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.

**CITY OF LANCASTER
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
JUNE 30, 2022
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in										
Capital Assets	\$ 937,437,269	\$ 923,425,649	\$ 907,594,209	\$ 893,340,891	\$ 868,784,058	\$ 858,554,529	\$ 850,994,405	\$ 852,525,238	\$ 845,575,930	\$ 834,367,384
Restricted	161,081,541	154,576,976	156,831,806	148,498,481	146,632,874	143,457,885	153,574,408	211,659,170	141,530,153	148,823,735
Unrestricted	5,094,946	30,520,092	(10,727,418)	3,063,526	(1,347,011)	(6,020,947)	(13,964,865)	(80,694,919)	16,690,582	53,224,096
Total Governmental Activities Net Assets	<u>\$ 1,103,613,756</u>	<u>\$ 1,108,522,717</u>	<u>\$ 1,053,698,597</u>	<u>\$ 1,044,902,898</u>	<u>\$ 1,014,069,921</u>	<u>\$ 995,991,467</u>	<u>\$ 990,603,948</u>	<u>\$ 983,489,489</u>	<u>\$ 1,003,796,665</u>	<u>\$ 1,036,415,215</u>
Business-type activities										
Net Investment in										
Capital Assets	\$ -	\$ (4,221,367)	\$ (1,317,420)	\$ (1,175,345)	\$ (998,271)	\$ (1,551,196)	\$ (2,054,121)	\$ (2,507,045)	\$ (2,899,971)	\$ (4,705,290)
Unrestricted	(1,397,269)	2,469,059	(1,234,241)	1,748,081	3,317,256	4,911,084	4,781,147	9,780,734	8,662,408	10,659,839
Total Business-Type Activities Net Assets	<u>\$ (1,397,269)</u>	<u>\$ (1,752,308)</u>	<u>\$ (2,551,661)</u>	<u>\$ 572,736</u>	<u>\$ 2,318,985</u>	<u>\$ 3,359,888</u>	<u>\$ 2,727,026</u>	<u>\$ 7,273,689</u>	<u>\$ 5,762,437</u>	<u>\$ 5,954,549</u>
Primary Government										
Net Investment in										
Capital Assets	\$ 937,437,269	\$ 919,204,282	\$ 906,276,789	\$ 892,165,546	\$ 867,785,787	\$ 857,003,333	\$ 848,940,284	\$ 850,018,193	\$ 842,675,959	\$ 829,662,094
Restricted	161,081,541	154,576,976	156,831,806	148,498,481	146,632,874	143,457,885	153,574,408	211,659,170	141,530,153	148,823,735
Unrestricted	3,697,677	32,989,151	(11,961,659)	4,811,607	1,970,245	(1,109,863)	(9,183,718)	(70,914,185)	25,352,990	63,883,935
Total Primary Government Net Assets	<u>\$ 1,102,216,487</u>	<u>\$ 1,106,770,409</u>	<u>\$ 1,051,146,936</u>	<u>\$ 1,045,475,634</u>	<u>\$ 1,016,388,906</u>	<u>\$ 999,351,355</u>	<u>\$ 993,330,974</u>	<u>\$ 990,763,178</u>	<u>\$ 1,009,559,102</u>	<u>\$ 1,042,369,764</u>

