

CITY OF LANCASTER
ANNUAL COMPREHENSIVE FINANCIAL REPORT
WITH INDEPENDENT AUDITOR'S REPORT
BY INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANTS
YEAR ENDED JUNE 30, 2023



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INTRODUCTORY SECTION



R. REX PARRIS
MAYOR

MARVIN CRIST
VICE MAYOR

KEN MANN
COUNCIL MEMBER

RAJ MAHLI
COUNCIL MEMBER

LAUREN HUGHES-LESLIE
COUNCIL MEMBER

JASON CAUDLE
CITY MANAGER

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Lancaster, CA 93534
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April 9, 2024

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, 2023. 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 designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information to prepare 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. To the best of our knowledge and belief, management asserts that 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 understand the City's financial activities have been included.

The data is designed to factually report the City's financial condition and to present the 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.



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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 2022 US Census showed the population remaining steady at a population of 169,185.

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.



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Strategic Initiatives

Public Safety Enhancements

The safety and well-being of our residents remain a top priority. In 2024, we are enhancing our hybrid policing model and expanding community policing efforts to ensure Lancaster remains a safe place to live and work. The Lancaster Police Safety Department, in collaboration with the LA Sheriff's Department, will introduce new initiatives focused on crime prevention and community engagement. With the introduction of Lancaster's first Chief of Police, new officers are in the process of being hired, police vehicles are online, and the police station is under construction. Completion is expected in FY 25.



Hydrogen City Advancements

Lancaster is proud to continue its leadership in the hydrogen energy sector. Building upon our leadership role in the hydrogen sector, we will expand partnerships and pursue additional funding opportunities to enhance Lancaster's position as a pioneer in green hydrogen production. Our continued collaboration with industry leaders and the success of the Pacific Hydrogen Alliance, as well as our involvement with ARCHES, underscores our dedication to clean energy innovation.

Economic and Community Development

Inspired by the successful launch of the 1st Time Home Buyer Program and the vitality of our business community, as evidenced by numerous ribbon cuttings and special events, we aim to further stimulate economic growth and housing affordability. Our focus will include supporting local businesses, attracting new investments, and implementing housing initiatives that meet the diverse needs of Lancaster residents.





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Environmental Sustainability and Resiliency

Recognizing the critical importance of environmental stewardship, our strategies will include continuing clean energy ventures, supporting sustainable transit solutions through AVTA, and promoting renewable energy projects that benefit our community and the planet. The City also completed plans for MARRC, a Multi-Agency Regional Resiliency Center, which includes a 140,000 SF event center, emergency operations center, culinary kitchen and energy center.

Enhancing Quality of Life Through Technology and Innovation

In the coming year, we will leverage technology to improve city services, enhance the quality of life for our residents, and make Lancaster a model for smart city initiatives nationwide. This includes further development of smart infrastructure, improving connectivity, and advancing our smart city initiatives to create a more livable, efficient, and sustainable community. PoppyFi, a free public Wi-Fi network, was launched this year and will be rolled out at all City parks.



Public Engagement and Inclusivity

Reflecting on the success of our community engagement efforts and special events, we are committed to fostering a more connected and inclusive Lancaster. Our initiatives will focus on expanding community outreach, supporting local events celebrating our city's diversity, and creating opportunities for meaningful public participation in city governance. City events surpassed previous years and are targeted to continue growing. Our Lancaster Community Center served over 12,000 community members. Rawley Duntley Park, Mariposa Park, El Dorado Park, and more are undergoing major renovations. This year, the City unveiled new hardcourts at Sgt. Steve Owen Memorial Park and a new recording studio – Studio 606.



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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 \$21,682,348 in Fiscal Year 22-23. 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

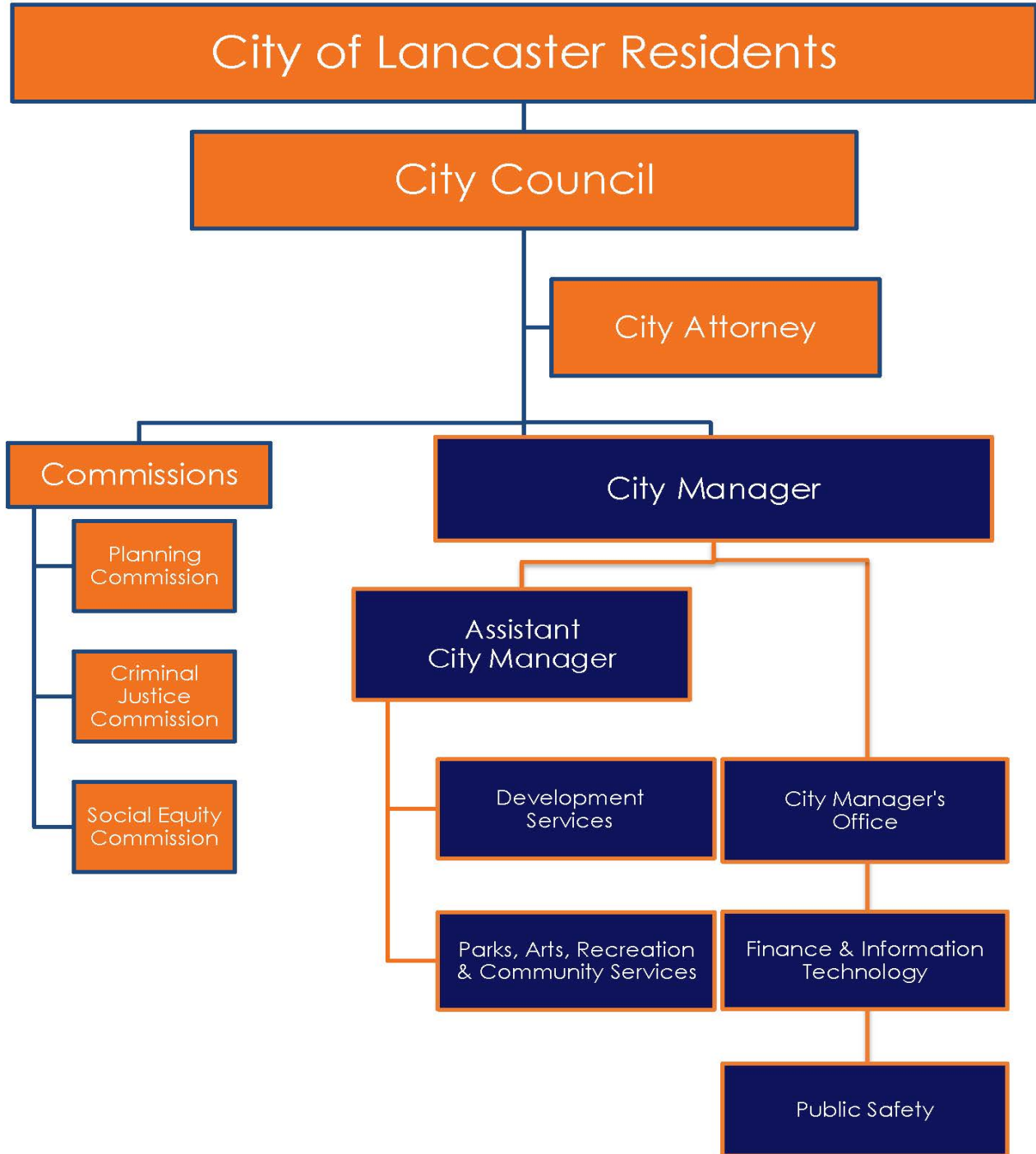
CITY COUNCIL

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
Rodrick Armalin – Public Safety Director

CITY OF LANCASTER
ORGANIZATION CHART
YEAR ENDED JUNE 30, 2023



FINANCIAL SECTION

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INDEPENDENT AUDITORS' REPORT

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

Report on the audit of 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, 2023, 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, 2023, 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 1D to the financial statements, effective July 1, 2022, the City adopted new accounting guidance, Government Accounting Standards Board (GASB) Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinions are not modified with respect to this matter.

Restatement for Correction of Errors

As discussed in Note 20 to the financial statements, the City made restatements to beginning fund balance/net position to correct prior period misstatements. 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 basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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.

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.

Honorable Mayor and Members of the City Council
City of Lancaster

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 9, 2024, 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
April 9, 2024

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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, 2023. 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 \$112,402,737
- The cost of the General Fund was \$125,804,127
- The General Fund reported revenues in deficit of expenditures of \$13,401,390
- For the General Fund, actual resources available for appropriation (revenue inflows and fund balance) was greater than final budget by \$4,974,824; while actual appropriations (outflows) were less than the final budget by \$9,340,589

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, 2023

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, and two special revenue funds, all of which are considered to be major funds. Data from the other thirty-two 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) 22/23 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, 2023**

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 decreased the City of Lancaster's net position by \$2,423,690.

	<u>Fiscal Year</u>	
	<u>2022</u>	<u>2023</u>
Expenses		
Governmental activities:		
General Government	\$ 27,689,637	\$ 37,100,475
Public Safety	35,132,514	38,988,488
Community Development	664,521	1,297,964
Parks, Recreation and Arts	25,614,746	24,557,617
Development Services	65,722,004	82,016,861
Housing and Neighborhood Revitalization	7,758,697	1,001,945
Interest on long-term debt	2,551,057	3,036,813
Total primary governmental activities expenses	<u>\$ 165,133,176</u>	<u>\$ 188,000,163</u>
Program Revenues (see Schedule 3)		
Governmental activities:		
Charges for services:		
General Government	\$ 287,009	\$ 1,156,517
Public Safety	802,251	681,722
Community Development	653,198	816,687
Parks, Recreation and Arts	2,499,106	3,415,139
Development Services	20,552,067	20,662,559
Housing and Neighborhood Revitalization	12	3,276
Operating grants and contributions	60,297,493	54,094,552
Capital grants and contributions	10,047,212	2,997,354
Total governmental activities program revenues	<u>\$ 95,138,348</u>	<u>\$ 83,827,806</u>
Governmental activities	\$ (69,994,828)	\$ (104,172,357)
Other Changes in Net Assets		
Governmental activities:		
Taxes:		
Property taxes	27,184,193	33,007,795
Franchise taxes	9,261,656	7,451,316
Transient occupancy taxes	2,709,026	2,676,338
Business licenses taxes	1,364,377	855,151
Other taxes	1,027,933	851,184
Intergovernmental	186,425	180,915
Intergovernmental - state shared sales taxes	50,950,947	49,229,826
Investment Earnings	(1,397,099)	3,977,989
Miscellaneous	9,577,174	2,157,473
Gain on sale property	801,949	433,995
Transfers	946,797	926,685
Total governmental activities	<u>\$ 102,613,378</u>	<u>\$ 101,748,667</u>
Change in Net Assets		
Governmental activities	\$ 32,618,550	\$ (2,423,690)

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Business-Type Activities. Business-type activities increased the City of Lancaster's net position by \$4,807,987 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>2022</u>	<u>2023</u>
Expenses		
Business-type activities:		
Lancaster Power Authority	\$ 1,947,106	\$ 1,348,432
Lancaster Choice Energy	51,194,116	67,149,222
California Choice Energy Authority	7,081,730	7,517,372
Total business-type activities expenses	<u>60,222,952</u>	<u>76,015,026</u>
 Program Revenues (see Schedule 3)		
Business-type activities:		
Charges for services:		
Lancaster Power Authority	\$ 1,911,332	\$ 1,910,499
Lancaster Choice Energy	51,692,560	68,549,854
California Choice Energy Authority	7,206,199	8,015,547
Total business-type activities program revenues	<u>\$ 60,810,091</u>	<u>\$ 78,475,900</u>
 Business-type activities:	587,139	2,460,874
 Other Changes in Net Assets		
Business-type activities:		
Investment Earnings	\$ 182	\$ 313
Miscellaneous	551,588	3,273,485
Transfers	(946,797)	(926,685)
Total business-type activities	<u>\$ (395,027)</u>	<u>\$ 2,347,113</u>
 Total Primary Government Revenues, Contributions, and Transfers	<u>\$ 60,415,064</u>	<u>\$ 80,823,013</u>
 Change in Net Assets		
Business-type activities	192,112	4,807,987

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).

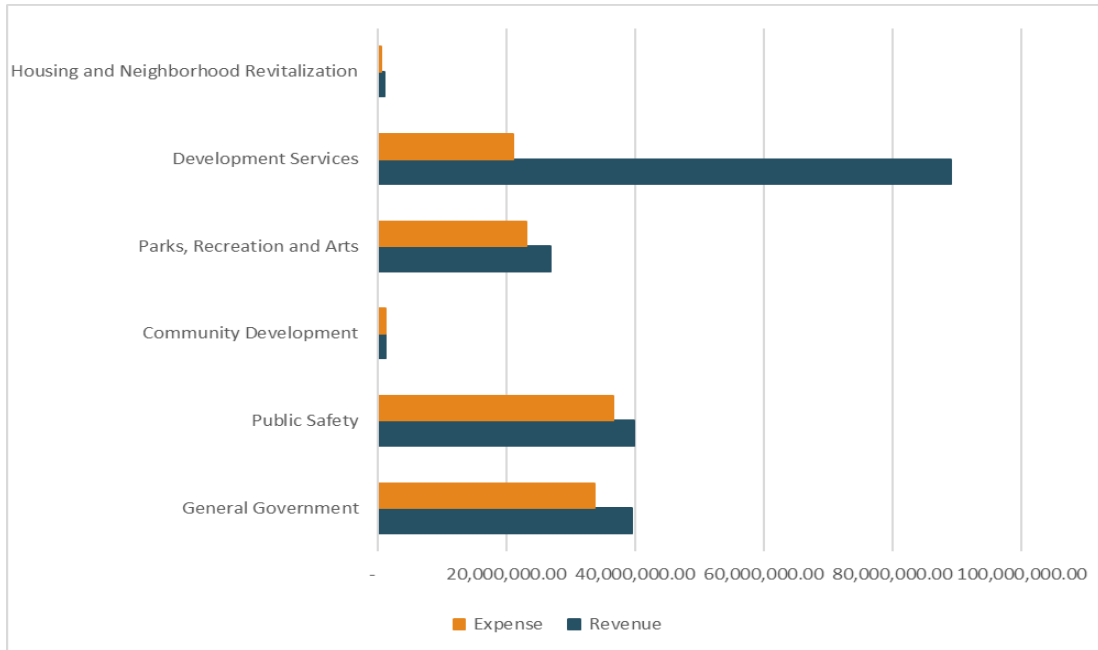
The net cost of services indicates that the overall cost of government is more than the revenues generated to support it. The City is not fully recovering the cost of these services with program revenues from user fees and other contributions. See the Statement of Activities for further detail on program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

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

**City of Lancaster- Cost of Services
(in thousands)**

	Total Cost of Services	Net Cost of Services
	2023	2023
General Government	\$ 37,100	\$ (31,304)
Public Safety	38,988	(35,776)
Community Development	1,297	1,300
Parks, Recreation and Arts	24,557	(20,761)
Development Services	82,016	(14,058)
Housing and Neighborhood Revitalization	1,001	(534)
Totals	\$ 184,959	\$ (101,133)

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



**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Lancaster's governmental funds reported combined ending fund balances of \$230,734,242. This is a decrease of \$31,570,675 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 \$119,236,452. This is a decrease of \$2,675,059 from last fiscal year in fund balance due to increases of transfers to internal service funds like Information Technology for needed upgrades.

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 \$11,843,657.

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 \$73,120,880. 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 \$5,068,468.

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 \$10,762,536, an increase over last year of \$4,807,987. 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.

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

General Fund Budgetary Highlights

The actual amount of expenditures for the General Fund at year-end were \$9,340,589 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. As a result of the decreased spending and increased revenues, the City was still able to see a net positive \$14,315,413 in actuals over appropriations.

Capital Asset and Debt Administration

Capital Assets. At the end of FY 2023, the City had \$897.5 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 \$43 million in new capital projects through fiscal year 2022-23 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	\$ 44,412		\$ 44,412
Structures and Improvements	88,043		88,043
Furniture and Equipment	20,426		20,426
Infrastructure	1,793,618		1,793,618
Construction in Progress	60,485		60,485
Right of Use Assets	4,903		4,903
Intangible Assets	-	23,487	23,487
Accumulated Depreciation	(1,114,313)	(10,803)	(1,125,116)
Net Capital Assets	\$ 897,577	\$ 12,682	\$ 910,258

Note 6 provides a detailed analysis of the Capital Assets.

Long-term Debt. At the end of the current fiscal year, the City of Lancaster's total long-term debt increased by \$5.3 Million from the prior year. This is due to a new property acquisition and the implementation of GASB 96. As of June 30, 2023, the City of Lancaster had accrued employee benefits outstanding of \$3,822,670.

The City's AA credit rating remained unchanged for FY 22/23.

Economic Factors and Next Year's Budgets and Rates

**CITY OF LANCASTER
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

On June 27, 2023, the City Council adopted and approved the budget for FY 23/24 along with the Five-Year Capital Improvement Program. Appropriations (including transfers) of \$272.5 million were adopted for the 23/24 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.

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.

BASIC FINANCIAL STATEMENTS

CITY OF LANCASTER
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 139,093,297	\$ 5,355,749	\$ 144,449,046
Cash and Investments - Held Separately by CCEA	-	4,526,555	4,526,555
Receivables:			
Accounts	14,395,929	24,541,792	38,937,721
Taxes	12,149,540	-	12,149,540
Accrued Interest	571,634	-	571,634
Leases	700,774	-	700,774
Due from Other Governments	17,251,189	1,684,797	18,935,986
Notes and Loans	5,399,779	-	5,399,779
Deposits	-	147,000	147,000
Prepaid Items	1,152,241	4,288,480	5,440,721
Internal Balances	11,991,715	(11,991,715)	-
Inventories	21,915	-	21,915
Land Held for Resale	42,433,996	-	42,433,996
Advances to Successor Agency	64,135,866	-	64,135,866
Restricted Assets:			
Cash and Investments	14,978,559	380	14,978,939
Capital Assets:			
Nondepreciable	104,898,048	-	104,898,048
Depreciable	792,679,469	12,682,858	805,362,327
Total Assets	<u>1,221,853,951</u>	<u>41,235,896</u>	<u>1,263,089,847</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Pension Plan	22,039,119	-	22,039,119
Deferred Amounts on OPEB	5,082,209	-	5,082,209
Total Deferred Outflows of Resources	<u>27,121,328</u>	<u>-</u>	<u>27,121,328</u>
LIABILITIES			
Accounts Payable	31,686,883	7,068,230	38,755,113
Accrued Liabilities	4,915,044	32,417	4,947,461
Accrued Interest	723,745	63,484	787,229
Unearned Revenues	1,001,987	2,295,424	3,297,411
Deposits Payable	1,862,495	2,187,050	4,049,545
Due to Other Governments	-	1,210,682	1,210,682
Noncurrent Liabilities:			
Due Within One Year - Other	7,134,637	785,000	7,919,637
Due in More than One Year:			
Other	85,225,270	16,831,073	102,056,343
Net Pension Liability	73,211,155	-	73,211,155
Net OPEB Liability	8,783,733	-	8,783,733
Total Liabilities	<u>214,544,949</u>	<u>30,473,360</u>	<u>245,018,309</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Leases	664,561	-	664,561
Deferred Amounts on Pension Plan	2,711,886	-	2,711,886
Deferred Amounts on OPEB	5,863,022	-	5,863,022
Total Deferred Inflows of Resources	<u>9,239,469</u>	<u>-</u>	<u>9,239,469</u>
NET POSITION			
Net Investment in Capital Assets	820,612,473	(4,933,215)	815,679,258
Restricted for:			
Community Development Projects	3,187,028	-	3,187,028
Public Safety	284,928	-	284,928
Parks, Recreation, and Arts	2,350,257	-	2,350,257
Development Services	47,255,465	-	47,255,465
Housing and Neighborhood Revitalization	79,582,845	-	79,582,845
Capital Projects	19,848,420	-	19,848,420
Unrestricted	<u>52,069,445</u>	<u>15,695,751</u>	<u>67,765,196</u>
Total Net Position	<u>\$ 1,025,190,861</u>	<u>\$ 10,762,536</u>	<u>\$ 1,035,953,397</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 37,100,475	\$ 1,156,517	\$ 4,639,365	\$ -
Public Safety	38,988,488	681,722	2,530,369	-
Community Development	1,297,964	816,687	1,781,722	-
Parks, Recreation, and Arts	24,557,617	3,415,139	380,780	-
Development Services	82,016,861	20,662,559	44,298,206	2,997,354
Housing and Neighborhood Revitalization	1,001,945	3,276	464,110	-
Interest and Other Charges	3,036,813	-	-	-
Total Governmental Activities	<u>188,000,163</u>	<u>26,735,900</u>	<u>54,094,552</u>	<u>2,997,354</u>
BUSINESS-TYPE ACTIVITIES				
Lancaster Power Authority	1,348,432	1,910,499	-	-
Lancaster Choice Energy	67,149,222	68,549,854	-	-
California Choice Energy Authority	7,517,372	8,015,547	-	-
Total Business-Type Activities	<u>76,015,026</u>	<u>78,475,900</u>	<u>-</u>	<u>-</u>
Total Government	<u>\$ 264,015,189</u>	<u>\$ 105,211,800</u>	<u>\$ 54,094,552</u>	<u>\$ 2,997,354</u>