*2017 Net Assets Restated

**CITY OF LANCASTER
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities:										
General Government	\$ 20,108,707	\$ 20,826,798	\$ 18,151,158	\$ 24,202,118	\$ 8,960,666	\$ 25,403,881	\$ 36,559,231	\$ 34,227,243	\$ 35,691,615	\$ 27,689,637
Public Safety	25,618,865	24,042,237	26,777,341	26,305,165	28,407,266	29,600,738	30,472,647	31,515,319	32,230,935	35,132,514
Community Development	6,554,237	4,382,821	3,205,562	3,075,464	3,153,141	3,596,731	3,203,719	657,480	592,696	664,521
Parks, Recreation, and Arts	13,049,889	13,555,843	14,096,265	16,934,244	16,693,089	18,330,765	19,055,172	18,323,761	17,820,781	25,614,746
Development Services	53,654,875	54,078,702	54,734,695	50,457,653	69,971,677	54,409,902	53,929,613	53,960,990	50,239,507	65,722,004
Housing and Neighborhood Revitalization	421,279	3,072,338	4,341,667	2,672,073	2,561,473	2,158,452	2,115,890	1,850,333	2,056,358	7,758,697
Interest on Long-Term Debt	375,667	233,915	180,567	217,001	273,270	793,067	920,559	2,315,735	3,119,743	2,551,057
Total Primary Governmental Activities Expenses	119,783,519	120,192,654	121,487,255	123,863,718	130,020,582	134,293,536	146,256,831	142,850,861	141,751,635	165,133,176
Business-type activities:										
Lancaster Power Authority	2,990,770	3,215,141	2,170,134	2,166,532	2,039,939	1,987,221	1,968,698	1,841,253	1,825,146	1,947,106
Lancaster Choice Energy	-	-	1,430,990	20,238,595	33,808,624	34,290,014	36,835,001	39,741,272	47,013,871	51,194,116
California Choice Energy Authority	-	-	-	-	52,276	2,414,623	4,287,401	5,650,866	6,033,722	7,081,730
Total Business-Type Activities Expenses	2,990,770	3,215,141	3,601,124	22,405,127	35,900,839	38,691,858	43,091,100	47,233,391	54,872,739	60,222,952
Total Primary Government Expenses	122,774,289	123,407,795	125,088,379	146,268,845	165,921,421	172,985,394	189,347,931	190,084,252	196,624,374	225,356,128
Program Revenues (see Schedule 3)										
Governmental Activities:										
Charges for Services:										
General Government	284,461	198,193	432,988	513,200	639,962	602,044	619,995	139,214	3,335,332	287,009
Public Safety	1,070,125	978,834	818,277	751,611	984,026	1,062,896	1,085,753	853,945	2,525,888	802,251
Community Development	428,817	568,214	550,551	496,533	661,602	634,154	639,536	597,666	430,021	653,198
Parks, Recreation and Arts	3,560,430	3,683,705	3,652,517	4,277,377	4,550,335	4,321,483	4,715,881	2,657,974	759,537	2,499,106
Development Services	13,352,265	13,285,244	14,021,480	14,565,036	15,011,307	15,313,752	15,847,319	16,463,307	18,297,602	20,552,067
Housing and Neighborhood Revitalization	908,953	1,009,550	303,541	226,958	229,371	365,977	237,247	1,042,728	290,464	12
Operating Grants and Contributions	27,016,113	22,338,733	22,198,805	24,493,308	24,106,817	27,378,164	26,646,632	32,101,550	48,818,504	60,297,493
Capital Grants and Contributions	10,893,821	13,157,118	20,173,224	7,918,787	2,949,315	8,166,904	18,407,817	13,207,647	14,693,720	10,047,212
Total Governmental Activities Program Revenues	57,514,985	55,219,591	62,151,383	53,242,810	49,132,735	57,845,374	68,200,180	67,064,031	89,151,068	95,138,348

**CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-type activities:										
Charges for Services:										
Lancaster Power Authority	\$ 2,937,736	\$ 3,402,736	\$ 3,273,181	\$ 3,512,716	\$ 2,818,772	\$ 1,861,482	\$ 1,661,277	\$ 1,545,531	\$ 1,896,121	\$ 1,911,332
Lancaster Choice Energy	-	-	275,128	23,437,682	36,023,817	37,454,517	37,059,153	43,397,265	43,786,322	51,692,560
California Choice Energy Authority	-	-	-	-	80,000	1,495,702	4,535,102	5,438,167	5,987,488	7,206,199
Total Business-Type Activities	<u>2,937,736</u>	<u>3,402,736</u>	<u>3,548,309</u>	<u>26,950,398</u>	<u>38,922,589</u>	<u>40,811,701</u>	<u>43,255,532</u>	<u>50,380,963</u>	<u>51,669,931</u>	<u>60,810,091</u>
Program Revenues	<u>2,937,736</u>	<u>3,402,736</u>	<u>3,548,309</u>	<u>26,950,398</u>	<u>38,922,589</u>	<u>40,811,701</u>	<u>43,255,532</u>	<u>50,380,963</u>	<u>51,669,931</u>	<u>60,810,091</u>
Total Primary Government	<u>60,452,721</u>	<u>58,622,327</u>	<u>65,699,692</u>	<u>80,193,208</u>	<u>88,055,324</u>	<u>98,657,075</u>	<u>111,455,712</u>	<u>117,444,994</u>	<u>140,820,999</u>	<u>155,948,439</u>
Program Revenues	<u>60,452,721</u>	<u>58,622,327</u>	<u>65,699,692</u>	<u>80,193,208</u>	<u>88,055,324</u>	<u>98,657,075</u>	<u>111,455,712</u>	<u>117,444,994</u>	<u>140,820,999</u>	<u>155,948,439</u>
Governmental Activities	(62,374,602)	(64,838,504)	(59,335,872)	(70,620,908)	(80,887,847)	(76,448,162)	(78,056,651)	(75,786,830)	(52,600,567)	(69,994,828)
Business-Type Activities:	53,034	53,036	(52,815)	4,545,271	3,021,750	2,119,843	164,432	3,147,572	(3,202,808)	587,139
Net Primary Government	<u>(62,321,568)</u>	<u>(64,785,468)</u>	<u>(59,388,687)</u>	<u>(66,075,637)</u>	<u>(77,866,097)</u>	<u>(74,328,319)</u>	<u>(77,892,219)</u>	<u>(72,639,258)</u>	<u>(55,803,375)</u>	<u>(69,407,689)</u>
Revenue (Expense)	<u>(62,321,568)</u>	<u>(64,785,468)</u>	<u>(59,388,687)</u>	<u>(66,075,637)</u>	<u>(77,866,097)</u>	<u>(74,328,319)</u>	<u>(77,892,219)</u>	<u>(72,639,258)</u>	<u>(55,803,375)</u>	<u>(69,407,689)</u>
Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	14,142,727	14,370,865	16,854,719	19,252,156	19,468,926	20,423,770	22,583,607	24,296,937	26,148,244	27,184,193
Transient Occupancy Taxes	1,314,747	1,313,033	1,614,404	1,866,299	2,064,522	2,202,452	2,211,230	1,965,102	7,731,919	9,261,656
Intergovernmental -State										
Shared Sales Taxes	16,254,549	18,043,706	18,540,150	19,498,624	20,462,687	20,483,067	23,611,132	21,961,474	2,012,943	2,709,026
Franchise Taxes	2,617,877	2,669,286	2,776,634	2,821,855	2,926,257	4,706,453	7,637,948	7,663,335	1,223,982	1,364,377
Business Licenses Taxes	906,896	929,618	983,968	915,740	842,598	932,469	920,998	722,837	1,315,822	1,027,933
Other Taxes	406,441	413,913	419,034	428,651	630,705	991,873	885,093	1,279,397	118,596	186,425
Intergovernmental	80,905	67,299	65,519	64,874	70,376	83,074	77,514	127,902	31,805,221	50,950,947
Investment Earnings	38,131	252,605	331,645	532,869	465,226	243,124	1,942,204	4,696,743	1,391,387	(1,397,099)
Miscellaneous	1,008,418	331,511	1,141,731	1,041,187	2,308,190	3,393,939	10,536,241	4,138,146	1,546,901	9,577,174
Gain on Sale of Land Held										
for Resale	109,072	4,160,149	2,129,772	1,158,860	443,926	1,283,807	1,220,392	888,441	513,340	801,949
Transfers	600,000	600,000	800,000	1,600,000	1,358,064	1,525,000	845,513	893,410	875,850	946,797
Total Governmental Activities	<u>37,479,763</u>	<u>43,151,985</u>	<u>45,657,576</u>	<u>49,181,115</u>	<u>51,041,477</u>	<u>56,269,028</u>	<u>72,471,872</u>	<u>68,633,724</u>	<u>74,684,205</u>	<u>102,613,378</u>
Business-Type Activities:										
Investment Earnings	2,421	9,533	1,762	6,041	10,109	25,250	48,219	34,247	860	182
Miscellaneous	42,750	47,833	51,700	173,085	72,454	420,810		2,258,254	2,790,669	551,588
Transfers	(600,000)	(600,000)	(800,000)	(1,600,000)	(1,358,064)	(1,525,000)	(845,513)	(893,410)	(875,850)	(946,797)
Total Business-Type Activities	<u>(554,829)</u>	<u>(542,634)</u>	<u>(746,538)</u>	<u>(1,420,874)</u>	<u>(1,275,501)</u>	<u>(1,078,940)</u>	<u>(797,294)</u>	<u>1,399,091</u>	<u>1,915,679</u>	<u>(395,027)</u>

**CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Extraordinary Gain/(Loss)	\$ (14,482,945)	\$ 41,469,430	\$ -	\$ 11,789,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government Revenues, Contributions, Extraordinary Items and Transfers	22,441,989	84,078,781	44,911,038	59,549,553	49,765,976	55,190,088	71,674,578	70,032,815	76,599,884	102,218,351
Extraordinary Gain/(Loss) due to Transfer of Assets to Successor Agency (Note 16)	(14,482,945)	41,469,430	-	-	-	-	-	-	-	-
Change in Net Assets										
Governmental Activities	(39,271,716)	19,648,352	(13,678,296)	(9,650,481)	(29,846,370)	(20,179,134)	(5,584,779)	(7,153,106)	22,083,638	32,618,550
Business-Type Activities	(607,863)	(355,039)	(799,353)	3,124,397	1,746,249	1,040,903	(632,862)	4,546,663	(1,287,129)	192,112
Total Primary Government	<u>\$ (39,879,579)</u>	<u>\$ 19,293,313</u>	<u>\$ (14,477,649)</u>	<u>\$ (6,526,084)</u>	<u>\$ (28,100,121)</u>	<u>\$ (19,138,231)</u>	<u>\$ (6,217,641)</u>	<u>\$ (2,606,443)</u>	<u>\$ 20,796,509</u>	<u>\$ 32,810,662</u>

**CITY OF LANCASTER
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Nonspendable	\$ 8,852,742	\$ 28,221,235	\$ 30,146,378	\$ 35,269,352	\$ 35,371,160	\$ 34,813,055	\$ 29,262,811	\$ 29,674,751	\$ 26,457,074	\$ 27,214,902
Committed	-	-	-	-	-	-	3,365,000	1,614,733	8,083,847	47,957,898
Assigned	4,800,218	4,680,626	4,928,059	5,271,564	16,385,000	21,342,040	23,159,000	9,055,493	14,132,994	14,132,994
Unassigned	12,927,615	8,742,053	7,363,284	14,512,289	3,799,199	27,264	7,120,806	24,936,990	37,531,649	32,605,717
Total General Fund	<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>	<u>\$ 86,205,564</u>	<u>\$ 121,911,511</u>
All Other Governmental Funds										
Nonspendable	\$ 87,303,062	\$ -	\$ 47,639	\$ 138,887	\$ 302,869	\$ -	\$ 1,952	\$ -	\$ 114,493	\$ 29,788
Restricted	56,185,252	151,441,914	153,298,355	143,175,424	138,738,574	135,604,095	145,720,618	194,765,788	186,902,404	144,389,404
Assigned	509	509	17,055	-	60,647.00	60,647	60,647	556,466	1,905,548	1,882,051
Unassigned	(5,397,190)	(2,637,423)	(2,503,461)	(2,239,594)	(4,009,386)	(5,552,234)	(4,758,232)	(12,709,657)	(4,213,959)	(5,907,837)
Total all Other Governmental Funds	<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>	<u>\$ 184,708,486</u>	<u>\$ 140,393,406</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 19/20 & 20/21 are discussed in Management Discussion and Analysis section.