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2023

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	\$ (31,304,593)	\$ -	\$ (31,304,593)
Public Safety	(35,776,397)	-	(35,776,397)
Community Development	1,300,445	-	1,300,445
Parks, Recreation, and Arts	(20,761,698)	-	(20,761,698)
Development Services	(14,058,742)	-	(14,058,742)
Housing and Neighborhood Revitalization	(534,559)	-	(534,559)
Interest and Other Charges	(3,036,813)	-	(3,036,813)
Total Governmental Activities	(104,172,357)	-	(104,172,357)
BUSINESS-TYPE ACTIVITIES			
Lancaster Power Authority	-	562,067	562,067
Lancaster Choice Energy	-	1,400,632	1,400,632
California Choice Energy Authority	-	498,175	498,175
Total Business-Type Activities	-	2,460,874	2,460,874
Total Government	(104,172,357)	2,460,874	(101,711,483)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes, Levied for General Purposes	33,007,795	-	33,007,795
Franchise Taxes	7,451,316	-	7,451,316
Transient Occupancy Taxes	2,676,338	-	2,676,338
Business Licenses Taxes	855,151	-	855,151
Other Taxes	851,184	-	851,184
Intergovernmental	180,915	-	180,915
Intergovernmental - State Shared Sales Tax	49,229,826	-	49,229,826
Investment Earnings	3,977,989	313	3,978,302
Miscellaneous	2,157,473	3,273,485	5,430,958
Gain on Sale of Property	433,995	-	433,995
Transfers	926,685	(926,685)	-
Total General Revenues and Transfers	101,748,667	2,347,113	104,095,780
CHANGE IN NET POSITION	(2,423,690)	4,807,987	2,384,297
Net Position - Beginning of Year	1,027,614,551	5,954,549	1,033,569,100
NET POSITION - END OF YEAR	<u>\$ 1,025,190,861</u>	<u>\$ 10,762,536</u>	<u>\$ 1,035,953,397</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General	Special Revenue Funds		Debt Service Fund
		Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
ASSETS				
Pooled Cash and Investments	\$ 61,567,028	\$ 12,958,420	\$ -	\$ -
Receivables:				
Accounts	4,933,467	23	-	172,647
Taxes	10,401,996	-	-	-
Accrued Interest	530,373	-	-	-
Leases	700,774	-	-	-
Due from Other Governments	314,409	-	8,971,543	-
Notes and Loans, Net	1,048,279	3,761,440	-	-
Prepaid Items	978,157	1,545	-	-
Due from Other Funds	43,259,191	-	-	-
Inventories	21,915	-	-	-
Land Held for Resale	-	42,209,230	-	-
Advances to Successor Agency	44,978,738	19,157,128	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	14,978,559
Total Assets	<u>\$ 168,734,327</u>	<u>\$ 78,087,786</u>	<u>\$ 8,971,543</u>	<u>\$ 15,151,206</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 21,416,276	\$ 62,064	\$ 4,995	\$ -
Accrued Liabilities	2,351,961	12,449	-	-
Unearned Revenues	77,909	-	-	-
Deposits Payable	1,812,495	50,000	-	-
Due to Other Funds	-	-	11,838,662	9,910,091
Total Liabilities	<u>25,658,641</u>	<u>124,513</u>	<u>11,843,657</u>	<u>9,910,091</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	664,561	-	-	-
Unavailable Revenues	23,174,673	4,842,393	8,971,543	172,647
Total Deferred Inflows of Resources	<u>23,839,234</u>	<u>4,842,393</u>	<u>8,971,543</u>	<u>172,647</u>
FUND BALANCES				
Nonspendable:				
Notes and Loans	1,048,279	-	-	-
Prepaid Items	978,157	1,545	-	-
Inventories	21,915	-	-	-
Advances to Successor Agency	25,609,169	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	73,119,335	-	-
Capital Projects	-	-	-	5,068,468
Committed:				
Contingency Reserve	49,046,805	-	-	-
Assigned:				
Employee Benefits	3,822,671	-	-	-
Legal Claims	2,550,000	-	-	-
Capital Projects	3,046,116	-	-	-
Unassigned	33,113,340	-	(11,843,657)	-
Total Fund Balances (Deficit)	<u>119,236,452</u>	<u>73,120,880</u>	<u>(11,843,657)</u>	<u>5,068,468</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 168,734,327</u>	<u>\$ 78,087,786</u>	<u>\$ 8,971,543</u>	<u>\$ 15,151,206</u>

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Pooled Cash and Investments	\$ 64,567,849	\$ 139,093,297
Receivables:		
Accounts	9,289,792	14,395,929
Taxes	1,747,544	12,149,540
Accrued Interest	41,261	571,634
Leases	-	700,774
Due from Other Governments	7,965,237	17,251,189
Notes and Loans, Net	590,060	5,399,779
Prepaid Items	172,539	1,152,241
Due from Other Funds	-	43,259,191
Inventories	-	21,915
Land Held for Resale	224,766	42,433,996
Advances to Successor Agency	-	64,135,866
Restricted Assets:		
Cash and Investments with Fiscal Agents	-	14,978,559
Total Assets	\$ 84,599,048	\$ 355,543,910
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	\$ 10,203,548	\$ 31,686,883
Accrued Liabilities	2,550,634	4,915,044
Unearned Revenues	924,078	1,001,987
Deposits Payable	-	1,862,495
Due to Other Funds	9,518,723	31,267,476
Total Liabilities	23,196,983	70,733,885
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Leases	-	664,561
Unavailable Revenues	16,249,966	53,411,222
	16,249,966	54,075,783
FUND BALANCES		
Nonspendable:		
Notes and Loans	-	1,048,279
Prepaid Items	172,539	1,152,241
Inventories	-	21,915
Advances to Successor Agency	-	25,609,169
Restricted:		
Community Development Projects	2,998,559	2,998,559
Public Safety	284,928	284,928
Parks, Recreation, and Arts	2,350,257	2,350,257
Development Services	47,255,465	47,255,465
Housing and Neighborhood Revitalization	1,621,117	74,740,452
Capital Projects	1,882,051	6,950,519
Committed:		
Contingency Reserve	-	49,046,805
Assigned:		
Employee Benefits	-	3,822,671
Legal Claims	-	2,550,000
Capital Projects	-	3,046,116
Unassigned	(11,412,817)	9,856,866
Total Fund Balances (Deficit)	45,152,099	230,734,242
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 84,599,048	\$ 355,543,910

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Fund Balances - Total Governmental Funds \$ 230,734,242

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	2,011,890,630
Accumulated Depreciation	(1,114,313,113)
	897,577,517

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, 2023, are:

Bonds, Notes, Loans, Leases and Subscriptions Payable	(85,987,237)
Claims and Judgments	(2,550,000)
Compensated Absences	(3,822,670)
	(92,359,907)

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	22,039,119
Deferred Inflows of Resources	(2,711,886)
Net Pension Liability	(73,211,155)
	(53,883,922)

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	5,082,209
Deferred Inflows of Resources	(5,863,022)
Net OPEB Liability	(8,783,733)
	(9,564,546)

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

(723,745)

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	53,411,222
	53,411,222

Net Position of Governmental Activities **\$ 1,025,190,861**

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	General	Special Revenue Funds		Debt Service Fund
		Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
REVENUES				
Taxes	\$ 62,519,614	\$ -	\$ -	\$ -
Licenses and Permits	7,876,861	-	-	-
Intergovernmental	29,158,404	-	-	-
Charges for Services	3,534,972	-	-	-
Investment Earnings	3,059,418	25,164	-	735,093
Fines and Forfeitures	643,406	-	-	-
Contributions	-	-	-	-
Gain from Sale of Land Held for Resale	-	433,995	-	-
Miscellaneous	5,610,062	119,273	-	-
Total Revenues	112,402,737	578,432	-	735,093
EXPENDITURES				
Current:				
General Government	35,243,477	-	-	83,470
Public Safety	38,974,589	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	22,550,970	-	-	-
Development Services	16,965,701	-	-	-
Housing and Neighborhood Revitalization	-	879,263	-	-
Capital Outlay	9,258,605	4,400	746,808	9,350,070
Debt Service:				
Principal Retirement	2,579,351	-	-	1,075,000
Interest and Fiscal Charges	231,434	-	-	2,477,431
Total Expenditures	125,804,127	883,663	746,808	12,985,971
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(13,401,390)	(305,231)	(746,808)	(12,250,878)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	256,272	-	-	-
Lease Proceeds	888,875	-	-	-
Transfers In	11,746,051	-	-	3,484,048
Transfers Out	(5,164,867)	(560,103)	(8,220,390)	-
Total Other Financing Sources (Uses)	7,726,331	(560,103)	(8,220,390)	3,484,048
NET CHANGE IN FUND BALANCES	(5,675,059)	(865,334)	(8,967,198)	(8,766,830)
Fund Balances (Deficit) - Beginning of Year, As Restated	124,911,511	73,986,214	(2,876,459)	13,835,298
FUND BALANCES (DEFICIT) - END OF YEAR	<u>\$ 119,236,452</u>	<u>\$ 73,120,880</u>	<u>\$ (11,843,657)</u>	<u>\$ 5,068,468</u>

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Other Governmental Funds	Total Governmental Funds
REVENUES		
Taxes	\$ 4,416,380	\$ 66,935,994
Licenses and Permits	2,771,320	10,648,181
Intergovernmental	28,798,158	57,956,562
Charges for Services	10,534,852	14,069,824
Investment Earnings	518,793	4,338,468
Fines and Forfeitures	211,113	854,519
Contributions	57,632	57,632
Gain from Sale of Land Held for Resale	-	433,995
Miscellaneous	474,673	6,204,008
Total Revenues	47,782,921	161,499,183
EXPENDITURES		
Current:		
General Government	3,017,878	38,344,825
Public Safety	-	38,974,589
Community Development	871,273	871,273
Parks, Recreation, and Arts	119,866	22,670,836
Development Services	23,521,187	40,486,888
Housing and Neighborhood Revitalization	132,457	1,011,720
Capital Outlay	25,819,702	45,179,585
Debt Service:		
Principal Retirement	836,767	4,491,118
Interest and Fiscal Charges	401,991	3,110,856
Total Expenditures	54,721,121	195,141,690
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(6,938,200)	(33,642,507)
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	-	256,272
Lease Proceeds	-	888,875
Transfers In	9,084,810	24,314,909
Transfers Out	(9,442,864)	(23,388,224)
Total Other Financing Sources (Uses)	(358,054)	2,071,832
NET CHANGE IN FUND BALANCES	(7,296,254)	(31,570,675)
Fund Balances (Deficit) - Beginning of Year, As Restated	52,448,353	262,304,917
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 45,152,099	\$ 230,734,242

See accompanying Notes to Basic 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, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (31,570,675)

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	36,878,576
Disposals	(26,002)
Depreciation Expense	(39,429,961)
	(2,577,387)

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	4,491,118
Leases	(888,875)
Amortization of Bond Premium	401,388
	4,003,631

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	(45,822)
Change in Claims Payable	504,000
	458,178

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

(327,345)

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.

2,863,487

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.

(574,527)

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.

25,300,948

Change in Net Position of Governmental Activities **\$ (2,423,690)**

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	\$ 124,911,511	\$ 124,911,511	\$ 124,911,511	\$ -
RESOURCES (INFLOWS)				
Taxes	60,793,486	60,793,486	62,519,614	1,726,128
Licenses and Permits	6,346,399	7,761,419	7,876,861	115,442
Intergovernmental	29,543,065	29,762,709	29,158,404	(604,305)
Charges for Services	2,778,302	2,767,312	3,534,972	767,660
Investment Earnings	882,091	918,091	3,059,418	2,141,327
Fine and Forfeitures	646,623	623,403	643,406	20,003
Rental Income	150,000	150,000	-	(150,000)
Miscellaneous	4,001,867	4,861,192	5,610,062	748,870
Sale of Capital Assets	-	-	256,272	256,272
Lease Proceeds	-	-	888,875	888,875
Transfers In	9,816,400	12,681,499	11,746,051	(935,448)
Amounts Available for Appropriations	<u>114,958,233</u>	<u>120,319,111</u>	<u>125,293,935</u>	<u>4,974,824</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	28,302,077	37,533,630	35,243,477	2,290,153
Public Safety	41,200,743	41,127,070	38,974,589	2,152,481
Parks, Recreation, and Arts	23,710,735	26,614,202	22,550,970	4,063,232
Development Services	17,195,875	20,413,221	16,965,701	3,447,520
Capital Outlay	-	38,772	9,258,605	(9,219,833)
Debt Service:				
Principal Retirement	-	-	2,579,351	(2,579,351)
Interest and Fiscal Charges	-	-	231,434	(231,434)
Transfers Out	1,359,409	14,582,688	5,164,867	9,417,821
Total Charges to Appropriations	<u>111,768,839</u>	<u>140,309,583</u>	<u>130,968,994</u>	<u>9,340,589</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 128,100,905</u>	<u>\$ 104,921,039</u>	<u>\$ 119,236,452</u>	<u>\$ 14,315,413</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
LANCASTER HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	\$ 73,986,214	\$ 73,986,214	\$ 73,986,214	\$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	25,164	25,164
Gain from Sale of Land Held for Resale	10,000	10,000	433,995	423,995
Miscellaneous	190,378	190,378	119,273	(71,105)
Amounts Available for Appropriations	<u>74,186,592</u>	<u>74,186,592</u>	<u>74,564,646</u>	<u>378,054</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Housing and Neighborhood Revitalization	1,306,781	1,413,641	879,263	534,378
Capital Outlay	-	-	4,400	(4,400)
Transfers Out	560,103	700,068	560,103	139,965
Total Charges to Appropriations	<u>1,866,884</u>	<u>2,113,709</u>	<u>1,443,766</u>	<u>669,943</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 72,319,708</u>	<u>\$ 72,072,883</u>	<u>\$ 73,120,880</u>	<u>\$ 1,047,997</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (2,876,459)	\$ (2,876,459)	\$ (2,876,459)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	20,300,130	20,300,130	-	(20,300,130)
Amounts Available for Appropriations	<u>17,423,671</u>	<u>17,423,671</u>	<u>(2,876,459)</u>	<u>(20,300,130)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	746,808	(746,808)
Transfers Out	12,276,847	15,934,515	8,220,390	7,714,125
Total Charges to Appropriations	<u>12,276,847</u>	<u>15,934,515</u>	<u>8,967,198</u>	<u>6,967,317</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 5,146,824</u>	<u>\$ 1,489,156</u>	<u>\$ (11,843,657)</u>	<u>\$ (13,332,813)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023**

	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	\$ 5,355,749	\$ -	\$ -	\$ 5,355,749
Cash and Investments	-	-	4,526,555	4,526,555
Receivables:				
Accounts	430,392	23,227,843	883,557	24,541,792
Due from Other Governments	-	1,684,797	-	1,684,797
Deposits	-	147,000	-	147,000
Prepaid Items	-	4,261,145	27,335	4,288,480
Restricted Assets:				
Cash and Investments	380	-	-	380
Total Current Assets	<u>5,786,521</u>	<u>29,320,785</u>	<u>5,437,447</u>	<u>40,544,753</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable, Net	12,682,858	-	-	12,682,858
Total Noncurrent Assets	<u>12,682,858</u>	<u>-</u>	<u>-</u>	<u>12,682,858</u>
Total Assets	<u>18,469,379</u>	<u>29,320,785</u>	<u>5,437,447</u>	<u>53,227,611</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	6,491,635	576,595	7,068,230
Accrued Liabilities	-	32,417	-	32,417
Interest Payable	63,484	-	-	63,484
Unearned Revenues	15,105	1,727,150	553,169	2,295,424
Due to Other Governments	-	-	1,210,682	1,210,682
Due to Other Funds	-	11,991,715	-	11,991,715
Deposits	-	100,000	2,087,050	2,187,050
Current Portion of Long-Term Liabilities	785,000	-	-	785,000
Total Current Liabilities	<u>863,589</u>	<u>20,342,917</u>	<u>4,427,496</u>	<u>25,634,002</u>
Long-Term Liabilities:				
Noncurrent Portion of Long-Term Liabilities	16,831,073	-	-	16,831,073
Total Long-Term Liabilities	<u>16,831,073</u>	<u>-</u>	<u>-</u>	<u>16,831,073</u>
Total Liabilities	<u>17,694,662</u>	<u>20,342,917</u>	<u>4,427,496</u>	<u>42,465,075</u>
NET POSITION				
Net Investment in Capital Assets	(4,933,215)	-	-	(4,933,215)
Unrestricted	5,707,932	8,977,868	1,009,951	15,695,751
Total Net Position	<u>\$ 774,717</u>	<u>\$ 8,977,868</u>	<u>\$ 1,009,951</u>	<u>\$ 10,762,536</u>

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023

	Business-Type Activities Enterprise Funds			Total
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	
OPERATING REVENUES				
Sales and Service Charges	\$ 1,910,499	\$ 68,549,854	\$ 8,015,547	\$ 78,475,900
Total Operating Revenues	<u>1,910,499</u>	<u>68,549,854</u>	<u>8,015,547</u>	<u>78,475,900</u>
OPERATING EXPENSES				
Purchased Power	-	59,104,631	-	59,104,631
Administration and General	4,451	8,044,591	7,517,372	15,566,414
Depreciation Expense	939,471	-	-	939,471
Total Operating Expenses	<u>943,922</u>	<u>67,149,222</u>	<u>7,517,372</u>	<u>75,610,516</u>
OPERATING INCOME	966,577	1,400,632	498,175	2,865,384
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	313	-	-	313
Other Nonoperating Income	-	3,273,485	-	3,273,485
Interest Expense	(404,510)	-	-	(404,510)
Total Nonoperating Revenue (Expenses)	<u>(404,197)</u>	<u>3,273,485</u>	<u>-</u>	<u>2,869,288</u>
INCOME BEFORE TRANSFERS	562,380	4,674,117	498,175	5,734,672
TRANSFERS				
Transfers Out	(11,505)	(915,180)	-	(926,685)
Total Transfers	<u>(11,505)</u>	<u>(915,180)</u>	<u>-</u>	<u>(926,685)</u>
CHANGE IN NET POSITION	550,875	3,758,937	498,175	4,807,987
Net Position - Beginning of Year	<u>223,842</u>	<u>5,218,931</u>	<u>511,776</u>	<u>5,954,549</u>
NET POSITION - END OF YEAR	<u>\$ 774,717</u>	<u>\$ 8,977,868</u>	<u>\$ 1,009,951</u>	<u>\$ 10,762,536</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2023**

	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	\$ 2,299,031	\$ 65,520,911	\$ 10,034,688	\$ 77,854,630
Cash Paid to Suppliers for Goods and Services	(42,713)	(71,861,056)	(7,321,834)	(79,225,603)
Net Cash Provided (Used) by Operating Activities	<u>2,256,318</u>	<u>(6,340,145)</u>	<u>2,712,854</u>	<u>(1,370,973)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received From Other Funds	-	2,259,104	-	2,259,104
Cash Paid to Other Funds	(11,505)	(915,180)	-	(926,685)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(11,505)</u>	<u>1,343,924</u>	<u>-</u>	<u>1,332,419</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Capital Debt	(735,000)	-	-	(735,000)
Interest Paid on Capital Debt	(381,602)	-	-	(381,602)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,116,602)</u>	<u>-</u>	<u>-</u>	<u>(1,116,602)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	313	-	-	313
Net Cash Provided by Investing Activities	<u>313</u>	<u>-</u>	<u>-</u>	<u>313</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,128,524	(4,996,221)	2,712,854	(1,154,843)
Cash and Cash Equivalents - Beginning of Year	<u>4,227,605</u>	<u>4,996,221</u>	<u>1,813,701</u>	<u>11,037,527</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,356,129</u>	<u>\$ -</u>	<u>\$ 4,526,555</u>	<u>\$ 9,882,684</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ 966,577	\$ 1,400,632	\$ 498,175	\$ 2,865,384
Adjustments to Reconcile Operating Income (Loss)				
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	388,532	(6,054,497)	(79,676)	(5,745,641)
(Increase) Decrease in Due from Other Governments	-	(1,335,081)	-	(1,335,081)
(Increase) Decrease in Prepaid Items	-	(1,150,137)	22,106	(1,128,031)
Increase (Decrease) in Accounts Payable	(38,262)	(3,524,758)	(89,310)	(3,652,330)
Increase (Decrease) in Accrued Liabilities	-	(36,939)	-	(36,939)
Increase (Decrease) in Due to Other Governments	-	-	699,136	699,136
Increase (Decrease) in Unearned Revenues	-	1,087,150	530,976	1,618,126
Increase (Decrease) in Deposits	-	-	1,131,447	1,131,447
Net Cash Provided (Used) by Operating Activities	<u>\$ 2,256,318</u>	<u>\$ (6,340,145)</u>	<u>\$ 2,712,854</u>	<u>\$ (1,370,973)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2023**

	Private-Purpose Trust Fund	Custodial Funds
	Successor Agency of the Former RDA	
ASSETS		
Pooled Cash and Investments	\$ 17,928,370	\$ 342,383
Receivables:		
Accounts	14,538	82,611
Taxes	-	1,847
Notes and Loans, Net	87,391	-
Accrued Interest	3,459	-
Restricted Assets:		
Cash and Investments with Fiscal Agents	2,686,073	2,185
Total Assets	20,719,831	429,026
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Losses on Debt Refundings	4,312,258	-
LIABILITIES		
Accounts Payable	3,282	25,661
Interest Payable	2,131,328	53,138
Deposits Payable	-	169,074
Advances from City of Lancaster	64,135,866	-
Long-Term Liabilities:		
Due in One Year	10,327,000	-
Due in More Than One Year	129,827,600	-
Total Liabilities	206,425,076	247,873
DEFERRED INFLOWS OF RESOURCES		
Deferred Gains on Debt Refundings	881,471	-
NET POSITION (DEFICIT)		
Held in Trust for Other Purposes	(182,274,458)	-
Restricted for Bondholders	-	181,153
Total Net Position (Deficit)	\$ (182,274,458)	\$ 181,153

See accompanying Notes to Basic Financial Statements.