CITY OF LANCASTER
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year								
	2013	2014	2015	2016	2017	2018	2019	2021	2022
Revenues									
Taxes	\$ 49,816,195	\$ 43,142,049	\$ 45,955,569	\$ 50,788,011	\$ 51,225,214	\$ 32,694,321	\$ 45,375,573	\$ 46,881,898	\$ 67,506,842
Licenses, Fees, and Permits	4,758,487	3,765,131	4,213,219	7,618,177	7,154,796	7,311,998	7,258,884	18,160,703	10,309,048
Intergovernmental	20,477,373	25,441,406	29,814,201	20,399,991	20,131,473	49,677,753	57,084,430	84,585,107	95,845,505
Charges for Services	10,773,394	11,055,161	11,579,958	11,943,261	12,047,968	12,110,502	12,735,980	10,631,985	12,541,661
Investment Earnings	2,515,570	5,988,730	3,027,639	1,315,125	865,832	1,011,369	2,587,662	538,028	(1,462,632)
Fines and Forfeitures	1,253,922	1,164,109	1,031,987	958,579	1,076,830	1,248,494	1,296,476	702,937	974,257
Contributions	-	-	-	-	630	35,586	8,033	8,757	59,454
Rental Income	-	-	5,748	194,687	155,750	155,750	156,958	-	25,613
Gain From Sale of Land Held	-	-	-	-	-	-	-	472,883	570,576
Miscellaneous	4,693,687	1,108,353	2,167,266	2,365,424	5,320,963	6,340,721	5,930,584	7,193,270	9,499,352
Total Revenues	\$ 94,288,628	\$ 91,664,939	\$ 97,795,587	\$ 95,583,255	\$ 97,979,456	\$ 110,586,494	\$ 132,434,580	\$ 169,175,568	\$ 195,869,676
Expenditures									
General Government	\$ 16,729,037	\$ 13,998,033	\$ 15,994,460	\$ 20,261,382	\$ 19,648,188	\$ 21,765,331	\$ 31,975,792	\$ 31,230,218	\$ 34,603,620
Public Safety	25,349,866	24,238,229	25,019,344	26,299,308	28,401,068	29,429,466	30,290,409	32,319,382	35,083,490
Community Development	7,171,105	4,021,302	2,732,422	2,796,072	2,879,556	3,352,591	2,779,144	490,242	236,622
Parks, Recreation and Arts	11,639,064	12,324,636	12,819,404	15,218,338	16,157,838	16,769,802	17,655,903	15,392,513	23,729,690
Development Services	18,383,201	17,639,737	19,678,403	18,634,314	34,626,426	20,337,475	19,389,078	21,898,694	36,449,170
Housing and Neighborhood Revitalization	452,079	5,063,159	4,341,667	2,672,073	3,564,603	2,158,452	2,115,890	2,056,358	7,758,697
Capital Outlay	17,762,739	11,121,837	14,852,578	17,109,139	13,067,378	22,380,893	24,040,695	30,875,418	62,883,972
Debt Service									
Principal	6,556,995	528,151	549,758	607,293	771,403	1,774,883	2,524,442	3,055,692	2,342,636
Interest	463,046	244,583	221,672	185,367	293,259	660,933	845,577	3,525,805	2,976,633
Total Expenditures	104,507,132	89,179,667	96,209,708	103,783,286	119,409,719	118,629,826	131,616,930	140,844,322	206,064,530
Excess of Revenues Over (Under)									
Expenditures	(10,218,504)	2,485,272	1,585,879	(8,200,031)	(21,430,263)	(8,043,332)	817,650	28,331,246	(10,194,854)
Other Financing Sources (Uses)									
Sale of Capital Assets	-	-	-	-	-	-	-	40,457	576,405
Bonds, notes, and Loans lissued	-	-	-	-	14,250,000	-	14,955,000	-	-
Bonds Issuance Premium	-	-	-	-	529,230	-	387,570	-	62,519
Sale of Capital Assets	-	-	-	-	-	-	202,197	-	-
Gain/(Loss) on Sale of Land	-	-	-	-	-	90,300	-	-	-
Proceeds from Capital Lease	-	-	-	255,981	555,221	-	232,545	-	-
Transfers in	24,370,408	23,056,901	24,675,475	31,209,370	22,640,266	36,663,811	36,307,639	19,492,130	20,574,564
Transfers out	(23,770,408)	(22,456,901)	(23,875,475)	(29,609,370)	(21,282,202)	(35,138,811)	(35,462,126)	(18,616,280)	(19,627,767)
Total Other Financing Sources (Uses)	600,000	600,000	800,000	1,855,981	16,692,515	1,615,300	16,622,825	916,307	1,585,721
Extraordinary, Special Gain/(Loss)	(14,842,945)	22,836,799	-	9,174,663	-	-	-	-	-
Net Change in Fund Balances	\$ (24,461,449)	\$ 25,922,071	\$ 2,385,879	\$ 2,830,613	\$ (4,737,748)	\$ (6,428,032)	\$ 17,440,475	\$ 29,247,553	\$ (8,609,133)
Debt service as a percentage of noncapital expenditures	8.09%	0.99%	0.95%	0.91%	1.00%	2.53%	3.13%	5.98%	3.72%