**CITY OF LANCASTER
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2023**

	Private-Purpose Trust Fund Successor Agency of the Former RDA	Custodial Funds
ADDITIONS		
Taxes	\$ 13,613,013	\$ -
Intergovernmental - Other	2,469,798	-
Investment Income	565,467	-
Rental Income	16,500	-
Miscellaneous	-	-
Total Additions	16,664,778	-
DEDUCTIONS		
Administrative Expenses	431,295	-
Payment of Special Tax Debt	5,823,464	-
Total Deductions	6,254,759	-
CHANGE IN NET POSITION	10,410,019	-
Net Position (Deficit) - Beginning of Year	(192,684,477)	181,153
NET POSITION (DEFICIT) - END OF YEAR	\$ (182,274,458)	\$ 181,153

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Fund Classifications (Continued)

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

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 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, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. New Accounting Pronouncements

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This standard defines a subscription-based information technology arrangement (SBITA); establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and requires note disclosures regarding a SBITA.

The City adopted the requirement of the guidance effective July 1, 2022 and has applied the provisions of this standard to the beginning of the period of adoption.

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, 2023

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Capital Assets (Continued)

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

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

Right-to-use lease assets are initially measured at the present value of payments expected to be made during the lease term, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

K. Subscription-Based Technology Arrangements (SBITA)

SBITA assets are initially measured as the sum of the present value of payments expected to be made during the subscription term, payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term, when applicable, and capitalizable implementation costs, less any SBITA vendor incentives received from the SBITA vendor at the commencement of the SBITA term. SBITA assets are amortized in a systematic and rational manner over the shorter of the subscription term or the useful life of the underlying IT assets.

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Deferred Outflows/Inflows of Resources (Continued)

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.

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. 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 its 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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 or regulations of other governments, or (b) by law through constitutional provisions or enabling legislation.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Q. Fund Balance Classification (Continued)

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.

City Council approved a revised Reserve Policy, establishing a General Fund Reserve of 40%, a General Liability Fund Reserve equal to the amount identified in an annual actuarial that represents the net annual liability after annual budgeted program resources, a Fleet Maintenance reserve of 20%, and an Information Technology reserve of 20%. The contingency reserves were established to help sustain City operations during emergencies and provide flexibility to respond to unexpected fiscal impacts throughout the fiscal year.

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

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

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

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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. The AVAQMD special revenue fund did not have a legally adopted budget during the current year.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

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 \$3,046,116. 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.

Excess of Expenditures Over Appropriations

The following are funds in which certain expenditures exceeded appropriations for the fiscal year ended June 30, 2023:

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations (Continued)

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
Major Funds:			
General Fund			
Capital Outlay	\$ 38,772	\$ 9,258,605	\$ (9,219,833)
Lancaster Housing Authority			
Capital Outlay	-	4,400	(4,400)
Transportation Development Authority			
Capital Outlay	-	746,808	(746,808)
Other Governmental Special Revenue Funds:			
Gas Tax:			
General Government	-	20	(20)
Capital Outlay	-	1,113,089	(1,113,089)
Housing and Community Development			
Capital Outlay	-	46,659	(46,659)
Home			
Transfers Out	1,037	108,809	(107,772)
Proposition A			
Capital Outlay	-	1,686,256	(1,686,256)
Bikeway Improvement			
Capital Outlay	-	194,668	(194,668)
Proposition C			
Capital Outlay	-	2,314,199	(2,314,199)
Federal Grant			
Capital Outlay	-	3,566,733	(3,566,733)
State Grant			
Capital Outlay	-	1,078,186	(1,078,186)
Park Development			
Capital Outlay	-	260,143	(260,143)
Developer Fees - Signals			
Capital Outlay	-	117,327	(117,327)
Developer Fees - Drainage			
Capital Outlay	-	279,560	(279,560)
Traffic Impact			
Capital Outlay	-	581	(581)
Biological Impact Fees			
Development Services	-	5,810	(5,810)
Landscape Drainage Maintenance District:			
Capital Outlay	-	51,875	(51,875)
Debt Service - Principal Retirement	-	33,767	(33,767)
Debt Service - Interest and Fiscal Charges	-	1,030	(1,030)
MTA Grant			
Capital Outlay	-	2,808,004	(2,808,004)
Urban Structure Program			
Capital Outlay	-	775,812	(775,812)
Sewer Maintenance			
General Government	-	1,234	(1,234)
Capital Outlay	-	1,552,775	(1,552,775)
Measure R:			
Development Services	-	1,620	(1,620)
Capital Outlay	-	8,372,939	(8,372,939)
Measure M:			
Development Services	-	598,926	(598,926)
Capital Outlay	4,000	1,600,896	(1,596,896)

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Net Position/Fund Balances

The following funds contained deficit fund balances as of June 30, 2023:

	Deficit Amount	
Transportation Development Authority Special Revenue Fund	\$ (11,843,657)	(3)
Other Governmental Special Revenue Funds:		
Federal Grants Special Revenue Fund	(3,989,581)	(1)
State Grants Special Revenue Fund	(1,476,528)	(1)
LA County Reimbursement	(255,676)	(1)
MTA Grant	(885,360)	(1)
Measure R	(4,324,157)	(1)
AVAQMD	(481,515)	(2)

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, 2023, are reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 144,449,046
Restricted:	
Cash and Investments	14,978,939
Statement of Fiduciary Assets and Liabilities:	
Pooled Cash and Investments	18,270,753
Restricted:	
Cash and Investments with Fiscal Agents	2,688,258
Total Cash and Investments	<u>\$ 180,386,996</u>
Cash and Investments Consisted of the Following:	
Cash on Hand	\$ 2,250
Deposits with Financial Institutions	27,620,335
Investments	152,764,411
Total Cash and Investments	<u>\$ 180,386,996</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, 2023

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, 2023, 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, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Investments in Cooperative Liquid Assets Securities System

The City is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is overseen and governed by a Board of Trustees, which consists of four members who are public agency finance professionals. The fund is audited annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

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, 2023, the City invested in various MTNs and municipal bonds which were rated AA- or better by Standard & Poor's (S&P). At June 30, 2023, the City's investments with US Government Sponsored Agency Securities were rated AA+ and money market mutual funds were rated AAA by S&P. California CLASS PRIME was rated AAAm 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, 2023, 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, 2023, 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, 2023, none of the City's investments had issuers exceeding 5% of the City investment pool.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

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.

As of June 30, 2023, 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	\$ 4,878,068	\$ 7,918,550	\$ 6,642,504	\$ -	\$ 19,439,122
United States Government Sponsored Agency Securities	2,867,515	5,701,956	996,370	-	9,565,841
Medium-Term Corporate Notes	3,852,258	5,586,742	-	-	9,439,000
Certificates of Deposit	150,980	-	-	-	150,980
Municipal Bonds	2,571,283	-	-	-	2,571,283
California Local Agency Investment Fund (LAIF)	42,337,727	-	-	-	42,337,727
California CLASS	51,593,261	-	-	-	51,593,261
Held by Fiscal Agent:					
Money Market Mutual Funds	17,667,197	-	-	-	17,667,197
Total	<u>\$ 125,918,289</u>	<u>\$ 19,207,248</u>	<u>\$ 7,638,874</u>	<u>\$ -</u>	<u>\$ 152,764,411</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).

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2023:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Treasury Securities	\$ 19,439,122	\$ -	\$ -	\$ 19,439,122
United States Government Sponsored Agency Securities	-	9,565,841	-	9,565,841
Medium-Term Corporate Notes	-	9,439,000	-	9,439,000
Certificates of Deposit	-	150,980	-	150,980
Municipal Bonds	-	2,571,283	-	2,571,283
Total Subject to Hierarchy	<u>\$ 19,439,122</u>	<u>\$ 21,727,104</u>	<u>\$ -</u>	41,166,226
LAIF (1)				42,337,727
California CLASS (1)				51,593,261
Held by Fiscal Agent:				
Money Market Mutual Funds (1)				17,667,197
Total Investment Portfolio				<u>\$ 152,764,411</u>

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

NOTE 4 NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 2023, were as follows:

	Loans and Notes Receivable Repayments	Loan Forgiveness/ Allowance Terms	Long-Term Lump-Sum Repayment Terms	Total
General Fund	\$ 1,389,931	\$ (300,770)	\$ (40,882)	\$ 1,048,279
Lancaster Housing Authority Special Revenue Fund	3,761,440	-	-	3,761,440
Other Governmental Funds HOME Program Special Revenue Fund	15,377,995	(14,787,935)	-	590,060
Total	<u>\$ 20,529,366</u>	<u>\$ (15,088,705)</u>	<u>\$ (40,882)</u>	<u>\$ 5,399,779</u>
Fiduciary Private-Purpose:				
Trust Fund	<u>\$ 95,724</u>	<u>\$ (8,333)</u>	<u>\$ -</u>	<u>\$ 87,391</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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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. During the year ended June 30, 2023, the City recognized \$281,215 and \$40,734 in lease revenue and interest revenue, respectively, pursuant to these contracts.

NOTE 6 CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023, was as follows:

Governmental Activities

	Balance at June 30, 2022 As Restated (1)	Construction in Progress Transfers	Additions	Deletions	Balance at June 30, 2023
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	\$ 39,596,320	\$ -	\$ 4,816,394	\$ -	\$ 44,412,714
Construction in Progress	62,803,178	(27,696,624)	25,378,780	-	60,485,334
Total Capital Assets, Not Depreciated	102,399,498	(27,696,624)	30,195,174	-	104,898,048
Capital Assets, Being Depreciated:					
Structures and Improvements	76,456,526	9,582,527	2,004,455	-	88,043,508
Furniture and Equipment	17,615,469	-	3,773,244	(962,041)	20,426,672
Right to Use Assets:					
Leases	79,786	-	888,874	(41,472)	927,188
Subscription	3,976,348	-	-	-	3,976,348
Infrastructure	1,775,487,939	18,114,097	16,830	-	1,793,618,866
Total Capital Assets, Being Depreciated	1,873,616,068	27,696,624	6,683,403	(1,003,513)	1,906,992,582
Less Accumulated Depreciation for:					
Structures and Improvements	(39,567,923)	-	(1,509,978)	-	(41,077,901)
Furniture and Equipment	(13,307,392)	-	(1,059,593)	936,039	(13,430,946)
Right to Use Assets					
Leases	(22,272)	-	(238,357)	41,472	(219,157)
Subscription	-	-	(897,413)	-	(897,413)
Infrastructure	(1,022,963,076)	-	(35,724,620)	-	(1,058,687,696)
Total Accumulated Depreciation	(1,075,860,663)	-	(39,429,961)	977,511	(1,114,313,113)
Total Capital Assets, Being Depreciated, Net	797,755,405	27,696,624	(32,746,558)	(26,002)	792,679,469
Governmental Activities					
Capital Assets, Net	<u>\$ 900,154,903</u>	<u>\$ -</u>	<u>\$ (2,551,384)</u>	<u>\$ (26,002)</u>	<u>\$ 897,577,517</u>

(1) The beginning balance has been restated to add right-to-use SBITA assets in accordance with the implementation of GASB Statement No. 96, *Subscription Based-Information Technology Arrangements*, acquisition of land through a loan payable and construction in progress. See Note 20 for Restatement footnote.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 CAPITAL ASSETS (CONTINUED)

Governmental Activities (Continued)

Depreciation expense was charged in the following functions in the statement of activities for the year ended June 30, 2023, as follows:

General Government	\$ 1,502,788
Public Safety	13,899
Development Services	35,599,802
Community Development	426,691
Parks, Recreation, and Arts	1,886,781
Total	<u>\$ 39,429,961</u>

Business-Type Activities

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance at June 30, 2022	Additions	Deletions	Balance at June 30, 2023
Capital Assets, Being Depreciated:				
Intangible Assets	\$ 23,486,774	\$ -	\$ -	\$ 23,486,774
Less Accumulated Depreciation for:				
Intangible Assets	<u>(9,864,445)</u>	<u>(939,471)</u>	<u> </u>	<u>(10,803,916)</u>
Total Business-Type Activities				
Capital Assets, Net	<u>\$ 13,622,329</u>	<u>\$ (939,471)</u>	<u>\$ -</u>	<u>\$ 12,682,858</u>

The depreciation expense of \$939,471 was charged to the Lancaster Power Authority program for the year ended June 30, 2023.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

Due To/From Other Funds

Interfund receivable and payable balances at June 30, 2023, are as follows:

<u>Receivable</u>	<u>Payable</u>	<u>Amount</u>
General Fund	Transportation Development Authority	\$ 11,838,662
	Lancaster Financing Authority	9,910,091
	Other Governmental Funds	9,518,723
	California Choice Energy Authority	
	Enterprise Fund	11,991,715
	Total	<u>\$ 43,259,191</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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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

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	\$ 560,103
	Transportation Special Revenue Fund	1,113,285
	Other Governmental Funds	9,163,063
	Lancaster Power Authority Enterprise Fund	11,505
	Lancaster Choice Energy Enterprise Fund	898,095
Lancaster Financing Authority Debt Service Fund	General Fund	3,187,162
	Other Governmental Funds	279,801
	Lancaster Choice Energy Enterprise Fund	17,085
Other Governmental Funds	General Fund	1,977,705
	Transportation Special Revenue Fund	7,107,105
	Total	<u>\$ 24,314,909</u>

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.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 LONG-TERM LIABILITIES

Governmental Activities

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2023, are as follows:

	July 1, 2022 <u>As Restated (1)</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>June 30, 2023</u>	Due <u>One Year</u>	Due in More <u>than One Year</u>
Direct Borrowings:						
Section 108 Notes:						
Series 2015-A1	\$ 201,000	\$ -	\$ 99,000	\$ 102,000	\$ 102,000	\$ -
Series 2015-A2	308,000	-	99,000	209,000	103,000	106,000
Equipment Agreements Payable	614,684	-	207,253	407,431	130,015	277,416
Loans	6,324,185	-	124,015	6,200,170	128,737	6,071,433
Settlement Agreement	1,000,000	-	200,000	800,000	200,000	600,000
Other Debt:						
Streetlight Acquisition						
Issue of 2016	11,475,000	-	605,000	10,870,000	620,000	10,250,000
Public Improvements Project						
Issue of 2018	13,545,000	-	290,000	13,255,000	305,000	12,950,000
Measure M & R Street Improvement						
Project Issue of 2018	45,480,000	-	785,000	44,695,000	825,000	43,870,000
Unamortized Bond Premium	7,008,265	-	401,388	6,606,877	-	6,606,877
Other Long-Term Liabilities:						
Lease Payable	58,386	888,875	238,551	708,710	224,302	484,408
Subscription Payable	3,976,348	-	1,843,299	2,133,049	785,792	1,347,257
Accrued Employee Benefits	3,776,848	2,868,613	2,822,791	3,822,670	2,822,791	999,879
Claims and Judgements	3,054,000	781,000	1,285,000	2,550,000	888,000	1,662,000
Total Governmental Activities	<u>\$ 96,821,716</u>	<u>\$ 4,538,488</u>	<u>\$ 9,000,297</u>	<u>\$ 92,359,907</u>	<u>\$ 7,134,637</u>	<u>\$ 85,225,270</u>

(1) The beginning balance has been restated to add subscription liabilities in accordance with the implementation of GASB Statement No. 96, *SBITA* and \$5,870,000 in loans for the acquisition of land. See Note 20 for Restatement footnote.

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.

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, 2023, was \$102,000.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Section 108 Notes (Continued)

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, 2023, was \$209,000.

The annual requirements to amortize the Section 108 Notes outstanding indebtedness as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 205,000	\$ 5,891	\$ 210,891
2025	106,000	1,510	107,510
Total	<u>\$ 311,000</u>	<u>\$ 7,401</u>	<u>\$ 318,401</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, 2023, is \$407,431.

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. The note was paid off during the year.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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. 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. The note was paid off during the year.

The future payments debt service payments are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 130,015	\$ 16,326	\$ 146,341
2025	135,732	10,609	146,341
2026	141,684	4,657	146,341
Total	<u>\$ 407,431</u>	<u>\$ 31,592</u>	<u>\$ 439,023</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, 2023, is \$330,170.

The annual requirements to amortize the outstanding indebtedness as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 128,736	\$ 8,943	\$ 137,679
2025	132,649	5,030	137,679
2026	68,785	1,020	69,805
Total	<u>\$ 330,170</u>	<u>\$ 27,691</u>	<u>\$ 356,895</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Loans (Continued)

In December 2021, the City entered into a promissory note in the amount of \$5,870,000 for the purchase of land. The note bears interest at 5.9% per annum, with interest due and payable beginning December 2022. The entire principal balance of the note matures on December 27, 2026. The outstanding balance at June 30, 2023 is \$5,870,000.

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, 2023, is \$10,870,000.

The bond indenture requires the City to maintain a bond reserve in the amount of \$975,606. To satisfy this requirement, the City purchased a municipal bond insurance policy. The annual requirements to amortize the outstanding indebtedness as of June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	700,000	269,356	969,356
2029 - 2033	3,925,000	912,057	4,837,057
2034 - 2037	3,645,000	232,266	3,877,266
Total	<u>\$ 10,870,000</u>	<u>\$ 2,706,103</u>	<u>\$ 13,576,103</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, 2023, is \$13,255,000.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	365,000	486,531	851,531
2029 - 2033	2,115,000	2,140,156	4,255,156
2034 - 2038	2,580,000	1,672,006	4,252,006
2039 - 2043	3,110,000	1,139,600	4,249,600
2044 - 2048	3,785,000	466,200	4,251,200
Total	<u>\$ 13,255,000</u>	<u>\$ 8,003,567</u>	<u>\$ 21,258,567</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, 2023, is \$44,695,000.