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

**CITY OF LANCASTER
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	*Property Taxes	Transient Occupancy	Intergovernmental		Franchise Taxes	Business Licenses Taxes	Other Taxes	Total
			State Shared Sales Taxes	Measure LC				
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	19,252,156	1,614,404	18,540,150		2,821,855	915,740	428,651	43,572,956
2016	19,468,926	1,866,299	19,498,624		2,926,257	842,598	630,705	45,233,409
2017	20,423,770	2,064,522	20,462,687		4,706,453	932,469	991,873	49,581,774
2018	20,423,770	2,202,452	20,483,067		4,706,453	932,469	991,873	49,740,084
2019	22,583,607	2,211,230	23,611,132		7,637,948	920,998	885,093	57,850,008
2020	24,296,937	1,965,102	21,961,474		1,223,982	1,315,822	118,596	50,881,913
2021	26,148,244	2,012,943	26,734,737	5,070,608	7,731,919	729,798	1,010,653	69,438,901
2022	27,184,193	2,709,026	28,325,781	22,625,166	9,261,656	1,364,377	1,027,933	92,498,132
Change	3.96%	34.58%	5.95%		19.78%	86.95%	1.71%	33.21%
2013-2022	(1,035,949)	(696,083)	(1,591,044)	(17,554,558)	(1,529,737)	(634,579)	(17,280)	(23,059,231)
	92.2%	106.0%	74.3%		253.8%	50.4%	152.9%	159.5%

*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
 LAST TEN FISCAL YEARS
 YEAR ENDED JUNE 30, 2022
 (IN THOUSANDS)**

Fiscal Year	Residential Property*	Commercial Property*	Industrial Property*	Other Property*	Unsecured Property*	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate*
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
2020-21	9,778,254	1,426,788	576,248	1,773,175	407,473	(638,594)	13,323,344	0.085786
2021-22	10,463,372	1,408,293	636,430	1,865,415	376,652	(664,045)	14,086,117	0.084892

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
YEAR ENDED JUNE 30, 2022**

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)
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%	0.02187%	0.20734%	0.04722%	0.07049%	1.34692%	0.06611%	0.088530
2021	1.00000%	0.00000%	0.02163%	0.06540%	0.42466%	0.07049%	1.58218%	0.06611%	0.085786
2022	1.00000%	0.00000%	0.02360%	0.20887%	0.04424%	0.07049%	1.34720%	0.06611%	0.085786

Source: Los Angeles County Auditor 2012/13-2021/22 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
PRINCIPAL PROPERTY TAX PAYERS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

<u>Taxpayer</u>	<u>2021-22</u>			<u>Taxpayer</u>	<u>2012-13</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total City Taxable Assessed Value</u>
WestCore Bravo Lancaster LLC	\$ 86,436,298	1	0.61%	Basrock	\$ 89,623,375	1	1.09%
AG Cordova Park Owner LP	84,000,000	2	0.60%	Avenue K Lancaster UCM Cadenc	47,817,420	2	0.58%
Granada Villas REI LLC	66,001,292	3	0.47%	US Industrial Reit II	45,284,000	3	0.55%
Walmart Stores Inc	62,448,826	4	0.44%	Walmart	43,402,734	4	0.53%
AG Sienna Heights Owner LP	61,440,000	5	0.44%	Bank of America	38,500,910	5	0.47%
Village Ponite Community Partners LP	54,250,000	6	0.39%	Thrifty Payless Inc	35,127,975	6	0.43%
Rami Darghalli Trust	52,659,729	7	0.37%	Kaiser	30,496,437	7	0.37%
TA-High Desert LLC	52,089,177	8	0.37%	MGP IX Reit LLC	27,693,000	8	0.34%
BYD Coach and Bus LLC	48,976,115	9	0.35%	Sygma Network Inc	26,971,067	9	0.33%
Vereit Real Estate LP	47,460,707	10	0.34%	Wood Lancaster	22,867,139	10	0.28%
Top Ten Total	\$ 615,762,144		4.37%	Top Ten Total	\$ 407,784,057		4.94%

**CITY OF LANCASTER
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Taxpayer	2021-22			Taxpayer	2012-13		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
WestCore Bravo Lancaster LLC	\$ 86,436,298	1	0.61%	Basrock	\$ 89,623,375	1	1.09%
AG Cordova Park Owner LP	84,000,000	2	0.60%	Avenue K Lancaster UCM Cadenc	47,817,420	2	0.58%
Granada Villas REI LLC	66,001,292	3	0.47%	US Industrial Reit II	45,284,000	3	0.55%
Walmart Stores Inc	62,448,826	4	0.44%	Walmart	43,402,734	4	0.53%
AG Sienna Heights Owner LP	61,440,000	5	0.44%	Bank of America	38,500,910	5	0.47%
Village Ponite Community Partners LP	54,250,000	6	0.39%	Thrifty Payless Inc	35,127,975	6	0.43%
Rami Darghalli Trust	52,659,729	7	0.37%	Kaiser	30,496,437	7	0.37%
TA-High Desert LLC	52,089,177	8	0.37%	MGP IX Reit LLC	27,693,000	8	0.34%
BYD Coach and Bus LLC	48,976,115	9	0.35%	Sygma Network Inc	26,971,067	9	0.33%
Vereit Real Estate LP	47,460,707	10	0.34%	Wood Lancaster	22,867,139	10	0.28%
Top Ten Total	\$ 615,762,144		4.37%	Top Ten Total	\$ 407,784,057		4.94%

CITY OF LANCASTER
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(DOLLARS IN THOUSAND, EXCEPT PER CAPITA)

Fiscal Year	Lease Revenue Bonds	Assessment District Bonds	*Business-Type Activity Revenue Bonds	Total Primary Government	Percentage of Personal Income	Per Capita
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
2021	13,820	12,060	20,284	46,164	206.87%	0.27
2022	13,545	11,475	18,328	43,348	207.67%	0.25

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
YEAR ENDED JUNE 30, 2022
(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		
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
2021	-	161,023	161,023	1.2086%	1.00
2022	-	150,735	150,735	1.0701%	0.86

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
YEAR ENDED JUNE 30, 2022**

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt			
Direct Borrowings	\$ 2,577,869	100.00%	\$ 2,577,869
Other Debt:			
Streetlight Acquisition Bonds of 2016	11,475,000	100.00%	11,475,000
Public Improvement Project Bonds of 2018	13,545,000	100.00%	13,545,000
Unamortized Bond Premiums	7,008,265	100.00%	7,008,265
Measure M & R Street Improvement	45,480,000	100.00%	45,480,000
Other Long-Term Liabilities	6,889,234	100.00%	6,889,234
Total Direct Debt			\$ 86,975,368
Overlapping Tax and Assessment Debt			
464.5 EASTSIDE UNION DS 1998 SERIES A	\$ 394,872	63.18%	249,483
464.54 EASTSIDE UNION DS 2016 REF	3,020,000	63.18%	1,908,058
529.5 LANCASTER SD DS 1999 SERIES A	1,120,464	97.47%	1,092,146
529.51 LANCASTER SD DS 1999 SERIES 2001	5,454,026	97.47%	5,316,184
529.53 LANCASTER SD DS 2012 SERIES 2013A	9,910,000	97.47%	9,659,540
529.55 LANCASTER SD DS 2012 SERIES 2018C	11,000,000	97.47%	10,721,992
529.56 LANCASTER SD DS 2012 SERIES 2020D	33,779,908	97.47%	32,926,173
689.54 WESTSIDE UNION SD DS 1998 SERIES A	850,965	29.46%	250,664
689.55 WESTSIDE UNION SD DS 1998 S-2001A	2,254,901	29.46%	664,213
689.56 WESTSIDE UNION SD DS 1998 S-2002A	1,578,308	29.46%	464,913
689.61 WESTSIDE UNION SD DS 2008 SERIES A	8,370,255	29.46%	2,465,576
689.63 WESTSIDE UNION SD DS 2012 SERIES A	18,788,931	29.46%	5,534,543
689.65 WESTSIDE UNION SD DS 2020 REF	12,185,000	29.46%	3,589,263
717.52 ANTELOPE VALLEY UNION HSD DS 2002 SERIES B	3,806,694	38.98%	1,483,642
717.53 ANTELOPE VALLEY UNIFIED HSD DS 2002 SERIES 2005	698,179	38.98%	272,112
717.54 ANTELOPE VALLEY JUHSD REF SERIES 2012	2,910,000	38.98%	1,134,176
717.55 ANTELOPE VALLEY JUHSD DS REF 2015	14,105,000	38.98%	5,497,441
717.56 ANTELOPE VALLEY JUHSD DS REF 2019	17,400,000	38.98%	6,781,671
792.55 ANTELOPE VALLEY CCD DS 2014 REF SERIES A	13,795,000	36.61%	5,050,555
792.56 ANTELOPE VALLEY CCD DS 2014 REF SERIES B	3,150,000	36.61%	1,153,262
792.58 ANTELOPE VALLEY CCD DS 2016 SERIES A	46,220,000	36.61%	16,921,831
792.59 ANTELOPE VALLEY CCD DS 2016 SERIES A-1	18,895,000	36.61%	6,917,741
792.60 ANTELOPE VALLEY CCD DS 2016 SERIES B	86,215,000	36.61%	31,564,597
792.61 ANTELOPE VALLEY CCD DS 2020 REFUNDING	218,695,000	36.61%	80,067,500
Total Overlapping Tax And Assessment Debt			231,687,276
Total Direct And Overlapping Governmental Funds Debt			\$ 318,662,644
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		0.738%
Overlapping and Assessment Debt		1.966%
Total Direct and Overlapping Governmental Funds Debt		2.703%

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.