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, 2023**

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, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,000,000	1,701,300	2,701,300
2029 - 2033	5,805,000	7,704,000	13,509,000
2034 - 2038	7,195,000	6,316,000	13,511,000
2039 - 2043	10,335,000	4,695,800	15,030,800
2044 - 2048	13,730,000	2,307,600	16,037,600
2049	3,085,000	123,400	3,208,400
Total	<u>\$ 44,695,000</u>	<u>\$ 30,106,800</u>	<u>\$ 74,801,800</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, 2023, is \$800,000.

Business-Type Activities

Changes in long-term liabilities for the business-type activities for the year ended June 30, 2023, are as follows:

	<u>Balance</u>			<u>Balance</u>	<u>Due</u>	<u>Due in</u>
	<u>July 1, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2023</u>	<u>One Year</u>	<u>One Year</u>
Other Debt:						
Taxable Revenue Refunding						
Bonds, Series 2021	\$ 18,675,000	\$ -	\$ 735,000	\$ 17,940,000	\$ 785,000	\$ 17,155,000
Unamortized Bond Discount	(347,381)	-	23,454	(323,927)	-	(323,927)
Total Business-Type						
Activities	<u>\$ 18,327,619</u>	<u>\$ -</u>	<u>\$ 758,454</u>	<u>\$ 17,616,073</u>	<u>\$ 785,000</u>	<u>\$ 16,831,073</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, 2023**

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 2012A 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, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	1,070,000	335,622	1,405,622
2029 - 2033	6,470,000	1,318,122	7,788,122
2034 - 2037	6,835,000	399,467	7,234,467
Total	<u>\$ 17,940,000</u>	<u>\$ 3,520,865</u>	<u>\$ 21,460,865</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 fiscal year 2027-2028.

Total future minimum lease payment are as follows:

<u>Year Ending June 30,</u>	<u>Governmental Activities</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 224,301	\$ 29,505	\$ 253,806
2025	233,410	18,106	251,516
2026	125,200	9,147	134,347
2027	109,909	3,144	113,053
2028	15,890	55	15,945
Total Minimum Lease Payments	<u>\$ 708,710</u>	<u>\$ 59,957</u>	<u>\$ 768,667</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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	\$ 357,288
Vehicles	569,900
Less: Accumulated Amortization	(219,157)
Total	\$ 708,031

Subscription-Based Information Technology Arrangements

The City has entered into subscription based-information technology arrangements (SBITAs) for two software applications. The SBITA arrangements expire at various dates through 2026 and provide for renewal options.

As of June 30, 2023, SBITA assets and the related accumulated amortization totaled \$3,976,348 and \$897,413, respectively.

The future subscription payments under SBITA agreements are as follows:

<u>Year Ending June 30,</u>	Governmental Activities		<u>Total</u>
	Principal	Interest	
2024	\$ 785,792	\$ 101,951	\$ 887,743
2025	656,826	65,917	722,743
2026	690,431	32,312	722,743
Total Minimum Subscription Payments	\$ 2,133,049	\$ 200,180	\$ 2,333,229

NOTE 9 DEFINED BENEFIT PENSION PLANS

The following is a summary of pension-related items for the year ended June 30, 2023:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension (Income) Expense
CalPERS Miscellaneous	\$ 69,105,329	\$ 21,371,538	\$ (2,711,886)	\$ 9,032,577
PARS	4,105,826	667,581	-	(166,785)
Total	\$ 73,211,155	\$ 22,039,119	\$ (2,711,886)	\$ 8,865,792

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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.

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 year ended June 30, 2023, 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	11.57%	11.57%	11.57%
Payment of Unfunded Liability	\$ 5,581,558	\$ -	\$ -

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Employees Covered

At the June 30, 2022, measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits	336
Inactive Employees Entitled to But Not Yet Receiving Benefits	508
Active Employees	258
Total	1,102

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, 2023, of \$8,632,023.

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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Actuarial Assumptions

The total pension liabilities in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan
	<hr/>
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.3%
Projected Salary Increase	(1)
Mortality Rate Table	(2)
Post-Retirement Benefit Income	(3)

(1) Varies by entry age and service.

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

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

Long-Term Expected Rate of Return

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

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

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Actuarial Assumptions (Continued)

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 (a)(b)</u>
Global Equity - Cap-weighted	30.00 %	4.45 %
Global Equity - Non-Cap-weighted	12.00	3.84
Private Equity	13.00	7.28
Treasury	5.00	0.27
Mortgage-backed Securities	5.00	0.50
Investment Grade Corporates	10.00	1.56
High Yield	5.00	2.27
Emerging Market Debt	5.00	2.48
Private Debt	5.00	3.57
Real Assets	15.00	3.21
Leverage	(5.00)	(0.59)
Total	<u>100.00 %</u>	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021 Asset Liability Management study.

Discount Rate

The discount rate used to measure the total pension liability was 6.9%. 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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 2021 (Measurement Date)	\$ 206,399,246	\$ 162,484,538	\$ 43,914,708
Changes in the Year:			
Service Cost	4,222,786	-	4,222,786
Interest on the Total Pension Liability	14,305,083	-	14,305,083
Changes of Assumptions Differences Between Expected and Actual Experience	7,974,044	-	7,974,044
Contribution - Employer	-	7,691,954	(7,691,954)
Contribution - Employee	-	1,681,343	(1,681,343)
Net Investment Income	-	(12,367,601)	12,367,601
Administrative Expenses	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(9,515,662)	(9,515,662)	-
Other Miscellaneous Income (Expense)	-	(101,218)	101,218
Net Changes	<u>12,579,437</u>	<u>(12,611,184)</u>	<u>25,190,621</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 218,978,683</u>	<u>\$ 149,873,354</u>	<u>\$ 69,105,329</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 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	<u>\$ 99,903,373</u>	<u>\$ 69,105,329</u>	<u>\$ 43,832,485</u>

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, 2023**

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, 2023, the City recognized pension expense of \$9,032,577. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 8,632,023	\$ -
Differences Between Expected and Actual Experience	331,200	(2,711,886)
Change in Assumptions	4,907,104	-
Net Differences Between Projected and Actual Earnings on Plan Investments	7,501,211	-
Total	\$ 21,371,538	\$ (2,711,886)

Deferred outflows of resources of \$8,632,023 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2024	\$ 2,886,999
2025	1,889,212
2026	539,729
2027	4,711,689
2028	-
Thereafter	-
Total	\$ 10,027,629

Payable to the Pension Plans

At June 30, 2023, the City had no outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2023.

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2022, measurement date, there were 68 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, 2022, using an annual actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. 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, 2022
Actuarial Cost Method	Entry-Age Normal Level % of Pay
Actuarial Assumptions:	
Discount Rate	4.27%
Inflation	2.50%
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, 2023**

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 4.30% to 4.27%.

Discount Rate

The discount rate of 4.27% was used to measure the total pension liability and was a blended rate equivalent to combination of the long-term expected rate of return on assets and Bond Buyer 20 Index, which is 3.54% at June 30, 2022. 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 (0.50)% 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.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected Real Rate of Return</u>
Global 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, 2023

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, 2022, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2021 (Measurement Date)	\$ 11,875,832	\$ 9,504,232	\$ 2,371,600
Changes in the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	494,992	-	494,992
Changes in Benefit Terms	-	-	-
Changes in Assumptions	35,169	-	35,169
Differences Between Expected and Actual Experience	-	-	-
Net Investment Income	-	(1,187,427)	1,187,427
Administrative Expenses	-	-	-
Benefit Payments	(728,778)	(728,778)	-
Administrative Expenses	-	(16,638)	16,638
Net Changes	<u>(198,617)</u>	<u>(1,932,843)</u>	<u>1,734,226</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 11,677,215</u>	<u>\$ 7,571,389</u>	<u>\$ 4,105,826</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 3.27%	Discount Rate 4.27%	1% Increase 5.27%
Net Pension Liability (Asset)	<u>\$ 5,385,452</u>	<u>\$ 4,105,826</u>	<u>\$ 3,021,342</u>

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, 2023**

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, 2023, the City recognized pension expense of \$166,785. At June 30, 2023, 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	\$ 667,581	\$ -
Total	\$ 667,581	\$ -

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
2024	\$ 124,864
2025	127,557
2026	77,470
2027	337,690
2028	-
Thereafter	-
Total	\$ 667,581

Payable to the Pension Plans

At June 30, 2023, the City had no outstanding contributions to the PARS pension plan required for the year ended June 30, 2023.

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.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

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

Employees Covered

As of the June 30, 2022, 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	138
Inactive Employees Entitled to But Not Receiving Benefits	1
Active Employees	246
Total	385

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, 2023, the City's cash contributions were \$2,813,547 in payments to the trust and the estimated implicit subsidy was \$224,887, resulting in total contributions of \$3,038,434.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by using an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. 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:

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.75%
Inflation	2.50%
Projected Salary Increase	Aggregate - 2.75%
Expected Long-Term Investment Rate of Return	5.75%
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.

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	34.00 %	4.56 %
Fixed Income	41.00	1.56
TIPS	5.00	(0.08)
REITs	17.00	4.06
Commodities	3.00	1.22
Total	<u>100.00 %</u>	

Discount Rate

The discount rate used to measure the total OPEB liability is 5.75%. 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, 2023**

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, 2021 (Measurement Date)	\$ 23,129,441	\$ 14,420,652	\$ 8,708,789
Changes in the Year:			
Service Cost	416,520	-	416,520
Interest on the Total OPEB Liability	1,262,548	-	1,262,548
Differences Between Actual and Expected Experience	-	-	-
Changes in Assumptions	(643,491)	-	(643,491)
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	3,027,605	(3,027,605)
Net Investment Income	-	(2,062,879)	2,062,879
Administrative Expenses	-	(4,093)	4,093
Benefit Payments	(1,181,090)	(1,181,090)	-
Net Changes	<u>(145,513)</u>	<u>(220,457)</u>	<u>74,944</u>
Balance at June 30, 2022 (Measurement Date)	<u>\$ 22,983,928</u>	<u>\$ 14,200,195</u>	<u>\$ 8,783,733</u>

Change of Assumptions

The discount rate changed from 5.50% to 5.75%.

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 4.75%	Discount Rate 5.75%	1% Increase 6.75%
Net OPEB Liability	<u>\$ 11,540,245</u>	<u>\$ 8,783,733</u>	<u>\$ 6,472,014</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

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, 4.65% Medicare (Non-Kaiser) and 3.60% Medicare (Kaiser)) or one percentage point higher (7.5% Non-Medicare, 6.65% Medicare (Non-Kaiser) and 5.60% Medicare (Kaiser)) than current health-care cost trend rates:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB Liability	\$ 6,141,633	\$ 8,783,733	\$ 11,955,534

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

For the year ended June 30, 2023, the City recognized OPEB expense of \$174,947. At June 30, 2023, 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	\$ 3,038,434	\$ -
Differences Between Actual and Expected Experience	727,018	4,107,044
Change in Assumptions	-	1,755,978
Differences Between Projected and Actual Earnings	1,316,757	-
Total	\$ 5,082,209	\$ 5,863,022

An amount of \$3,038,434, 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, 2024. 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
2024	\$ (715,077)
2025	(698,942)
2026	(723,848)
2027	(393,549)
2028	(956,681)
Thereafter	(331,150)
Total	\$ (3,819,247)

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Payable to the OPEB Plan

At June 30, 2023, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2023.

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, 2023 (latest information available), Antelope Valley Transit Authority's financial position was as follows:

Assets	<u>\$ 145,938,705</u>
Deferred Outflow of Resources	<u>\$ 2,959,787</u>
Liabilities	<u>\$ 11,061,288</u>
Deferred Inflows of Resources	<u>\$ 28,906</u>
Net Position	<u>\$ 137,808,298</u>
Revenues	\$ 49,543,805
Expenses	<u>43,302,302</u>
Changes in Net Position	<u>\$ 6,241,503</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 11 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, 2023, \$2,550,000 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, 2023, 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 2022 and 2023 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>
2021 - 2022	\$ 3,113,000	\$ 602,586	\$ 661,586	\$ 3,054,000
2022 - 2023	3,054,000	781,000	1,285,000	2,550,000

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, 2023**

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, 2023:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2023	Remaining Commitments
2022 SPRING PMP	\$ 4,389,173	\$ 2,661,269	\$ 1,727,904
2023 PMP - PAVEMENT PRESERVATI	662,323.93	661,333.96	990
ADA COMPLIANCE	160,888.57	134,347.24	26,541
AMARGOSA REC TRAIL	4,644,118.09	141,257.34	4,502,861
ANNUAL LONG LINE STRIPING	78,800.45	5,554.65	73,246
ART IN PUBLIC PLACES	408,950.00	324,002.24	84,948
AVE J GRADE XING	1,222,799.57	31,209.28	1,191,590
AVE J/SR 14 INTERCHANGE	2,812,346.50	1,711,555.98	1,100,791
AVE K GRADE XING	353,360.24	31,357.75	322,002
AVE K/SR 14 INTERCHANGE -MSR R	11,792,593.42	4,788,876.90	7,003,717
AVE M GRADE XING	135,878.64	31,581.59	104,297
AVE M/SR 14 INTERCHANGE -MSR R	7,460,806.98	128,757.31	7,332,050
AVTA BUS STOP IMPROVEMENTS	1,031,380.46	262,000.54	769,380
BOOSTER PUMP IMPROVEMENTS	140,417.00	78,134.46	62,283
CITY BEAUTIFICATION	4,283,283.33	2,283,246.41	2,000,037
CITY HALL FACE LIFT	6,473,041.80	5,404,060.45	1,068,981
CITY HALL IMPROVEMENTS	565,710.41	56,581.63	509,129
CITY HALL RESILIENCEY/BATTERY	313,490.61	312,125.60	1,365
EL DORADO PARK- PARK IMPROVMTS	7,784,236.46	633,615.16	7,150,621
LANCASTER HEALTH DISTRICT	25,450,711.43	6,344,687.15	19,106,024
LPAC IMPROVEMENTS	1,251,784.76	510,049.95	741,735
MAINTENANCE YARD PARKING LOT	216,769.00	77,325.00	139,444
MARIPOSA PARK	427,826.90	46,659.34	381,168
METRO FENCE REPLACMNT & LANDSC	2,721,073.85	691,563.71	2,029,510
MOAH HVAC IMPROVEMENTS	2,054,265.11	1,989,298.60	64,967
OMP HARDCOURT IMPROVEMENTS	639,995.10	147,223.14	492,772
PARK & RIDE SAFETY IMPROV	761,849.93	691,925.43	69,925
PARK AND FACILITY BUILD RENNO	1,014,925.60	181,457.70	833,468
PARK N RIDE PARKING REFURBISH	1,987,764.91	24,818.67	1,962,946
PEDESTRIAN GAP CLOSURE IMPS	7,647,848.13	5,994,275.41	1,653,573
PRIME DESERT WOODLANDS EXP	25,256.00	18,598.99	6,657
SAFER STREETS ACTION PLAN	1,053,299.84	51,354.50	1,001,945
TRANSPORTATION MANAGEMENT CENT	356,901.00	46,207.05	310,694
VIC DERBY/42ND W CHNNL IMPROV	131,074.20	97,150.70	33,924

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 15 LANCASTER CHOICE ENERGY

Lancaster Choice Energy (LCE) 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. Due to large sales of Resource Adequacy, payments to LCE from CalChoice for the fiscal year ended June 30, 2023, totaled \$1,300,516.

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, 2023, the total payments made by LCE under the take or pay contracts was \$64,954,510. At June 30, 2023, the remaining take or pay contracts for LCE is \$154,009,491 through December 2036.

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, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Due One Year	Due in More than One Year
Other Borrowings:						
2004 County Fire	\$ 1,530,000	\$ -	\$ 750,000	\$ 780,000	\$ 780,000	\$ -
2004 County - Sheriff	3,275,000	-	1,595,000	1,680,000	1,680,000	-
2015 Housing A&B	18,355,000	-	1,085,000	17,270,000	1,120,000	16,150,000
2017 Housing	53,175,000	-	2,645,000	50,530,000	2,785,000	47,745,000
2016 A-1 & A-2						
Non-Housing	47,340,000	-	2,870,000	44,470,000	2,965,000	41,505,000
2016 B-1 & B-2						
Non-Housing	13,690,000	-	730,000	12,960,000	765,000	12,195,000
2021 Lease Revenue Bonds	3,644,000	-	228,000	3,416,000	232,000	3,184,000
Total Successor Agency	141,009,000	-	9,903,000	131,106,000	10,327,000	120,779,000
Unamortized Original Issue (Discount) or Premium	9,725,923	-	677,323	9,048,600	-	9,048,600
Net Long-Term Debt	<u>\$ 150,734,923</u>	<u>\$ -</u>	<u>\$ 10,580,323</u>	<u>\$ 140,154,600</u>	<u>\$ 10,327,000</u>	<u>\$ 129,827,600</u>

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

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, 2023, is \$780,000.
- 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, 2023, is \$1,680,000.
- c. On March 10, 2015, the Successor Agency issued \$23,510,000 of Combined Redevelopment Project Areas (Housing Programs) Tax Allocation Refunding Bonds, issue of 2015A and B. This financing was undertaken to refund \$23,510,000 in outstanding Agency debt. The principal portion of these bonds is payable from August 1, 2015 to 2026. Interest is payable semiannually on February 1 and August 1 of each year commencing on August 1, 2015. The outstanding balance at June 30, 2023, is \$17,270,000.
- 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, 2023, is \$50,530,000.

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Combined Tax Allocation Notes and Bonds (Continued)

- e. 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, 2023, is \$44,470,000.
- f. 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, 2023, is \$12,960,000.
- g. 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, 2023, is \$3,416,000.

The annual requirements to amortize the outstanding bond indebtedness for the Lancaster Redevelopment Agency Bonds and Notes, as of June 30, 2023, including interest, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	10,022,000	3,733,780	13,755,780
2029 - 2033	49,503,000	11,967,781	61,470,781
2034 - 2038	32,480,000	2,823,507	35,303,507
2039 - 2041	3,755,000	121,575	3,876,575
Total	<u>\$ 131,106,000</u>	<u>\$ 36,808,978</u>	<u>\$ 167,914,978</u>

**CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 16 SUCCESSOR AGENCY DISCLOSURES (CONTINUED)

Pledged Revenue

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

Total principal and interest remaining on the debt is \$167,914,978 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 \$16,082,811 and the debt service obligation on the bonds was \$15,171,425 broken down as follows:

		<u>Received in FY 22/23</u>	
Scope of Fund Recognized by Successor Agency for enforceable Obligations:			
Redevelopment Property Tax Trust Funds (RPTTF)		\$ 13,613,013	
Pass-Through Funds Remitted by Los Angeles County Fire and Sheriff		<u>2,469,798</u>	
Total Funds Recognized by the Successor Agency Available for the Payment of Debt Services		<u><u>\$ 16,082,811</u></u>	
<u>Debt Service Obligations Due in FY 2022/2023</u>	<u>Principal Due</u>	<u>Interest Due</u>	<u>Total</u>
Non-Housing, Housing, and School Bus (RPTTF)	\$ 7,330,000	\$ 5,314,800	\$ 12,644,800
County Fire and Sheriff Bonds (Paid From Fire and Sheriff Pass-Through Funds)	<u>2,345,000</u>	<u>181,625</u>	<u>2,526,625</u>
Total Successor Agency Debt Service Obligations FY 22/23	<u><u>\$ 9,675,000</u></u>	<u><u>\$ 5,496,425</u></u>	<u><u>\$ 15,171,425</u></u>

CITY OF LANCASTER
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 16 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, 2023, is \$7,912,442. The Successor Agency made repayments totaling \$699,903 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, 2023, totals \$24,211,962. The total amount due to the City and Housing Authority from the Successor Agency on these prior advances is \$56,223,060. 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, 2023, the following defeased bond issues are still outstanding:

	<u>Outstanding Amount</u>
The Combined Housing Financing Bonds 2003 Issue	\$ 2,265,000
Tax Allocation Bonds (Housing Programs) 2009 Issue	20,620,000

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, 2023

NOTE 16 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 298 participants in the Plan for the year ended June 30, 2023. Employer contributions are based on an employee's tier of eligibility. For the year ended June 30, 2023, employer contributions totaled \$1,445,725. 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, 2023**

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 287 individuals in the RHSP at June 30, 2023. Employer contributions for the year ended June 30, 2023, totaled \$662,142.