Source: H&L Coren & Cone, Los Angeles Co Assessor & Auditor Combined 2020/21 Lien Date Tax Rolls, City of Lancaster Finance Department

**CITY OF LANCASTER
LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022
(DOLLARS IN THOUSANDS)**

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Valuation	\$ 8,258,563	\$ 8,476,065	\$ 9,339,027	\$ 9,985,444	\$ 10,560,364	\$ 11,045,188	\$ 11,799,191	\$ 12,716,740	\$ 13,323,344	\$ 14,086,117
Debt Limit (3.75% of Gross AV)	309,696	317,852	350,214	374,454	396,014	414,195	442,470	476,878	499,625	528,229
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 499,625</u>	<u>\$ 528,229</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
 YEAR ENDED JUNE 30, 2022
 (DOLLARS IN THOUSANDS)**

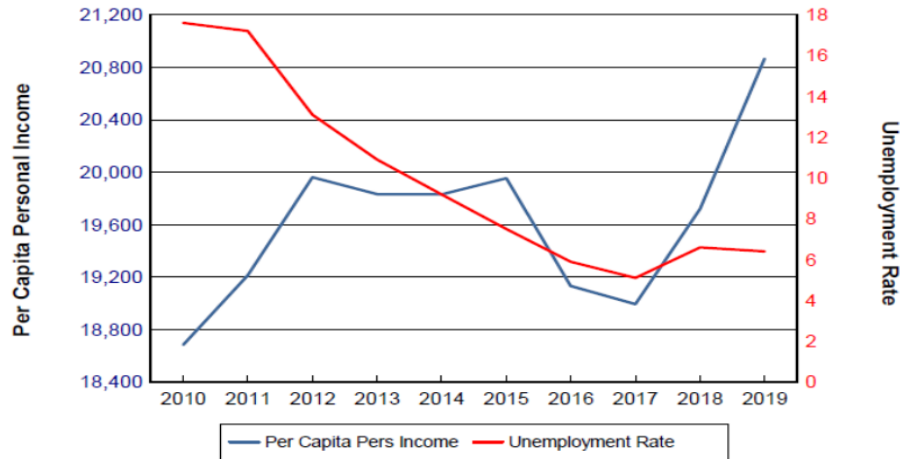
Fiscal Year	Redevelopment Tax Allocation Bonds				Coverage
	Property Tax Increment	Debt Service			
		Principal	Interest		
2013	19,564	6,695	12,618	1.01	
2014	23,252	16,005	12,313	0.82	
2015	23,535	9,675	11,477	1.11	
2016	25,590	11,255	10,531	1.17	
2017	21,248	6,350	7,600	1.52	
2018	20,826	8,285	6,729	1.39	
2019	19,409	8,435	7,002	1.26	
2020	20,350	8,685	6,802	1.31	
2021	21,052	8,985	6,493	1.36	
2022	20,181	13,325	5,935	1.05	

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

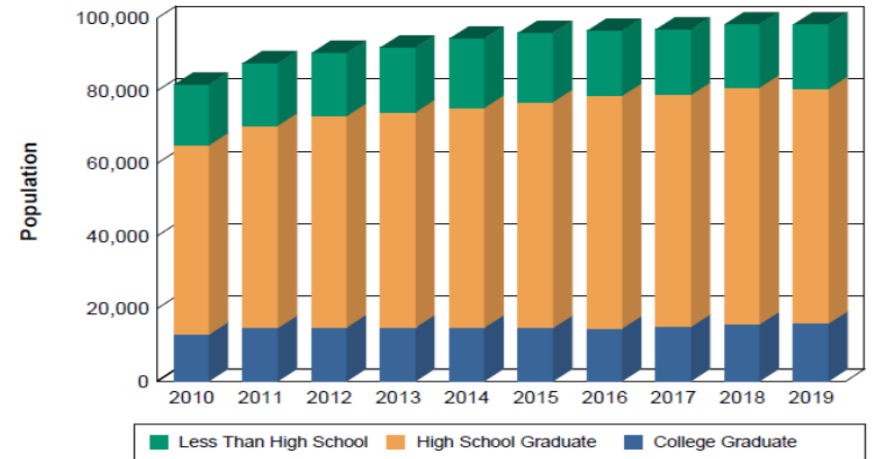
**CITY OF LANCASTER
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS
YEAR ENDED JUNE 30, 2022**

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
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%
2020	171,674	\$3,830,805	\$22,315	5.00%	32.6	82.60%	17.60%
2021	171,674	\$3,838,000	\$22,356	6.50%	32.94	82.60%	10.39%