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.

NOTE 20 RESTATEMENT

Net Position and Fund Balances as of July 1, 2022 were restated as follows:

	Governmental Activities	General Fund	Lancaster Housing Authority
Net Position/Fund Balance - Beginning of Year, as Previously Reported, July 1, 2022	\$ 1,036,415,215	\$ 121,911,511	\$ 76,986,214
Increase (Decrease) in Net Position/Fund Balance for Land acquisition recorded in the General Fund	-	3,000,000	(3,000,000)
Increase in Net Position for Land Acquisition	9,800,000	-	-
Decrease in Net Position for entering into a Promissory Note for the Land Acquisition	(5,870,000)	-	-
Increase in Net Position for previously expensed CIP	1,429,091	-	-
Decrease in Net Position for CIP that should have been previously expensed.	(14,159,755)	-	-
Net Position/Fund Balance - Beginning of Year, as Restated, July 1, 2022	<u>\$ 1,027,614,551</u>	<u>\$ 124,911,511</u>	<u>\$ 73,986,214</u>

NOTE 21 SUBSEQUENT EVENTS

On July 11, 2023, the Lancaster City Council authorized the City Manager, or his designee, to finalize terms, modify and execute a subordination agreement with respect to the \$3,412,500.00 Lancaster Redevelopment Agency Loan and a \$4,024,440.00 HCD loan, allowing Laurel Crest, L.P. to proceed with mortgage refinance of senior loan for Laurel Crest Apartments.

Effective January 2024, California Choice Energy Authority is no longer a blended component unit of the City.

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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, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total Pension Liability:					
Service Cost	\$ 4,222,786	\$ 3,835,000	\$ 3,812,712	\$ 3,984,412	\$ 4,089,766
Interest on Total Pension Liability	14,305,083	13,947,225	13,228,411	12,492,922	11,749,454
Differences Between Expected and Actual Experience	(4,406,814)	1,656,000	1,608,904	1,303,631	925,375
Changes in Assumptions	7,974,044	-	-	-	(1,119,628)
Benefit Payments, Including Refunds of Employee Contributions	(9,515,662)	(9,063,152)	(8,246,671)	(7,180,971)	(6,203,088)
Net Change in Total Pension Liability	12,579,437	10,375,073	10,403,356	10,599,994	9,441,879
Total Pension Liability - Beginning of Year	206,399,246	196,024,173	185,620,817	175,020,823	165,578,944
Total Pension Liability - End of Year (a)	\$ 218,978,683	\$ 206,399,246	\$ 196,024,173	\$ 185,620,817	\$ 175,020,823
Plan Fiduciary Net Position:					
Contributions - Employer	\$ 7,691,954	\$ 6,735,805	\$ 6,104,781	\$ 5,376,086	\$ 4,949,350
Contributions - Employee	1,681,343	1,518,908	1,680,632	1,594,327	1,606,648
Net Investment Income (Loss)	(12,367,601)	30,324,328	6,427,646	7,935,508	9,429,980
Benefit Payments	(9,515,662)	(9,063,152)	(8,246,671)	(7,180,971)	(6,203,088)
Net Plan to Plan Resource Movement	-	-	-	277	(277)
Administrative and Other Expense	(101,218)	(132,960)	(179,482)	(85,403)	(498,688)
Net Change in Plan Fiduciary Net Position	(12,611,184)	29,382,929	5,786,906	7,639,824	9,283,925
Plan Fiduciary Net Position - Beginning of Year	162,484,538	133,101,609	127,314,703	119,674,879	110,390,954
Plan Fiduciary Net Position - End of Year (b)	\$ 149,873,354	\$ 162,484,538	\$ 133,101,609	\$ 127,314,703	\$ 119,674,879
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 69,105,329	\$ 43,914,708	\$ 62,922,564	\$ 58,306,114	\$ 55,345,944
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.44%	78.72%	67.90%	68.59%	68.38%
Covered Payroll	\$ 26,429,406	\$ 23,010,769	\$ 20,370,100	\$ 19,995,467	\$ 20,482,128
Net Pension Liability as Percentage of Covered Payroll	261.47%	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.

From fiscal year June 30, 2022, to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%.

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

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CaIPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023

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	(5,495,333)	(4,608,628)	(4,011,772)	(3,666,038)
Net Change in Total Pension Liability	19,003,164	10,957,169	6,335,276	9,133,300
Total Pension Liability - Beginning of Year	146,575,780	135,618,611	129,283,335	120,150,035
Total Pension Liability - End of Year (a)	\$ 165,578,944	\$ 146,575,780	\$ 135,618,611	\$ 129,283,335
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	(145,875)	(59,256)	(109,427)	-
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	98,802,585	97,228,982	93,844,998	78,653,029
Plan Fiduciary Net Position - End of Year (b)	\$ 110,390,954	\$ 98,802,585	\$ 97,228,982	\$ 93,844,998
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 55,187,990	\$ 47,773,195	\$ 38,389,629	\$ 35,438,337
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%

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.

From fiscal year June 30, 2022, to June 30, 2023:

The discount rate and long-term rate of return decreased from 7.15% to 6.9% and the inflation rate decreased from 2.5% to 2.3%.

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

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CalPERS PENSION PLANS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023**

Fiscal Year Ended	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially Determined Contribution	\$ 8,632,023	\$ 7,699,142	\$ 6,735,678	\$ 6,104,781	\$ 5,376,086
Contributions in Relation to the Actuarially Determined Contributions	<u>(8,632,023)</u>	<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>	<u>\$ -</u>
Covered Payroll	\$ 23,010,769	\$ 20,370,100	\$ 20,158,000	\$ 20,370,100	\$ 19,995,467
Contributions as a Percentage of Covered Payroll	37.51%	37.80%	33.41%	29.92%	26.81%
Notes to Schedule:					
Valuation Date	6/30/2020	6/30/2019	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	Entry Age
Amortization Method	(1)	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.30%	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	7.375% (3)	7.375% (3)	7.375% (3)	7.375% (3)
Retirement Age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(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 nine years are shown.

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CaIPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023**

Fiscal Year Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
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, 2023

Fiscal Year Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Period Ended	June 30, 2022	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	494,992	481,917	545,037	569,756	568,236
Differences Between Expected and Actual Experience	-	-	-	134,522	-
Changes in Assumptions	35,169	(670,041)	1,173,341	439,122	(188,575)
Changes in benefits	-	(163,673)	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(728,778)	(710,129)	(705,047)	(694,049)	(678,957)
Net Change in Total Pension Liability	(198,617)	(1,061,926)	1,013,331	450,920	(297,719)
Total Pension Liability - Beginning of Year	11,875,832	12,937,758	11,924,427	11,473,507	11,771,226
Total Pension Liability - End of Year (a)	\$ 11,677,215	\$ 11,875,832	\$ 12,937,758	\$ 11,924,427	\$ 11,473,507
Plan Fiduciary Net Position:					
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	-	-	-	-	-
Net Investment Income (Loss)	(1,187,427)	1,786,017	262,205	536,880	551,796
Administrative Expense	(16,638)	(16,893)	(16,793)	(17,313)	(18,115)
Benefit Payments	(728,778)	(710,129)	(705,047)	(694,049)	(678,957)
Net Change in Plan Fiduciary Net Position	(1,932,843)	1,058,995	(459,635)	(174,482)	(145,276)
Plan Fiduciary Net Position - Beginning of Year	9,504,232	8,445,237	8,904,872	9,079,354	9,224,630
Plan Fiduciary Net Position - End of Year (b)	\$ 7,571,389	\$ 9,504,232	\$ 8,445,237	\$ 8,904,872	\$ 9,079,354
Net Pension Liability (Asset) - Ending (a)-(b)	\$ 4,105,826	\$ 2,371,600	\$ 4,492,521	\$ 3,019,555	\$ 2,394,153
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.84%	80.03%	65.28%	74.68%	79.13%
Covered Payroll	None	None	None	None	None
Net Pension Liability as Percentage of Covered Payroll	N/A	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.

From fiscal year June 30, 2022, to June 30, 2023:

The discount rate was updated from 4.30% to 4.27%.

* Fiscal year 2015 was the first year of implementation, and therefore, only nine 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, 2023

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, 2023**

Fiscal Year Ended	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Actuarially Determined Contribution	\$ 234,572	\$ 217,689	\$ 233,631	\$ 311,000	\$ 337,000
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-	-
Contribution Deficiency (Excess)	<u>\$ 234,572</u>	<u>\$ 217,689</u>	<u>\$ 233,631</u>	<u>\$ 311,000</u>	<u>\$ 337,000</u>
Covered Payroll	None	None	None	None	None
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A
Notes to Schedule:					
Valuation Date	6/30/2021	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	Entry Age Normal
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar
Remaining Amortization Period	10 Years Open	10 Years Open	10 Years Open	10 Years Open	10 Years Open
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%
Salary Scale:					
Aggregate	3.00%	3.00%	3.00%	3.00%	3.00%
Merit (CalPERS Experience Study)	2000-2019	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:					
06/30/22 Measurement Date	CalPERS 2000-2019 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2021.				
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 nine years are shown.

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023**

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	Entry Age	Entry Age	Entry Age
	Normal	Normal	Normal	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
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:				
06/30/22 Measurement Date	CalPERS 2000-2019 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2021.			
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 nine years are shown.

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023

Fiscal Year End	<u>6/30/2023</u>	<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>6/30/2022</u>	<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	\$ 416,520	\$ 556,718	\$ 544,912	\$ 514,497	\$ 549,862	\$ 533,847
Interest on Total OPEB Liability	1,262,548	1,747,735	1,711,964	1,640,380	1,574,306	1,500,990
Change in Assumption	(643,491)	(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>(1,181,090)</u>	<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	(145,513)	(4,843,913)	495,226	1,166,861	1,220,288	1,183,104
Total OPEB Liability - Beginning of Year	<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>	<u>23,907,875</u>
Total OPEB Liability - End of Year (a)	<u>22,983,928</u>	<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	3,027,605	1,132,629	2,451,000	2,973,720	2,521,850	2,757,002
Net Investment Income	(2,062,879)	2,423,434	652,096	717,403	470,766	400,018
Administrative Expenses	(4,093)	(4,425)	(6,167)	(2,205)	(11,481)	(3,027)
Benefit Payments	<u>(1,181,090)</u>	<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	(220,457)	2,419,009	1,833,686	2,529,543	2,077,255	2,302,260
Plan Fiduciary Net Position - Beginning of Year	<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>	<u>3,258,899</u>
Plan Fiduciary Net Position - End of Year (b)	<u>14,200,195</u>	<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>\$ 8,783,733</u>	<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	61.78%	62.35%	42.90%	37.00%	29.03%	22.16%
Covered - Employee Payroll	\$ 24,544,346	\$ 21,125,169	\$ 20,370,100	\$ 21,066,497	\$ 19,015,391	\$ 20,878,494
Net OPEB Liability as Percentage of Covered - Employee Payroll	35.79%	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

From fiscal year June 30, 2022, to June 30, 2023:

Discount rate changed from 5.50% to 5.75%
Inflation changed from 2.75% to 2.5%
Medicare broken out for Non-Kaiser and Kaiser

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

**CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2023**

Fiscal Year Ended	<u>June 30, 2023</u>	<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)	\$ 1,099,938	\$ 1,846,515	\$ 1,985,527	\$ 1,973,000	\$ 2,009,000	\$ 2,099,000
Contributions in Relation to the Actuarially Determined Contributions	<u>(3,038,434)</u>	<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>\$ (1,938,496)</u>	<u>\$ (1,181,089)</u>	<u>\$ 852,898</u>	<u>\$ (478,000)</u>	<u>\$ (964,720)</u>	<u>\$ (422,850)</u>
Covered - Employee Payroll	\$ 26,906,110	\$ 24,544,346	\$ 21,125,169	\$ 20,370,100	\$ 21,066,497	\$ 19,015,391
Contributions as a Percentage of Covered - Employee Payroll	11.30%	12.30%	5.36%	12.03%	14.12%	13.26%

Notes to Schedule:

Valuation Date	6/30/2021	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	Entry age Level dollar
Amortization Period	22 Year Fixed Period	23 Year Fixed Period	24 Year Fixed Period	25 Year Fixed Period	26 Year Fixed Period	27 Year Fixed Period
Inflation	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%
Mortality	CalPERS 2000-2019 Experience Mortality	CalPERS 1997-2015 Experience Mortality	CalPERS 1997-2015 Experience Mortality	CalPERS 1997-2015 Experience Mortality	CalPERS 1997-2015 Experience Mortality	CalPERS 1997-2011 Experience Mortality
Mortality Improvements	Projected Fully Generational With Scale MP-2021	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 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 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 Non-Medicare 7.25% decreasing to 4.00% in 2076, Medicare 6.30% decreasing to 4.00% in 2076.					
06/30/21 Valuation	Non-Medicare 6.50% decreasing to 3.75% in 2076, Medicare(Non-Kaiser) 5.65% decreasing to 3.75% in 2076, Medicare(Kaiser) 4.60% decreasing to 3.75% in 2076.					

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

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SUPPLEMENTARY INFORMATION

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
ASSETS				
Pooled Cash and Investments	\$ 2,847,836	\$ 98,126	\$ 1,744,187	\$ 2,760,367
Receivables:				
Accounts	93,836	2,500	-	-
Taxes	1,485,378	-	34,504	-
Accrued Interest	12,506	-	-	-
Due from Other Governments	-	-	-	188,469
Notes and Loans, Net	-	-	-	-
Prepaid Items	171,207	-	-	-
Land Held for Resale	-	-	-	224,766
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 4,610,763</u>	<u>\$ 100,626</u>	<u>\$ 1,778,691</u>	<u>\$ 3,173,602</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 742,868	\$ 11,228	\$ 399,114	\$ 74,503
Accrued Liabilities	178,614	-	7,379	1,974
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>921,482</u>	<u>11,228</u>	<u>406,493</u>	<u>76,477</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	57,275	-	-	188,469
Total Deferred Inflows of Resources	<u>57,275</u>	<u>-</u>	<u>-</u>	<u>188,469</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	171,207	-	-	-
Restricted:				
Community Development Projects	-	89,398	-	2,908,656
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	3,460,799	-	1,372,198	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>3,632,006</u>	<u>89,398</u>	<u>1,372,198</u>	<u>2,908,656</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,610,763</u>	<u>\$ 100,626</u>	<u>\$ 1,778,691</u>	<u>\$ 3,173,602</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
ASSETS				
Pooled Cash and Investments	\$ 1,029,603	\$ 5,176,525	\$ -	\$ 9,368,240
Receivables:				
Accounts	1,454	-	-	-
Taxes	-	-	-	-
Accrued Interest	-	8,761	-	15,855
Due from Other Governments	-	-	201,185	-
Notes and Loans, Net	590,060	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u>1,621,117</u>	<u>5,185,286</u>	<u>201,185</u>	<u>9,384,095</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 18,616	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	183,913	-
Total Liabilities	<u>-</u>	<u>18,616</u>	<u>183,913</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	-	5,166,670	17,272	9,384,095
Housing and Neighborhood Revitalization	1,621,117	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>1,621,117</u>	<u>5,166,670</u>	<u>17,272</u>	<u>9,384,095</u>
	<u>\$ 1,621,117</u>	<u>\$ 5,185,286</u>	<u>\$ 201,185</u>	<u>\$ 9,384,095</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,621,117</u>	<u>\$ 5,185,286</u>	<u>\$ 201,185</u>	<u>\$ 9,384,095</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
ASSETS				
Pooled Cash and Investments	\$ -	\$ -	\$ 524,577	\$ 2,820,315
Receivables:				
Accounts	3,148,727	200,763	-	98,058
Taxes	-	-	-	-
Accrued Interest	-	620	-	-
Due from Other Governments	799,130	1,360,855	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 3,947,857</u>	<u>\$ 1,562,238</u>	<u>\$ 524,577</u>	<u>\$ 2,918,373</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 154,842	\$ -	\$ -
Accrued Liabilities	-	22,379	-	-
Unearned Revenues	-	307,228	-	98,058
Due to Other Funds	4,021,889	1,021,443	-	-
Total Liabilities	<u>4,021,889</u>	<u>1,505,892</u>	<u>-</u>	<u>98,058</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	3,915,549	1,532,874	-	-
Total Deferred Inflows of Resources	<u>3,915,549</u>	<u>1,532,874</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	524,577	-
Development Services	-	-	-	2,820,315
Housing and Neighborhood Revitalization	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	(3,989,581)	(1,476,528)	-	-
Total Fund Balances (Deficits)	<u>(3,989,581)</u>	<u>(1,476,528)</u>	<u>524,577</u>	<u>2,820,315</u>
	<u>\$ 3,947,857</u>	<u>\$ 1,562,238</u>	<u>\$ 524,577</u>	<u>\$ 2,918,373</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,947,857</u>	<u>\$ 1,562,238</u>	<u>\$ 524,577</u>	<u>\$ 2,918,373</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
ASSETS				
Pooled Cash and Investments	\$ 10,957,159	\$ 45,961	\$ 927,888	\$ 1,754,861
Receivables:				
Accounts	234,028	22,651	-	210,494
Taxes	-	-	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u>11,191,187</u>	<u>68,612</u>	<u>927,888</u>	<u>1,965,355</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 14,647	\$ -	\$ -
Accrued Liabilities	-	3,473	-	-
Unearned Revenues	234,028	-	-	210,494
Due to Other Funds	-	-	-	-
Total Liabilities	<u>234,028</u>	<u>18,120</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	-	50,492	-	-
Development Services	10,957,159	-	927,888	1,754,861
Housing and Neighborhood Revitalization	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>10,957,159</u>	<u>50,492</u>	<u>927,888</u>	<u>1,754,861</u>
	<u>11,191,187</u>	<u>68,612</u>	<u>927,888</u>	<u>1,965,355</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,191,187</u>	<u>\$ 68,612</u>	<u>\$ 927,888</u>	<u>\$ 1,965,355</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds			
	AQMD	Lancaster Drainage Maintenance District	Miscellaneous Grants	Traffic Safety
ASSETS				
Pooled Cash and Investments	\$ 11,690	\$ 1,758,832	\$ 505	\$ 284,928
Receivables:				
Accounts	17,750	-	-	-
Taxes	-	26,610	-	-
Accrued Interest	-	-	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
Total Assets	<u>\$ 29,440</u>	<u>\$ 1,785,442</u>	<u>\$ 505</u>	<u>\$ 284,928</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 4,875	\$ 125,236	\$ -	\$ -
Accrued Liabilities	-	32,688	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	-	-
Total Liabilities	<u>4,875</u>	<u>157,924</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	-	-	505	-
Public Safety	-	-	-	284,928
Parks, Recreation, and Arts	-	-	-	-
Development Services	24,565	1,627,518	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	<u>24,565</u>	<u>1,627,518</u>	<u>505</u>	<u>284,928</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 29,440</u>	<u>\$ 1,785,442</u>	<u>\$ 505</u>	<u>\$ 284,928</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	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	\$ 10,101	\$ -	\$ 1,775,188
Receivables:				
Accounts	-	-	188,809	24,275
Taxes	-	-	-	-
Accrued Interest	-	17	-	-
Due from Other Governments	-	228,784	1,446,198	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Land Held for Resale	-	-	-	-
	<u>\$ 106,700</u>	<u>\$ 238,902</u>	<u>\$ 1,635,007</u>	<u>\$ 1,799,463</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 215,799	\$ -	\$ -
Accrued Liabilities	-	-	-	-
Unearned Revenues	-	49,995	-	24,275
Due to Other Funds	-	-	889,184	-
Total Liabilities	<u>-</u>	<u>265,794</u>	<u>889,184</u>	<u>24,275</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	228,784	1,631,183	-
Total Deferred Inflows of Resources	<u>-</u>	<u>228,784</u>	<u>1,631,183</u>	<u>-</u>
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	1,775,188
Development Services	106,700	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Projects	-	-	-	-
Unassigned	-	(255,676)	(885,360)	-
Total Fund Balances (Deficits)	<u>106,700</u>	<u>(255,676)</u>	<u>(885,360)</u>	<u>1,775,188</u>
	<u>\$ 106,700</u>	<u>\$ 238,902</u>	<u>\$ 1,635,007</u>	<u>\$ 1,799,463</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 106,700</u>	<u>\$ 238,902</u>	<u>\$ 1,635,007</u>	<u>\$ 1,799,463</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds				
	Mariposa Lily	Sewer Maintenance District	Proposition 1B	Proposition 42	Measure R
ASSETS					
Pooled Cash and Investments	\$ 62,733	\$ 1,829,695	\$ 6,142	\$ 46,543	\$ -
Receivables:					
Accounts	-	1,592	-	-	4,135,813
Taxes	-	68,581	-	-	-
Accrued Interest	-	-	10	-	1,099
Due from Other Governments	-	-	-	-	3,740,616
Notes and Loans, Net	-	-	-	-	-
Prepaid Items	-	1,332	-	-	-
Land Held for Resale	-	-	-	-	-
	<u>\$ 62,733</u>	<u>\$ 1,901,200</u>	<u>\$ 6,152</u>	<u>\$ 46,543</u>	<u>\$ 7,877,528</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ -	\$ 240,676	\$ -	\$ -	\$ 1,400,121
Accrued Liabilities	-	91,334	-	-	-
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	2,960,918
Total Liabilities	-	332,010	-	-	4,361,039
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	7,840,646
Total Deferred Inflows of Resources	-	-	-	-	7,840,646
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid Items	-	1,332	-	-	-
Restricted:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-	-
Development Services	62,733	1,567,858	6,152	46,543	-
Housing and Neighborhood Revitalization	-	-	-	-	-
Capital Projects	-	-	-	-	-
Unassigned	-	-	-	-	(4,324,157)
Total Fund Balances (Deficits)	<u>62,733</u>	<u>1,569,190</u>	<u>6,152</u>	<u>46,543</u>	<u>(4,324,157)</u>
	<u>\$ 62,733</u>	<u>\$ 1,901,200</u>	<u>\$ 6,152</u>	<u>\$ 46,543</u>	<u>\$ 7,877,528</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 62,733</u>	<u>\$ 1,901,200</u>	<u>\$ 6,152</u>	<u>\$ 46,543</u>	<u>\$ 7,877,528</u>

**CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2023**

	Special Revenue Funds			Capital Projects Fund	Total Other Governmental Funds
	Measure M	Lancaster Lighting District	AVAQMD	Capital Projects	
ASSETS					
Pooled Cash and Investments	\$ 1,413,924	\$ 6,918,149	\$ -	\$ 10,287,074	\$ 64,567,849
Receivables:					
Accounts	367,520	53,856	487,666	-	9,289,792
Taxes	-	132,471	-	-	1,747,544
Accrued Interest	2,393	-	-	-	41,261
Due from Other Governments	-	-	-	-	7,965,237
Notes and Loans, Net	-	-	-	-	590,060
Prepaid Items	-	-	-	-	172,539
Land Held for Resale	-	-	-	-	224,766
Total Assets	<u>\$ 1,783,837</u>	<u>\$ 7,104,476</u>	<u>\$ 487,666</u>	<u>\$ 10,287,074</u>	<u>\$ 84,599,048</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	\$ 156,642	\$ 396,901	\$ -	\$ 6,247,480	\$ 10,203,548
Accrued Liabilities	-	15,111	40,139	2,157,543	2,550,634
Unearned Revenues	-	-	-	-	924,078
Due to Other Funds	-	-	441,376	-	9,518,723
Total Liabilities	<u>156,642</u>	<u>412,012</u>	<u>481,515</u>	<u>8,405,023</u>	<u>23,196,983</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	367,520	-	487,666	-	16,249,966
Total Deferred Inflows of Resources	<u>367,520</u>	<u>-</u>	<u>487,666</u>	<u>-</u>	<u>16,249,966</u>
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid Items	-	-	-	-	172,539
Restricted:					
Community Development Projects	-	-	-	-	2,998,559
Public Safety	-	-	-	-	284,928
Parks, Recreation, and Arts	-	-	-	-	2,350,257
Development Services	1,259,675	6,692,464	-	-	47,255,465
Housing and Neighborhood Revitalization	-	-	-	-	1,621,117
Capital Projects	-	-	-	1,882,051	1,882,051
Unassigned	-	-	(481,515)	-	(11,412,817)
Total Fund Balances (Deficits)	<u>1,259,675</u>	<u>6,692,464</u>	<u>(481,515)</u>	<u>1,882,051</u>	<u>45,152,099</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,783,837</u>	<u>\$ 7,104,476</u>	<u>\$ 487,666</u>	<u>\$ 10,287,074</u>	<u>\$ 84,599,048</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	8,355,731	-	-	651,640
Charges for Services	4,071	-	1,984,224	-
Investment Earnings	158,504	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	57,632	-
Miscellaneous	2,702	34,747	-	-
Total Revenues	<u>8,521,008</u>	<u>34,747</u>	<u>2,041,856</u>	<u>651,640</u>
EXPENDITURES				
Current:				
General Government	20	30,983	-	145,058
Community Development	-	20,368	-	-
Parks, Recreation, and Arts	92,148	-	17,628	-
Development Services	11,258,082	-	2,418,989	-
Housing and Neighborhood Revitalization	-	-	-	132,457
Capital Outlay	1,113,089	-	-	46,659
Debt Service:				
Principal Retirement	-	-	-	198,000
Interest and Fiscal Charges	-	-	-	11,187
Total Expenditures	<u>12,463,339</u>	<u>51,351</u>	<u>2,436,617</u>	<u>533,361</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,942,331)	(16,604)	(394,761)	118,279
OTHER FINANCING SOURCES (USES)				
Transfers In	7,108,161	-	1,111,985	107,772
Transfers Out	(3,035,632)	-	(243,051)	(3,163)
Total Other Financing Sources (Uses)	<u>4,072,529</u>	<u>-</u>	<u>868,934</u>	<u>104,609</u>
NET CHANGE IN FUND BALANCES	130,198	(16,604)	474,173	222,888
Fund Balances (Deficits) - Beginning of Year	<u>3,501,808</u>	<u>106,002</u>	<u>898,025</u>	<u>2,685,768</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 3,632,006</u>	<u>\$ 89,398</u>	<u>\$ 1,372,198</u>	<u>\$ 2,908,656</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	17,026	4,241,614	201,185	3,518,298
Charges for Services	-	-	-	-
Investment Earnings	-	110,279	-	199,667
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>17,026</u>	<u>4,351,893</u>	<u>201,185</u>	<u>3,717,965</u>
EXPENDITURES				
Current:				
General Government	-	1,954,443	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	1,686,256	194,668	2,314,199
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>3,640,699</u>	<u>194,668</u>	<u>2,314,199</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	17,026	711,194	6,517	1,403,766
OTHER FINANCING SOURCES (USES)				
Transfers In	1,556	-	-	-
Transfers Out	(108,809)	(203,292)	-	-
Total Other Financing Sources (Uses)	<u>(107,253)</u>	<u>(203,292)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(90,227)	507,902	6,517	1,403,766
Fund Balances (Deficits) - Beginning of Year	<u>1,711,344</u>	<u>4,658,768</u>	<u>10,755</u>	<u>7,980,329</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 1,621,117</u>	<u>\$ 5,166,670</u>	<u>\$ 17,272</u>	<u>\$ 9,384,095</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	161,464	252,592
Intergovernmental	1,400,674	1,061,299	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	7,706	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,400,674</u>	<u>1,069,005</u>	<u>161,464</u>	<u>252,592</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	136,659	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	494,164	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	3,566,733	1,078,186	260,143	117,327
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>3,566,733</u>	<u>1,709,009</u>	<u>260,143</u>	<u>117,327</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,166,059)	(640,004)	(98,679)	135,265
OTHER FINANCING SOURCES (USES)				
Transfers In	9,764	53,013	-	-
Transfers Out	-	(54,980)	-	(45,493)
Total Other Financing Sources (Uses)	<u>9,764</u>	<u>(1,967)</u>	<u>-</u>	<u>(45,493)</u>
NET CHANGE IN FUND BALANCES	(2,156,295)	(641,971)	(98,679)	89,772
Fund Balances (Deficits) - Beginning of Year	<u>(1,833,286)</u>	<u>(834,557)</u>	<u>623,256</u>	<u>2,730,543</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (3,989,581)</u>	<u>\$ (1,476,528)</u>	<u>\$ 524,577</u>	<u>\$ 2,820,315</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	1,371,217	-	116,897	302,661
Intergovernmental	-	-	-	-
Charges for Services	-	159,286	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>1,371,217</u>	<u>159,286</u>	<u>116,897</u>	<u>302,661</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	237,891	5,810	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	279,560	-	-	581
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>279,560</u>	<u>237,891</u>	<u>5,810</u>	<u>581</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,091,657	(78,605)	111,087	302,080
OTHER FINANCING SOURCES (USES)				
Transfers In	-	197,375	-	-
Transfers Out	-	(77,221)	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>120,154</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,091,657	41,549	111,087	302,080
Fund Balances (Deficits) - Beginning of Year	<u>9,865,502</u>	<u>8,943</u>	<u>816,801</u>	<u>1,452,781</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 10,957,159</u>	<u>\$ 50,492</u>	<u>\$ 927,888</u>	<u>\$ 1,754,861</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
		Lancaster Drainage Maintenance District	Miscellaneous Grants	Traffic Safety
	AQMD			
REVENUES				
Taxes	\$ -	\$ -	\$ 11,505	\$ -
Licenses and Permits	-	-	-	-
Intergovernmental	112,875	-	-	-
Charges for Services	-	2,181,897	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	211,113
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>112,875</u>	<u>2,181,897</u>	<u>11,505</u>	<u>211,113</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	17,750	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	2,044,362	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	51,875	-	-
Debt Service:				
Principal Retirement	-	33,767	-	-
Interest and Fiscal Charges	-	1,030	-	-
Total Expenditures	<u>17,750</u>	<u>2,131,034</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	95,125	50,863	11,505	211,113
OTHER FINANCING SOURCES (USES)				
Transfers In	26,750	422,941	-	-
Transfers Out	(5,279)	(611,481)	(11,000)	(260,000)
Total Other Financing Sources (Uses)	<u>21,471</u>	<u>(188,540)</u>	<u>(11,000)</u>	<u>(260,000)</u>
NET CHANGE IN FUND BALANCES	116,596	(137,677)	505	(48,887)
Fund Balances (Deficits) - Beginning of Year	<u>(92,031)</u>	<u>1,765,195</u>	<u>-</u>	<u>333,815</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 24,565</u>	<u>\$ 1,627,518</u>	<u>\$ 505</u>	<u>\$ 284,928</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Zero-Net Energy Solar Mitigation	LA County Reimbursement	MTA Grant	Urban Structure Program
	In Lieu			
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$ -
Licenses and Permits	-	-	-	380,083
Intergovernmental	-	467,712	2,121,789	-
Charges for Services	-	-	-	-
Investment Earnings	-	218	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	<u>-</u>	<u>467,930</u>	<u>2,121,789</u>	<u>380,083</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Community Development	-	696,496	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	-	2,808,004	775,812
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	<u>-</u>	<u>696,496</u>	<u>2,808,004</u>	<u>775,812</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(228,566)	(686,215)	(395,729)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	45,493	-
Transfers Out	-	-	(244)	(28,474)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>45,249</u>	<u>(28,474)</u>
NET CHANGE IN FUND BALANCES	-	(228,566)	(640,966)	(424,203)
Fund Balances (Deficits) - Beginning of Year	<u>106,700</u>	<u>(27,110)</u>	<u>(244,394)</u>	<u>2,199,391</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 106,700</u>	<u>\$ (255,676)</u>	<u>\$ (885,360)</u>	<u>\$ 1,775,188</u>

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2023

	Special Revenue Funds			
	Mariposa	Sewer	Proposition	Proposition
	Lily	Maintenance District	1B	42
REVENUES				
Taxes	\$ -	\$ 4,404,875	\$ -	\$ -
Licenses and Permits	-	186,406	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	29	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	4,591,281	29	-
EXPENDITURES				
Current:				
General Government	-	1,234	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	3,302,669	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	1,552,775	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	-	4,856,678	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	(265,397)	29	-
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(1,696,684)	-	-
Total Other Financing Sources (Uses)	-	(1,696,684)	-	-
NET CHANGE IN FUND BALANCES	-	(1,962,081)	29	-
Fund Balances (Deficits) - Beginning of Year	62,733	3,531,271	6,123	46,543
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ 62,733</u>	<u>\$ 1,569,190</u>	<u>\$ 6,152</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, 2023

	Special Revenue Funds				Capital Projects Fund	Total Other Governmental Funds
	Measure R	Measure M	Lancaster Lighting District	AVAQMD	Capital Projects	
REVENUES						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,416,380
Licenses and Permits	-	-	-	-	-	2,771,320
Intergovernmental	3,664,212	2,984,103	-	-	-	28,798,158
Charges for Services	-	-	6,205,374	-	-	10,534,852
Investment Earnings	13,150	28,911	329	-	-	518,793
Fines and Forfeitures	-	-	-	-	-	211,113
Contributions	-	-	-	-	-	57,632
Miscellaneous	-	-	32,599	404,625	-	474,673
Total Revenues	<u>3,677,362</u>	<u>3,013,014</u>	<u>6,238,302</u>	<u>404,625</u>	<u>-</u>	<u>47,782,921</u>
EXPENDITURES						
Current:						
General Government	-	-	-	886,140	-	3,017,878
Community Development	-	-	-	-	-	871,273
Parks, Recreation, and Arts	-	-	10,090	-	-	119,866
Development Services	1,620	598,926	3,158,674	-	-	23,521,187
Housing and Neighborhood Revitalization	-	-	-	-	-	132,457
Capital Outlay	8,372,939	1,600,896	-	-	-	25,819,702
Debt Service:						
Principal Retirement	-	-	605,000	-	-	836,767
Interest and Fiscal Charges	-	-	389,774	-	-	401,991
Total Expenditures	<u>8,374,559</u>	<u>2,199,822</u>	<u>4,163,538</u>	<u>886,140</u>	<u>-</u>	<u>54,721,121</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,697,197)	813,192	2,074,764	(481,515)	-	(6,938,200)
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	9,084,810
Transfers Out	(1,080,341)	(1,620,512)	(357,208)	-	-	(9,442,864)
Total Other Financing Sources (Uses)	<u>(1,080,341)</u>	<u>(1,620,512)</u>	<u>(357,208)</u>	<u>-</u>	<u>-</u>	<u>(358,054)</u>
NET CHANGE IN FUND BALANCES	(5,777,538)	(807,320)	1,717,556	(481,515)	-	(7,296,254)
Fund Balances (Deficits) - Beginning of Year	<u>1,453,381</u>	<u>2,066,995</u>	<u>4,974,908</u>	<u>-</u>	<u>1,882,051</u>	<u>52,448,353</u>
FUND BALANCES (DEFICITS) - END OF YEAR	<u>\$ (4,324,157)</u>	<u>\$ 1,259,675</u>	<u>\$ 6,692,464</u>	<u>\$ (481,515)</u>	<u>\$ 1,882,051</u>	<u>\$ 45,152,099</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,501,808	\$ 3,501,808	\$ 3,501,808	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	8,325,531	8,325,531	8,355,731	30,200
Charges for Services	-	-	4,071	4,071
Investment Earnings	-	-	158,504	158,504
Miscellaneous	2,000	240	2,702	2,462
Transfers In	13,212,283	13,212,283	7,108,161	(6,104,122)
Amounts Available for Appropriations	<u>25,041,622</u>	<u>25,039,862</u>	<u>19,130,977</u>	<u>(5,908,885)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	20	(20)
Parks, Recreation, and Arts	-	102,253	92,148	10,105
Development Services	11,250,486	12,651,103	11,258,082	1,393,021
Capital Outlay	-	-	1,113,089	(1,113,089)
Transfers Out	3,044,036	7,450,847	3,035,632	4,415,215
Total Charges to Appropriations	<u>14,294,522</u>	<u>20,204,203</u>	<u>15,498,971</u>	<u>4,705,232</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 10,747,100</u>	<u>\$ 4,835,659</u>	<u>\$ 3,632,006</u>	<u>\$ (1,203,653)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 898,025	\$ 898,025	\$ 898,025	\$ -
RESOURCES (INFLOWS)				
Charges for Services	1,715,700	1,965,700	1,984,224	18,524
Contributions	50,000	59,867	57,632	(2,235)
Transfers In	20,240	1,111,985	1,111,985	-
Amounts Available for Appropriations	<u>2,683,965</u>	<u>4,035,577</u>	<u>4,051,866</u>	<u>16,289</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	-	38,617	17,628	20,989
Development Services	2,000,096	3,091,841	2,418,989	672,852
Transfers Out	279,381	279,381	243,051	36,330
Total Charges to Appropriations	<u>2,279,477</u>	<u>3,409,839</u>	<u>2,679,668</u>	<u>730,171</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 404,488</u>	<u>\$ 625,738</u>	<u>\$ 1,372,198</u>	<u>\$ 746,460</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,685,768	\$ 2,685,768	\$ 2,685,768	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,918,931	1,918,931	651,640	(1,267,291)
Transfers In	-	-	107,772	107,772
Amounts Available for Appropriations	<u>4,604,699</u>	<u>4,604,699</u>	<u>3,445,180</u>	<u>(1,159,519)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	48,543	153,427	145,058	8,369
Housing and Neighborhood Revitalization	746,377	776,104	132,457	643,647
Capital Outlay	-	-	46,659	(46,659)
Debt Service:				
Principal Retirement	198,000	198,000	198,000	-
Interest and Fiscal Charges	205,845	205,845	11,187	194,658
Transfers Out	3,163	997,163	3,163	994,000
Total Charges to Appropriations	<u>1,201,928</u>	<u>2,330,539</u>	<u>536,524</u>	<u>1,794,015</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 3,402,771</u>	<u>\$ 2,274,160</u>	<u>\$ 2,908,656</u>	<u>\$ 634,496</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,711,344	\$ 1,711,344	\$ 1,711,344	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	719,769	719,769	17,026	(702,743)
Transfers In	-	-	1,556	1,556
Investment Earnings	-	-	-	-
Amounts Available for Appropriations	2,431,113	2,431,113	1,729,926	(701,187)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	676,132	1,657,393	-	1,657,393
Transfers Out	1,037	1,037	108,809	(107,772)
Total Charges to Appropriations	677,169	1,658,430	108,809	1,549,621
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,753,944</u>	<u>\$ 772,683</u>	<u>\$ 1,621,117</u>	<u>\$ 848,434</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 4,658,768	\$ 4,658,768	\$ 4,658,768	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	11,693,658	11,693,658	4,241,614	(7,452,044)
Investment Earnings	14,040	14,040	110,279	96,239
Amounts Available for Appropriations	<u>16,366,466</u>	<u>16,366,466</u>	<u>9,010,661</u>	<u>(7,355,805)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	2,050,258	2,159,097	1,954,443	204,654
Capital Outlay	-	-	1,686,256	(1,686,256)
Transfers Out	176,542	7,846,167	203,292	7,642,875
Total Charges to Appropriations	<u>2,226,800</u>	<u>10,005,264</u>	<u>3,843,991</u>	<u>6,161,273</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 14,139,666</u>	<u>\$ 6,361,202</u>	<u>\$ 5,166,670</u>	<u>\$ (1,194,532)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 10,755	\$ 10,755	\$ 10,755	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	429,841	429,841	201,185	(228,656)
Amounts Available for Appropriations	440,596	440,596	211,940	(228,656)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	194,668	(194,668)
Transfers Out	-	147,954	-	147,954
Total Charges to Appropriations	-	147,954	194,668	(46,714)
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 440,596</u>	<u>\$ 292,642</u>	<u>\$ 17,272</u>	<u>\$ (275,370)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 7,980,329	\$ 7,980,329	\$ 7,980,329	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	15,873,544	16,733,962	3,518,298	(13,215,664)
Investment Earnings	18,000	18,000	199,667	181,667
Amounts Available for Appropriations	<u>23,871,873</u>	<u>24,732,291</u>	<u>11,698,294</u>	<u>(13,033,997)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	2,314,199	(2,314,199)
Transfers Out	-	7,544,927	-	7,544,927
Total Charges to Appropriations	<u>-</u>	<u>7,544,927</u>	<u>2,314,199</u>	<u>5,230,728</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 23,871,873</u>	<u>\$ 17,187,364</u>	<u>\$ 9,384,095</u>	<u>\$ (7,803,269)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (1,833,286)	\$ (1,833,286)	\$ (1,833,286)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	16,407,141	15,270,853	1,400,674	(13,870,179)
Fines and Forfeitures	2,327,997	2,327,997	-	(2,327,997)
Transfers In	-	-	9,764	9,764
Amounts Available for Appropriations	<u>16,901,852</u>	<u>15,765,564</u>	<u>(422,848)</u>	<u>(16,188,412)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	621,325	621,325	-	621,325
Development Services	2,450,524	2,450,524	-	2,450,524
Capital Outlay	-	-	3,566,733	(3,566,733)
Transfers Out	-	11,518,352	-	11,518,352
Total Charges to Appropriations	<u>3,071,849</u>	<u>14,590,201</u>	<u>3,566,733</u>	<u>11,023,468</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 13,830,003</u>	<u>\$ 1,175,363</u>	<u>\$ (3,989,581)</u>	<u>\$ (5,164,944)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (834,557)	\$ (834,557)	\$ (834,557)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	12,652,151	4,239,953	1,061,299	(3,178,654)
Investment Earnings	-	-	7,706	7,706
Transfers In	-	-	53,013	53,013
Amounts Available for Appropriations	<u>11,817,594</u>	<u>3,405,396</u>	<u>287,461</u>	<u>(3,117,935)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	-	339,920	136,659	203,261
Development Services	2,782,916	3,720,430	494,164	3,226,266
Capital Outlay	-	-	1,078,186	(1,078,186)
Transfers Out	318,825	17,262,051	54,980	17,207,071
Total Charges to Appropriations	<u>3,101,741</u>	<u>21,382,401</u>	<u>1,763,989</u>	<u>19,618,412</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 8,715,853</u>	<u>\$ (17,977,005)</u>	<u>\$ (1,476,528)</u>	<u>\$ 16,500,477</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 623,256	\$ 623,256	\$ 623,256	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	40,000	40,000	161,464	121,464
Amounts Available for Appropriations	663,256	663,256	784,720	121,464
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	260,143	(260,143)
Transfers Out	-	280,506	-	280,506
Total Charges to Appropriations	-	280,506	260,143	20,363
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 663,256</u>	<u>\$ 382,750</u>	<u>\$ 524,577</u>	<u>\$ 141,827</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,730,543	\$ 2,730,543	\$ 2,730,543	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	160,000	160,000	252,592	92,592
Amounts Available for Appropriations	<u>2,890,543</u>	<u>2,890,543</u>	2,983,135	92,592
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	117,327	(117,327)
Transfers Out	-	2,033,045	45,493	1,987,552
Total Charges to Appropriations	<u>-</u>	<u>2,033,045</u>	<u>162,820</u>	<u>1,870,225</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,890,543</u>	<u>\$ 857,498</u>	<u>\$ 2,820,315</u>	<u>\$ 1,962,817</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 9,865,502	\$ 9,865,502	\$ 9,865,502	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	450,000	450,000	1,371,217	921,217
Amounts Available for Appropriations	10,315,502	10,315,502	11,236,719	921,217
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	279,560	(279,560)
Transfers Out	-	2,345,135	-	2,345,135
Total Charges to Appropriations	-	2,345,135	279,560	2,065,575
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 10,315,502</u>	<u>\$ 7,970,367</u>	<u>\$ 10,957,159</u>	<u>\$ 2,986,792</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 8,943	\$ 8,943	\$ 8,943	\$ -
RESOURCES (INFLOWS)				
Charges for Services	100,000	130,000	159,286	29,286
Transfers In	197,375	197,375	197,375	-
Amounts Available for Appropriations	<u>306,318</u>	<u>336,318</u>	<u>365,604</u>	<u>29,286</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	223,505	257,497	237,891	19,606
Transfers Out	77,221	77,221	77,221	-
Total Charges to Appropriations	<u>300,726</u>	<u>334,718</u>	<u>315,112</u>	<u>19,606</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 5,592</u>	<u>\$ 1,600</u>	<u>\$ 50,492</u>	<u>\$ 48,892</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 816,801	\$ 816,801	\$ 816,801	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	300,000	300,000	116,897	(183,103)
Amounts Available for Appropriations	<u>1,116,801</u>	<u>1,116,801</u>	<u>933,698</u>	<u>(183,103)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	5,810	(5,810)
Transfers Out	-	32,377	-	32,377
Total Charges to Appropriations	<u>-</u>	<u>32,377</u>	<u>5,810</u>	<u>26,567</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,116,801</u>	<u>\$ 1,084,424</u>	<u>\$ 927,888</u>	<u>\$ (156,536)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,452,781	\$ 1,452,781	\$ 1,452,781	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	300,000	200,000	302,661	102,661
Amounts Available for Appropriations	<u>1,752,781</u>	<u>1,652,781</u>	<u>1,755,442</u>	<u>102,661</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	581	(581)
Transfers Out	-	753,287	-	753,287
Total Charges to Appropriations	<u>-</u>	<u>753,287</u>	<u>581</u>	<u>752,706</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u><u>\$ 1,752,781</u></u>	<u><u>\$ 899,494</u></u>	<u><u>\$ 1,754,861</u></u>	<u><u>\$ 855,367</u></u>

**CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AQMD SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (92,031)	\$ (92,031)	\$ (92,031)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	99,810	99,810	112,875	13,065
Transfers In	-	-	26,750	26,750
Amounts Available for Appropriations	<u>7,779</u>	<u>7,779</u>	<u>47,594</u>	<u>39,815</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	50,000	50,000	17,750	32,250
Transfers Out	5,279	5,279	5,279	-
Total Charges to Appropriations	<u>55,279</u>	<u>55,279</u>	<u>23,029</u>	<u>32,250</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ (47,500)</u>	<u>\$ (47,500)</u>	<u>\$ 24,565</u>	<u>\$ 72,065</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,765,195	\$ 1,765,195	\$ 1,765,195	\$ -
RESOURCES (INFLOWS)				
Charges for Services	1,695,000	2,133,000	2,181,897	48,897
Transfers In	422,941	422,941	422,941	-
Amounts Available for Appropriations	<u>3,883,136</u>	<u>4,321,136</u>	<u>4,370,033</u>	<u>48,897</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	2,067,273	2,238,331	2,044,362	193,969
Capital Outlay	-	-	51,875	(51,875)
Debt Service:				
Principal Retirement	-	-	33,767	(33,767)
Interest and Fiscal Charges	-	-	1,030	(1,030)
Transfers Out	619,885	1,210,548	611,481	599,067
Total Charges to Appropriations	<u>2,687,158</u>	<u>3,448,879</u>	<u>2,742,515</u>	<u>706,364</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 1,195,978</u>	<u>\$ 872,257</u>	<u>\$ 1,627,518</u>	<u>\$ 755,261</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ -	\$ -	\$ -	\$ -
RESOURCES (INFLOWS)				
Taxes	11,000	11,000	11,505	505
Amounts Available for Appropriations	11,000	11,000	11,505	505
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	11,000	11,000	11,000	-
Total Charges to Appropriations	11,000	11,000	11,000	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 505</u>	<u>\$ 505</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 333,815	\$ 333,815	\$ 333,815	\$ -
RESOURCES (INFLOWS)				
Fines and Forfeitures	260,000	260,000	211,113	(48,887)
Amounts Available for Appropriations	593,815	593,815	544,928	(48,887)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	260,000	260,000	260,000	-
Total Charges to Appropriations	260,000	260,000	260,000	-
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 333,815</u>	<u>\$ 333,815</u>	<u>\$ 284,928</u>	<u>\$ (48,887)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (27,110)	\$ (27,110)	\$ (27,110)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,702,497	2,676,455	467,712	(2,208,743)
Investment Earnings	-	-	218	
Amounts Available for Appropriations	<u>1,675,387</u>	<u>2,649,345</u>	<u>440,820</u>	<u>(2,208,743)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	1,445,678	4,854,005	696,496	4,157,509
Total Charges to Appropriations	<u>1,445,678</u>	<u>4,854,005</u>	<u>696,496</u>	<u>4,157,509</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 229,709</u>	<u>\$ (2,204,660)</u>	<u>\$ (255,676)</u>	<u>\$ 1,948,766</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	\$ (244,394)	\$ (244,394)	\$ (244,394)	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,723,811	3,463,393	2,121,789	(1,341,604)
Transfers In	-	-	45,493	45,493
Amounts Available for Appropriations	<u>2,479,417</u>	<u>3,218,999</u>	<u>1,922,888</u>	<u>(1,296,111)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	2,808,004	(2,808,004)
Transfers Out	-	3,937,164	244	3,936,920
Total Charges to Appropriations	<u>-</u>	<u>3,937,164</u>	<u>2,808,248</u>	<u>1,128,916</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 2,479,417</u>	<u>\$ (718,165)</u>	<u>\$ (885,360)</u>	<u>\$ (167,195)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,199,391	\$ 2,199,391	\$ 2,199,391	\$ -
RESOURCES (INFLOWS)				
Licenses and Permits	117,000	117,000	380,083	263,083
Amounts Available for Appropriations	<u>2,316,391</u>	<u>2,316,391</u>	<u>2,579,474</u>	<u>263,083</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	-	775,812	(775,812)
Transfers Out	42,482	843,181	28,474	814,707
Total Charges to Appropriations	<u>42,482</u>	<u>843,181</u>	<u>804,286</u>	<u>38,895</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,273,909</u>	<u>\$ 1,473,210</u>	<u>\$ 1,775,188</u>	<u>\$ 301,978</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 3,531,271	\$ 3,531,271	\$ 3,531,271	\$ -
RESOURCES (INFLOWS)				
Taxes	4,100,000	4,400,000	4,404,875	4,875
Licenses and Permits	130,500	192,400	186,406	(5,994)
Amounts Available for Appropriations	<u>7,761,771</u>	<u>8,123,671</u>	<u>8,122,552</u>	<u>(1,119)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	1,234	(1,234)
Development Services	3,599,283	3,933,300	3,302,669	630,631
Capital Outlay	-	-	1,552,775	(1,552,775)
Transfers Out	1,705,088	2,038,528	1,696,684	341,844
Total Charges to Appropriations	<u>5,304,371</u>	<u>5,971,828</u>	<u>6,553,362</u>	<u>(581,534)</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 2,457,400</u>	<u>\$ 2,151,843</u>	<u>\$ 1,569,190</u>	<u>\$ (582,653)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 6,123	\$ 6,123	\$ 6,123	\$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	29	29
Amounts Available for Appropriations	6,123	6,123	6,152	29
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	-	370	-	370
Total Charges to Appropriations	-	370	-	370
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 6,123</u>	<u>\$ 5,753</u>	<u>\$ 6,152</u>	<u>\$ 399</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, 2023**

	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	-	-	-	-
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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 1,453,381	\$ 1,453,381	\$ 1,453,381	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	20,397,108	37,992,072	3,664,212	(34,327,860)
Investment Earnings	20,500	20,500	13,150	(7,350)
Amounts Available for Appropriations	<u>21,870,989</u>	<u>39,465,953</u>	<u>5,130,743</u>	<u>(34,335,210)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	1,620	(1,620)
Capital Outlay	-	-	8,372,939	(8,372,939)
Transfers Out	1,081,120	53,510,209	1,080,341	52,429,868
Total Charges to Appropriations	<u>1,081,120</u>	<u>53,510,209</u>	<u>9,454,900</u>	<u>44,055,309</u>
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	<u>\$ 20,789,869</u>	<u>\$ (14,044,256)</u>	<u>\$ (4,324,157)</u>	<u>\$ 9,720,099</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 2,066,995	\$ 2,066,995	\$ 2,066,995	\$ -
RESOURCES (INFLOWS)				
Intergovernmental	9,746,617	9,746,617	2,984,103	(6,762,514)
Investment Earnings	10,000	10,000	28,911	18,911
Amounts Available for Appropriations	<u>11,823,612</u>	<u>11,823,612</u>	<u>5,080,009</u>	<u>(6,743,603)</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	598,926	(598,926)
Capital Outlay	-	4,000	1,600,896	(1,596,896)
Transfers Out	3,670,401	5,569,926	1,620,512	3,949,414
Total Charges to Appropriations	<u>3,670,401</u>	<u>5,573,926</u>	<u>3,820,334</u>	<u>1,753,592</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 8,153,211</u>	<u>\$ 6,249,686</u>	<u>\$ 1,259,675</u>	<u>\$ (4,990,011)</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, 2023**

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	\$ 4,974,908	\$ 4,974,908	\$ 4,974,908	\$ -
RESOURCES (INFLOWS)				
Charges for Services	4,520,000	5,828,000	6,205,374	377,374
Investment Earnings	-	-	329	329
Miscellaneous	-	-	32,599	32,599
Amounts Available for Appropriations	<u>9,494,908</u>	<u>10,802,908</u>	<u>11,213,210</u>	<u>410,302</u>
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	-	10,090	10,090	-
Development Services	3,258,031	3,722,141	3,158,674	563,467
Capital Outlay	279,562	117,327	-	117,327
Principal Retirement	605,000	605,000	605,000	-
Interest and Fiscal Charges	405,607	405,607	389,774	15,833
Transfers Out	357,208	526,599	357,208	169,391
Total Charges to Appropriations	<u>4,905,408</u>	<u>5,386,764</u>	<u>4,520,746</u>	<u>866,018</u>
BUDGETARY FUND BALANCE - END OF YEAR	<u>\$ 4,589,500</u>	<u>\$ 5,416,144</u>	<u>\$ 6,692,464</u>	<u>\$ 1,276,320</u>

**CITY OF LANCASTER
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 JUNE 30, 2023**

	Assessment District	Deposits	AD 92-101
ASSETS			
Pooled Cash and Investments	\$ 154,596	\$ 163,415	\$ 202
Receivable:			
Accounts	-	82,611	-
Taxes	-	1,847	-
Cash and Investments with Fiscal Agents	-	-	-
Total Assets	154,596	247,873	202
LIABILITIES			
Accounts Payable	-	25,661	-
Deferred Revenues	-	53,138	-
Deposits Payable	-	169,074	-
Total Liabilities	-	247,873	-
NET POSITION			
Restricted for Bondholders	154,596	-	202
Total Net Position	\$ 154,596	\$ -	\$ 202

CITY OF LANCASTER
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS (CONTINUED)
JUNE 30, 2023

	CFD 89-1	CFD 90-1	CFD 91-1	Total
ASSETS				
Pooled Cash and Investments	\$ 23,835	\$ (207)	\$ 542	\$ 342,383
Receivable:				
Accounts	-	-	-	82,611
Taxes	-	-	-	1,847
Cash and Investments with Fiscal Agents	2,185	-	-	2,185
Total Assets	26,020	(207)	542	429,026
LIABILITIES				
Accounts Payable	-	-	-	25,661
Deferred Revenues	-	-	-	53,138
Deposits Payable	-	-	-	169,074
Total Liabilities	-	-	-	247,873
NET POSITION				
Restricted for Bondholders	26,020	(207)	542	181,153
Total Net Position	\$ 26,020	\$ (207)	\$ 542	\$ 429,026

**CITY OF LANCASTER
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS
 YEAR ENDED JUNE 30, 2023**

	<u>Assessment District</u>	<u>Deposits</u>	<u>AD 92-101</u>
DEDUCTIONS			
Administrative Expenses	\$ -	\$ -	\$ -
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>\$ 154,596</u>	<u>\$ -</u>	<u>\$ 202</u>

**CITY OF LANCASTER
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 ALL CUSTODIAL FUNDS (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

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

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STATISTICAL SECTION

**CITY OF LANCASTER
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2023**

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>	153-158
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>	159-163
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>	164-168
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>	169-170
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>	171-172

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, 2023
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in										
Capital Assets										
Restricted	\$ 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	\$ 820,612,473
Unrestricted	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	152,508,943
Total Governmental Activities Net Assets	<u>30,520,092</u>	<u>(10,727,418)</u>	<u>3,063,526</u>	<u>(1,347,011)</u>	<u>(6,020,947)</u>	<u>(13,964,865)</u>	<u>(80,694,919)</u>	<u>16,690,582</u>	<u>53,224,096</u>	<u>52,070,411</u>
Total Governmental Activities Net Assets	<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>	<u>\$ 1,025,191,827</u>
Business-type activities										
Net Investment in										
Capital Assets										
Restricted	\$ (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)	\$ (4,933,215)
Unrestricted	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	15,695,751
Total Business-Type Activities Net Assets	<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>	<u>\$ 10,762,536</u>
Primary Government										
Net Investment in										
Capital Assets										
Restricted	\$ 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	\$ 815,679,258
Unrestricted	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	152,508,943
Total Primary Government Net Assets	<u>32,989,151</u>	<u>(11,961,659)</u>	<u>4,811,607</u>	<u>1,970,245</u>	<u>(1,109,863)</u>	<u>(9,183,718)</u>	<u>(70,914,185)</u>	<u>25,352,990</u>	<u>63,883,935</u>	<u>67,766,162</u>
Total Primary Government Net Assets	<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>	<u>\$ 1,035,954,363</u>

*2017 Net Assets Restated

**CITY OF LANCASTER
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities:										
General Government	\$ 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	\$ 37,100,475
Public Safety	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	38,988,488
Community Development	4,382,821	3,205,562	3,075,464	3,153,141	3,596,731	3,203,719	657,480	592,696	664,521	1,297,964
Parks, Recreation, and Arts	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	24,557,617
Development Services	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	82,016,861
Housing and Neighborhood Revitalization	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	1,001,945
Interest on Long-Term Debt	233,915	180,567	217,001	273,270	793,067	920,559	2,315,735	3,119,743	2,551,057	3,036,813
Total Primary Governmental Activities Expenses	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	188,000,163
Business-type activities:										
Lancaster Power Authority	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	1,348,432
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	67,149,222
California Choice Energy Authority	-	-	-	52,276	2,414,623	4,287,401	5,650,866	6,033,722	7,081,730	7,517,372
Total Business-Type Activities Expenses	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	76,015,026
Total Primary Government Expenses	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	264,015,189
Program Revenues (see Schedule 3)										
Governmental Activities:										
Charges for Services:										
General Government	198,193	432,988	513,200	639,962	602,044	619,995	139,214	3,335,332	287,009	1,156,517
Public Safety	978,834	818,277	751,611	984,026	1,062,896	1,085,753	853,945	2,525,888	802,251	681,722
Community Development	568,214	550,551	496,533	661,602	634,154	639,536	597,666	430,021	653,198	816,687
Parks, Recreation and Arts	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	3,415,139
Development Services	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	20,662,559
Housing and Neighborhood Revitalization	1,009,550	303,541	226,958	229,371	365,977	237,247	1,042,728	290,464	12	3,276
Operating Grants and Contributions	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	54,094,552
Capital Grants and Contributions	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	2,997,354
Total Governmental Activities Program Revenues	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	83,827,806

**CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for Services:										
Lancaster Power Authority	\$ 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	\$ 1,910,499
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	68,549,854
California Choice Energy Authority	-	-	-	80,000	1,495,702	4,535,102	5,438,167	5,987,488	7,206,199	8,015,547
Total Business-Type Activities										
Program Revenues	3,402,736	3,548,309	26,950,398	38,922,589	40,811,701	43,255,532	50,380,963	51,669,931	60,810,091	78,475,900
Total Primary Government										
Program Revenues	58,622,327	65,699,692	80,193,208	88,055,324	98,657,075	111,455,712	117,444,994	140,820,999	155,948,439	162,303,706
Governmental Activities	(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)	(104,172,357)
Business-Type Activities:	53,036	(52,815)	4,545,271	3,021,750	2,119,843	164,432	3,147,572	(3,202,808)	587,139	2,460,874
Net Primary Government										
Revenue (Expense)	(64,785,468)	(59,388,687)	(66,075,637)	(77,866,097)	(74,328,319)	(77,892,219)	(72,639,258)	(55,803,375)	(69,407,689)	(101,711,483)
Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	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	33,007,795
Franchise Taxes	2,669,286	2,776,634	2,821,855	2,926,257	4,706,453	7,637,948	7,663,335	7,731,919	9,261,656	7,451,316
Transient Occupancy Taxes	1,313,033	1,614,404	1,866,299	2,064,522	2,202,452	2,211,230	1,965,102	2,012,943	2,709,026	2,676,338
Business Licenses Taxes	929,618	983,968	915,740	842,598	932,469	920,998	722,837	1,223,982	1,364,377	855,151
Other Taxes	413,913	419,034	428,651	630,705	991,873	885,093	1,279,397	1,315,822	1,027,933	851,184
Intergovernmental	67,299	65,519	64,874	70,376	83,074	77,514	127,902	118,596	186,425	180,915
Intergovernmental -State										
Shared Sales Taxes	18,043,706	18,540,150	19,498,624	20,462,687	20,483,067	23,611,132	21,961,474	31,805,221	50,950,947	49,229,826
Investment Earnings	252,605	331,645	532,869	465,226	243,124	1,942,204	4,696,743	1,391,387	(1,397,099)	3,977,989
Miscellaneous	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	2,157,473
Gain on Sale of Land Held										
for Resale	4,160,149	2,129,772	1,158,860	443,926	1,283,807	1,220,392	888,441	513,340	801,949	433,995
Transfers	600,000	800,000	1,600,000	1,358,064	1,525,000	845,513	893,410	875,850	946,797	926,685
Total Governmental Activities	43,151,985	45,657,576	49,181,115	51,041,477	56,269,028	72,471,872	68,633,724	74,684,205	102,613,378	101,748,667
Business-Type Activities:										
Investment Earnings	9,533	1,762	6,041	10,109	25,250	48,219	34,247	860	182	313
Miscellaneous	47,833	51,700	173,085	72,454	420,810		2,258,254	2,790,669	551,588	3,273,485
Transfers	(600,000)	(800,000)	(1,600,000)	(1,358,064)	(1,525,000)	(845,513)	(893,410)	(875,850)	(946,797)	(926,685)
Total Business-Type Activities	(542,634)	(746,538)	(1,420,874)	(1,275,501)	(1,078,940)	(797,294)	1,399,091	1,915,679	(395,027)	2,347,113

**CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023
(ACCRUAL BASIS OF ACCOUNTING)**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Extraordinary Gain/(Loss)	\$ 41,469,430	\$ -	\$ 11,789,312	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Primary Government Revenues, Contributions, Extraordinary Items and Transfers	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	104,095,780
Extraordinary Gain/(Loss) due to Transfer of Assets to Successor Agency (Note 16)	41,469,430	-	-	-	-	-	-	-	-	-
Change in Net Assets										
Governmental Activities	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	(2,423,690)
Business-Type Activities	(355,039)	(799,353)	3,124,397	1,746,249	1,040,903	(632,862)	4,546,663	(1,287,129)	192,112	4,807,987
Total Primary Government	<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>	<u>\$ 2,384,297</u>

**CITY OF LANCASTER
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Nonspendable	\$ 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	\$ 27,657,520
Committed	-	-	-	-	-	3,365,000	1,614,733	8,083,847	47,957,898	49,046,805
Assigned	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	9,418,787
Unassigned	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	33,113,340
Total General Fund	<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>	<u>\$ 119,236,452</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 47,639	\$ 138,887	\$ 302,869	\$ -	\$ 1,952	\$ -	\$ 114,493	\$ 29,788	\$ 174,084
Restricted	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	134,580,180
Assigned	509	17,055	-	60,647	60,647	60,647	556,466	1,905,548	1,882,051	-
Unassigned	(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)	(23,256,474)
Total all Other Governmental Funds	<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>	<u>\$ 111,497,790</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, 2023
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Taxes	\$ 43,142,049	\$ 45,955,569	\$ 50,788,011	\$ 51,225,214	\$ 32,694,321	\$ 45,375,573	\$ 39,776,377	\$ 46,881,898	\$ 67,506,842	\$ 66,935,994
Licenses, Fees, and Permits	3,765,131	4,213,219	7,618,177	7,154,796	7,311,998	7,258,884	6,148,835	18,160,703	10,309,048	10,648,181
Intergovernmental	25,441,406	29,814,201	20,399,991	20,131,473	49,677,753	57,084,430	56,422,007	84,585,107	95,845,505	57,956,562
Charges for Services	11,055,161	11,579,958	11,943,261	12,047,968	12,110,502	12,735,980	11,656,942	10,631,985	12,541,661	14,069,824
Investment Earnings	5,988,730	3,027,639	1,315,125	865,832	1,011,369	2,587,662	2,913,406	538,028	(1,462,632)	4,338,468
Fines and Forfeitures	1,164,109	1,031,987	958,579	1,076,830	1,248,494	1,296,476	996,310	702,937	974,257	854,519
Contributions	-	-	-	630	35,586	8,033	2,669	8,757	59,454	57,632
Rental Income	-	5,748	194,687	155,750	155,750	156,958	128,893	-	25,613	-
Gain From Sale of Land Held	-	-	-	-	-	-	30,303	472,883	570,576	433,995
Miscellaneous	1,108,353	2,167,266	2,365,424	5,320,963	6,340,721	5,930,584	6,331,271	7,193,270	9,499,352	6,204,008
Total Revenues	\$ 91,664,939	\$ 97,795,587	\$ 95,583,255	\$ 97,979,456	\$ 110,586,494	\$ 132,434,580	\$ 124,407,013	\$ 169,175,568	\$ 195,869,676	\$ 161,499,183
Expenditures										
General Government	\$ 13,998,033	\$ 15,994,460	\$ 20,261,382	\$ 19,648,188	\$ 21,765,331	\$ 31,975,792	\$ 28,610,023	\$ 31,230,218	\$ 34,603,620	\$ 38,344,825
Public Safety	24,238,229	25,019,344	26,299,308	28,401,068	29,429,466	30,290,409	31,325,203	32,319,382	35,083,490	38,974,589
Community Development	4,021,302	2,732,422	2,796,072	2,879,556	3,352,591	2,779,144	236,826	490,242	236,622	871,273
Parks, Recreation and Arts	12,324,636	12,819,404	15,218,338	16,157,838	16,769,802	17,655,903	17,042,667	15,392,513	23,729,690	22,670,836
Development Services	17,639,737	19,678,403	18,634,314	34,626,426	20,337,475	19,389,078	20,176,895	21,898,694	36,449,170	40,486,888
Housing and Neighborhood Revitalization	5,063,159	4,341,667	2,672,073	3,564,603	2,158,452	2,115,890	1,850,333	2,056,358	7,758,697	1,011,720
Capital Outlay	11,121,837	14,852,578	17,109,139	13,067,378	22,380,893	24,040,695	32,485,154	30,875,418	62,883,972	45,179,585
Debt Service										
Principal	528,151	549,758	607,293	771,403	1,774,883	2,524,442	3,397,596	3,055,692	2,342,636	4,491,118
Interest	244,583	221,672	185,367	293,259	660,933	845,577	2,413,747	3,525,805	2,976,633	3,110,856
Total Expenditures	89,179,667	96,209,708	103,783,286	119,409,719	118,629,826	131,616,930	137,538,444	140,844,322	206,064,530	195,141,690
Excess of Revenues Over (Under)										
Expenditures	2,485,272	1,585,879	(8,200,031)	(21,430,263)	(8,043,332)	817,650	(13,131,431)	28,331,246	(10,194,854)	(33,642,507)
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	-	-	-	526,178	40,457	576,405	256,272
Bonds, notes, and Loans Issued	-	-	-	14,250,000	-	14,955,000	48,405,000	-	-	-
Bonds Issuance Premium	-	-	-	529,230	-	387,570	7,268,805	-	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	-	-	-	888,875
Transfers in	23,056,901	24,675,475	31,209,370	22,640,266	36,663,811	36,307,639	50,727,058	19,492,130	20,574,564	24,314,909
Transfers out	(22,456,901)	(23,875,475)	(29,609,370)	(21,282,202)	(35,138,811)	(35,462,126)	(49,833,648)	(18,616,280)	(19,627,767)	(23,388,224)
Total Other Financing Sources (Uses)	600,000	800,000	1,855,981	16,692,515	1,615,300	16,622,825	57,093,393	916,307	1,585,721	2,071,832
Extraordinary, Special Gain/(Loss)	22,836,799	-	9,174,663	-	-	-	-	-	-	-
Net Change in Fund Balances	\$ 25,922,071	\$ 2,385,879	\$ 2,830,613	\$ (4,737,748)	\$ (6,428,032)	\$ 17,440,475	\$ 43,961,962	\$ 29,247,553	\$ (8,609,133)	\$ (31,570,675)
Debt service as a percentage of noncapital expenditures	0.99%	0.95%	0.91%	1.00%	2.53%	3.13%	5.53%	5.98%	3.72%	5.07%

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, 2023
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	*Property Taxes	Transient Occupancy	Intergovernmental State Shared Sales Taxes	Measure LC	Franchise Taxes	Business Licenses Taxes	Other Taxes	Total
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		7,731,919	1,223,982	1,315,822	58,495,236
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
2023	33,007,795	2,676,338	27,547,477	21,682,349	7,451,316	855,151	851,184	94,071,610
	3.96%	34.58%	5.95%		19.78%	86.95%	1.71%	33.21%
Change	(1,035,949)	(696,083)	(1,591,044)	(17,554,558)	(1,529,737)	(634,579)	(17,280)	(23,059,231)
2014-2023	89.2%	106.3%	57.0%		247.0%	46.8%	148.3%	145.1%

*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, 2023
 (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*
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
2022-23	11,334,803	1,451,790	729,968	1,991,840	429,505	(728,380)	15,209,526	0.085840

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, 2023**

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)
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
2023	1.00000%	0.00000%	0.02289%	0.18306%	0.04060%	0.07049%	1.31704%	0.06611%	0.085840

Source: Los Angeles County Auditor 2013/14-2022/23 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 TAXPAYERS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023**

<u>Taxpayer</u>	<u>2022-23</u>			<u>Taxpayer</u>	<u>2013-14</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	\$ 143,208,000	1	0.94%	Walmart Real Estate Business Trust	\$ 53,855,053	1	0.63%
AG Cordova Park Owner LP	86,109,011	2	0.57%	CP Antelope Shops LLC	47,476,449	2	0.55%
Rami Darghalli Trust	73,127,869	3	0.48%	Thrifty Payless Inc	46,393,469	3	0.54%
Granada Villas REI LLC	67,273,792	4	0.44%	US Industrial Reit II	45,284,000	4	0.53%
Walmart Stores Inc	64,161,420	5	0.42%	MGF Cordova Park LP	33,950,000	5	0.39%
AG Sienna Heights Owner LP	62,667,378	6	0.41%	Kaiser	32,225,003	6	0.37%
2018-3 IH Borrower LP	55,793,654	7	0.37%	MK RRP 117 Holston Drive LLC	32,198,623	7	0.37%
TA-High Desert LLC	50,158,388	8	0.33%	MGP IX Properties LLC	28,246,860	8	0.33%
BYD Coach and Bus LLC	49,743,288	9	0.33%	Sygma Network Inc	26,827,703	9	0.31%
Vereit Real Estate LP	48,409,917	10	0.32%	K Partners Lancaster II LP	26,453,588	10	0.31%
Top Ten Total	\$ 700,652,717		4.61%		\$ 372,910,748		4.33%

**CITY OF LANCASTER
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023**

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2014	3,686,297	3,686,297	100%	-	3,686,297	100%
2015	5,101,745	5,101,745	100%	-	5,101,745	100%
2016	6,698,981	6,698,981	100%	-	6,698,981	100%
2017	6,205,334	6,205,334	100%	-	6,205,334	100%
2018	6,560,915	6,560,915	100%	-	6,560,915	100%
2019	7,931,274	7,931,274	100%	-	7,931,274	100%
2020	8,272,425	8,272,425	100%	-	8,272,425	100%
2021	9,603,394	9,603,394	100%	-	9,603,394	100%
2022	9,711,407	9,711,407	100%	-	9,711,407	100%
2023	10,691,826	10,691,826	100%	-	10,691,826	100%

Source: City of Lancaster Finance Department

CITY OF LANCASTER
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2023
(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
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	193.90%	0.25
2023	13,255	10,870	17,616	41,741	169.75%	0.24

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, 2023
(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		
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%	0.94
2022	-	150,735	150,735	1.0701%	0.88
2023	-	140,155	140,155	0.9215%	0.81

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, 2023**

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt			
Direct Borrowings	\$ 7,717,635	100.00%	\$ 7,717,635
Other Debt:			
Streetlight Acquisition Bonds of 2016	10,870,000	100.00%	10,870,000
Public Improvement Project Bonds of 2018	13,255,000	100.00%	13,255,000
Unamortized Bond Premiums	6,606,877	100.00%	6,606,877
Measure M & R Street Improvement	44,695,000	100.00%	44,695,000
Other Long-Term Liabilities	9,214,429	100.00%	9,214,429
Total Direct Debt			\$ 92,358,941
Overlapping Tax and Assessment Debt			
Antelope Valley Joint Community College District	\$ 431,450,916	34.60%	149,269,073
Antelope Valley Union High School District	31,279,873	39.22%	12,267,966
Eastside Union School District	2,540,000	65.71%	1,668,958
Lancaster School District	66,107,091	97.57%	64,501,350
Westside Union School District	39,918,813	29.57%	11,805,590
Westside Union School District Community Facilities Districts	21,825,699	100.00%	21,825,699
City of Lancaster School District Community Facilities District No. 2004-1	9,505,000	100.00%	9,505,000
City of Lancaster Lighting Maintenance District	10,870,000	100.00%	10,870,000
California Statewide Community Development Authority Assessment Districts	4,545,000	100.00%	4,545,000
Total Overlapping Tax And Assessment Debt			286,258,636
Total Direct And Overlapping Governmental Funds Debt			\$ 378,617,577
City Assessed Valuation	\$ 15,356,995,284		
Incremental Value	\$ 131,355		
Total Assessed Valuation	\$ 15,357,126,639		
Debt to Assessed Valuation Ratios:			
Direct Debt		0.601%	
Overlapping and Assessment Debt		1.864%	
Total Direct and Overlapping Governmental Funds Debt		2.465%	

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: HdL 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, 2023
(DOLLARS IN THOUSANDS)**

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Assessed Valuation	\$ 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	\$ 15,209,526
Debt Limit (3.75% of Gross AV)	317,852	350,214	374,454	396,014	414,195	442,470	476,878	499,625	528,229	570,357
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	<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>	<u>\$ 570,357</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, 2023
 (DOLLARS IN THOUSANDS)**

Fiscal Year	Redevelopment Tax Allocation Bonds				Coverage
	Property Tax Increment	Debt Service			
		Principal	Interest		
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	
2023	16,083	9,675	5,496	1.06	

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, 2023**

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%
2022	173,376	\$4,263,255	\$24,589	7.30%	33.3	81.70%	19.10%

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

**CITY OF LANCASTER
TOP 10 PRINCIPAL EMPLOYERS
CURRENT CALENDAR YEAR AND TEN YEARS PRIOR
YEAR ENDED JUNE 30, 2023**

Employer	2023			Employer	2014		
	Estimated Employees	Rank	Percentage of Total Valley Employment		Estimated Employees	Rank	Percentage of Total Valley Employment
Edwards Air Force Base	10,000	1	11.54%	Edwards Air Force Base	10,647	1	15.75%
Northrop Grumman	8,000	2	9.23%	China Lake Navel Weapons	9,172	2	13.57%
China Lake NWC	7,100	3	3.46%	County of Los Angeles	3,743	3	5.54%
Palmdale School District	3,000	4	3.00%	Northrop Grumman	2,772	4	4.10%
Antelope Valley Hospital Medical Center	2,600	5	8.19%	Lockheed Martin	2,712	5	4.01%
Walmart	2,075	6	2.36%	Palmdale School District	2,682	6	3.97%
County of Los Angeles	2,045	7	2.39%	AV Union High School District	2,689	7	3.98%
Antelope Valley Union Highschool District	1,087	8	1.25%	Antelope Valley Hospital	2,300	8	3.40%
BYD	750	9	0.87%	California Correctional Institute	1,915	9	2.83%
Lancaster School District	638	10	0.74%	Walmart Stores (5)	1,922	10	2.84%
TOTAL Employment	86,688		43.02%		67,601		59.99%

Source: City of Lancaster Economic Development: City of Lancaster ACFR FY 2013-2014

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, 2023**

<u>Function</u>	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
Administrative Services	8.00	6.00	3.00	1.00	13.00	16.00	15.00	12.00	-	-
Air Quality Management District	-	-	-	-	-	-	-	-	6.00	6.00
City Clerk	3.00	2.00	3.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00
City Manager	9.25	10.25	11.75	12.75	9.75	8.00	10.00	9.00	10.00	10.00
Communications	-	-	-	-	-	-	-	-	4.00	4.00
Community Development	-	-	-	-	-	-	-	-	-	12.00
Economic Development, Housing, and Film	2.00	3.00	4.00	4.00	5.00	2.00		23.00	-	10.00
Finance and Information Technology	25.00	24.00	25.00	25.00	19.00	18.00	17.00		25.00	25.00
Housing and Neighborhood Revitalization	20.00	19.00	20.00	20.00	19.00	21.00	17.00	17.00	-	-
Human Resources	5.00	5.00	4.00	6.00	7.00	7.00	7.00	10.00	10.00	10.00
Planning, Building and Safety, and Energy Redevelopment	-	-	-	-	-	-	-	-	-	17.00
City Attorney	-	1.00	1.00	2.00	2.00	2.00	-	-	-	-
Development Services	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	51.00	53.00	45.00	45.00	45.00	47.00	45.00	51.00	53.00	53.00
Public Safety	13.00	13.00	12.00	12.00	13.00	11.00	12.00	26.00	50.00	50.00
Public Works	-	-	-	-	-	-	-	-	-	95.00
Less vacancies filled by internal recruitments	(11.00)	(8.00)	(22.00)	(18.75)	(19.00)	(8.00)	-	-	-	-
Total	250.25	252.25	245.75	251.00	245.75	255.00	249.00	256.00	298.00	298.00
Year over year	(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, 2023**

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government										
City Hall	1	1	1	1	1	1	1	1	1	1
Annex/Record Center	-	-	-	-	-	-	-	-	-	-
Antelope Valley UHSD Building	-	-	-	-	-	-	-	-	-	1
Community Development										
Brierwood Mobile Home Park	-	-	-	-	-	-	-	-	-	-
Desert Sands Mobile Home Park	-	-	-	-	-	-	-	-	-	-
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	3	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	1,765	1,765	1,765	1,765	1,765	1,769	482	1,493	1,493
Streetlights (owned by City)	1,895	1,895	1,908	19,576	19,576	19,576	19,576	19,777	19,777	21,000
Traffic signals	139	147	145	153	153	141	143	143	143	145
Street Signs	26,400	26,412	26,472	26,759	38,000	38,000	38,000	38,000	38,000	38,000
Fleet Vehicles	318	304	322	320	318	321	321	318	341	404
Storm Drain Pipe (LF)	485,113	485,113	485,113	420,239	420,239	430,445	430,868	432,434	434,193	434,917
Storm Drain Box (LF)	27,996	27,996	27,996	27,996	27,996	9,217	9,217	9,217	9,217	9,217
Storm Drain Box (Each)				1,547	1,547	1,477	1,477	1,487	1,494	1,498
Storm Drain Channel (LF)	44,883	44,883	44,883	45,733	45,733	45,951	45,951	45,951	45,951	45,951
Sewer Pipe (LF)	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	2,283,494
Sewer Manholes	9,188	9,042	8,966	8,975	8,977	9,073	9,106	9,130	9,276	9,300
Sewer Lift Station	1	1	1	1	1	1	1	1	1	1
Drainage Lift Station	-	-	-	-	-	-	-	13	14	13
Recycled Water Pump Station	-	-	-	-	-	-	-	-	2	2
Parks, Recreation and Arts										
Acreage	538	538	538	538	538	558	558	558	558	558
Developed park sites	14	14	14	14	14	14	14	14	14	14
Pools	2	2	2	2	2	2	2	2	2	2
Big 8 Tournament Baseball complex	1	1	1	1	1	1	1	1	1	1
Batting Cage Facility	1	1	1	1	1	1	1	1	1	1
Soccer complex	1	1	1	1	1	1	1	1	1	1
Community/Activity Centers	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



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