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
YEAR ENDED JUNE 30, 2022**

Employer	2022			Employer	2013		
	Estimated Employees	Rank	Percentage of Total Valley Employment		Estimated Employees	Rank	Percentage of Total Valley Employment
Northrop Grumman	28,000	1	32.30%	Edwards Air Force Base	10,647	1	15.75%
Edwards Air Force Base	8,929	2	10.30%	China Lake Navel Weapons	6,316	2	9.34%
County of Los Angeles	3,933	3	4.27%	County of Los Angeles	3,743	3	5.54%
China Lake NWC	3,700	4	3.00%	Northrop Grumman	3,000	4	4.44%
Lancaster School District	2,600	5	4.54%	Lockheed Martin	2,800	5	4.14%
Antelope Valley Hospital Medical Center	2,425	6	2.65%	Palmdale School District	2,693	6	3.98%
Antelope Valley Union Highschool District	2,300	7	2.80%	AV Union High School District	2,689	7	3.98%
Walmart	1,900	8	2.19%	Antelope Valley Hospital	2,409	8	3.56%
AV Mall	1,800	9	2.08%	California Correctional Institute	1,617	9	2.39%
Palmdale School District	<u>1,792</u>	10	2.07%	Antelope Valley Mall	<u>1,800</u>	10	2.66%
TOTAL Employment	86,688		66.19%		67,601		55.79%

Source: GAVEA 2021: City of Lancaster ACFR FY 2012-2013

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. Most recent information available

**CITY OF LANCASTER
FULL-TIME-EQUIVALENT CITY GOVERNMENT
EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2022**

Function	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Administrative Services	4.00	8.00	6.00	3.00	1.00	13.00	16.00	15.00	12.00	-
Air Quality Management District	-	-	-	-	-	-	-	-	-	6.00
City Clerk	4.00	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	6.00
City Manager	8.25	9.25	10.25	11.75	12.75	9.75	8.00	10.00	9.00	10.00
Communications	-	-	-	-	-	-	-	-	-	4.00
Economic Development	2.00	2.00	3.00	4.00	4.00	5.00	2.00	-	23.00	-
Finance	21.00	25.00	24.00	25.00	25.00	19.00	18.00	17.00	-	25.00
Housing and Neighborhood Revitalization	22.00	20.00	19.00	20.00	20.00	19.00	21.00	17.00	17.00	-
Human Resources	5.00	5.00	5.00	4.00	6.00	7.00	7.00	7.00	10.00	10.00
Planning	-	-	-	-	-	-	-	-	-	-
Redevelopment	-	-	-	-	-	-	-	-	-	-
City Attorney	-	-	1.00	1.00	2.00	2.00	2.00	-	-	-
Development Services	124.00	125.00	124.00	131.00	131.00	124.00	124.00	122.00	105.00	134.00
Lancaster Choice Energy	-	-	-	8.00	8.00	5.00	4.00	1.00	-	-
Parks, Recreation and Arts	54.00	51.00	53.00	45.00	45.00	45.00	47.00	45.00	51.00	53.00
Public Safety	15.00	13.00	13.00	12.00	12.00	13.00	11.00	12.00	26.00	50.00
Less vacancies filled by internal recruitments	-	(11.00)	(8.00)	(22.00)	(18.75)	(19.00)	(8.00)	-	-	-
Total	259.25	250.25	252.25	245.75	251.00	245.75	255.00	249.00	256.00	298.00
Year over year	(28.00)	(9.00)	2.00	(6.50)	5.25	(5.25)	9.25	(6.00)	7.00	42.00

Source: City Human Resources Department

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

Note: The City went through a reorganization in 2021 resulting in ACS being dissolved and divisions being absorbed by various departments

**CITY OF LANCASTER
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
YEAR ENDED JUNE 30, 2022**

Function/Program	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
City Hall	1	1	1	1	1	1	1	1	1	1
Annex/Record Center	-	-	-	-	-	-	-	-	-	-
Community Development										
Brierwood Mobile Home Park	-	-	-	-	-	-	-	-	-	-
Desert Sands Mobile Home Park	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	3	3	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)	640	640	1,765	1,765	1,765	1,765	1,765	1,769	482	1,493
Streetlights (owned by City)	1,875	1,895	1,895	1,908	19,576	19,576	19,576	19,576	19,777	19,777
Traffic signals	137	139	147	145	153	153	141	143	143	143
Street Signs	26,378	26,400	26,412	26,472	26,759	38,000	38,000	38,000	38,000	38,000
Fleet Vehicles	301	318	304	322	320	318	321	321	318	341
Storm Drain Pipe (LF)	485,113	485,113	485,113	485,113	420,239	420,239	430,445	430,868	432,434	434,193
Storm Drain Box (LF)	27,993	27,996	27,996	27,996	27,996	27,996	9,217	9,217	9,217	9,217
Storm Drain Box (Each)					1,547	1,547	1,477	1,477	1,487	1,494
Storm Drain Channel (LF)	44,883	44,883	44,883	44,883	45,733	45,733	45,951	45,951	45,951	45,951
Sewer Pipe (LF)	2,261,609	2,265,120	2,265,120	2,262,626	2,268,696	2,268,527	2,265,120	2,271,627	2,276,401	2,314,392
Sewer Manholes	9,035	9,188	9,042	8,966	8,975	8,977	9,073	9,106	9,130	9,276
Sewer Lift Station	1	1	1	1	1	1	1	1	1	1
Drainage Lift Station	-	-	-	-	-	-	-	-	13	14
Recycled Water Pump Station	-	-	-	-	-	-	-	-	-	2
Parks, Recreation and Arts										
Acreage	538	538	538	538	538	538	558	558	558	538
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	8	8	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



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.