CITY OF LANCASTER

ANNUAL COMPREHENSIVE FINANCIAL REPORT

WITH INDEPENDENT AUDITOR'S REPORT BY INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

YEAR ENDED JUNE 30, 2024

CPAs | CONSULTANTS | WEALTH ADVISORS

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R. REX PARRIS
MAYOR

MARVIN CRIST
VICE MAYOR

KEN MANN
COUNCILMEMBER

RAJ MALHI
COUNCILMEMBER

LAUREN HUGHES-LESUE
COUNCILMEMBER

TROLIS NIEBLA
CITY MANAGER

RODRICK ARMALIN
CHIEF OF POLICE

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Lancaster, CA 93534
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May 29, 2025

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 that ended June 30, 2024. 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, the 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, the governmental funds section contains 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 the municipality. These services include highways, streets, drainage, sewer, electricity, and infrastructure construction and maintenance; planning and zoning; and parks, recreation, and cultural activities. Law enforcement, fire protection, the library, and animal control services are provided under contract with Los Angeles County. Water, sanitation, and schools are funded by special districts, not under City control.

City of Lancaster Profile

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

The City was incorporated on November 22, 1977, and on April 13, 2010, voters approved Measure C, which granted the City its Charter City status. The Mayor and City Council are elected at large. Lancaster has grown significantly in size and diversity over the last 42 years. According to the 2010 Census, Lancaster's population was 156,633, an increase of nearly thirty-two percent over the 2000 Census total. The 2022 US Census showed the population remaining steady at 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 diverse fields of industry. Affordable housing prices attract families to our close-knit community.

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

Strategic Initiatives

Public Safety Enhancements

The safety and well-being of our residents remain at the forefront of our priorities. Under the leadership of Lancaster's first Chief of Police, we have made significant strides in enhancing our hybrid policing model and expanding our community policing efforts. This includes intensifying our focus on crime prevention and community engagement.

The Lancaster Police Department, in collaboration with the LA Sheriff's Department, has implemented several new initiatives designed to keep Lancaster a secure place to live and work. Our new police station is now fully operational, providing a modern base for our expanded force. We have also updated our fleet of police vehicles and hired new officers to strengthen our presence in the community.

In addition to these enhancements, our department has embraced cutting-edge AI technologies to bolster public safety. This includes the deployment of ShotSpotter technology, which accurately detects and locates gunfire incidents in real-time, dramatically improving our response capabilities. The Lancaster Police Department also utilizes drones and participates in advanced training simulations to prepare for a variety of operational scenarios. Furthermore, the Integrated Command Center (ICC) has become a critical asset, providing real-time data and communications support to enhance coordination and response effectiveness across the city.

These advancements support strategic operations such as traffic enforcement and strengthen our Business Watch and Neighborhood Watch programs. Lancaster is also looking at both technology and personnel enhancements to augment our mobility and response speed in critical situations and prioritize traffic enforcement to make our streets safer.

Hydrogen City Advancements

Lancaster proudly continues to lead in the hydrogen energy sector with the recent launch of FPH2, a pioneering initiative in partnership with the City of Industry. This collaboration highlights our commitment to expanding green hydrogen production and reinforces our position as a frontrunner in this critical industry. We are set to further enhance our capabilities this year by expanding partnerships and seeking additional funding opportunities.

Our ongoing collaboration with industry leaders, including the Pacific Hydrogen Alliance and ARCHES, underscores our dedication to clean energy innovation and sustainable development. The launch of FPH2 marks a significant milestone in our journey towards a sustainable future, positioning Lancaster not just as a participant but as a leader in the global transition to cleaner energy sources. This initiative not only advances our green energy goals but also promises to catalyze economic growth and job creation in the renewable energy sector within our community.

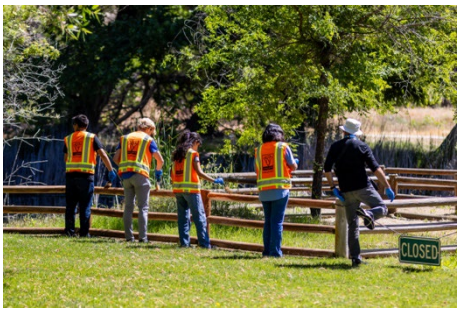
Economic and Community Development

Our local business sector is vibrant and dynamic, driving economic growth and enhancing housing affordability across Lancaster. We are committed to supporting this momentum through initiatives like the Open Rewards program, which incentivizes local shopping and bolsters small businesses by increasing consumer engagement and sales.

Our strategies are focused on nurturing local businesses, attracting new investments, and implementing housing initiatives tailored to meet the diverse needs of our residents. We are also prioritizing workforce development to equip our community with the necessary skills for emerging job opportunities, especially in our growing industrial sectors. This effort not only supports existing industrial businesses but also attracts new industries to our area, fostering long-term economic resilience and expansion. In addition, we are actively recruiting new businesses through business-friendly policies and reinvesting increased tax revenues directly into our community, driving meaningful progress for our businesses and residents alike.

Enhancing Quality of Life Through Technology and Innovation

In FY25, we aim to leverage advanced technology to upgrade city services, enhance residents' quality of life, and establish Lancaster as a model for smart city initiatives. A key part of this effort is the continued development of our smart infrastructure and improving connectivity across the city.



Additionally, we are working to integrate Citibot, our innovative website chatbot, to enhance how residents interact with city services. By using Citibot on our City website, residents can

report issues, search for information, and receive instant responses, significantly improving the efficiency of service delivery and boosting community engagement. This tool is a vital component of our strategy to make Lancaster a smarter, more responsive City.

Public Engagement and Inclusivity

Reflecting on the successes of our community engagement and special events, we remain dedicated to creating a more connected and inclusive Lancaster. Our upcoming initiatives will expand community outreach, enhance local events that celebrate our city's diversity, and provide ample opportunities for public participation in governance.

Significant renovations are underway at Samaritan's Purse Park to better serve our residents and enhance their recreational experiences. Additionally, we are finalizing plans for a state-of-the-art aquatics center that will provide a new hub for family and community activity.

We're also adding more programming and engagement opportunities in our parks, ensuring that these spaces continue to foster community bonds and support a vibrant public life in Lancaster.

Beautification and Clean-Up Projects

In our ongoing mission to enhance community pride and maintain a welcoming cityscape, the City of Lancaster has expanded its beautification efforts through the Team Up Lancaster program. This initiative empowers residents, businesses, organizations, and schools to take an active role in keeping Lancaster clean and vibrant.

Team Up Lancaster offers multiple ways for the community to get involved—from adopting a roadway for scheduled clean-ups, to participating in one-day citywide events, to removing graffiti and illegal dumping. We provide the tools and support needed to ensure every group's success so participants can not only make a visible impact on our neighborhoods but also gain recognition for their efforts, helping to strengthen community spirit and engagement.

With new partnerships forming between local schools and volunteer groups, we are instilling a sense of civic responsibility and pride in the next generation. Together, through shared commitment and action, we are creating cleaner streets, more beautiful neighborhoods, and a stronger Lancaster for all.

Youth Development Initiatives

Lancaster continues to invest in the future by supporting a wide range of youth development programs that empower, educate, and inspire. At the heart of these efforts is the IMPACT Initiative, a scholarship-based volunteer program that offers high school students valuable job training, leadership development, and community service opportunities. By completing 100 hours of volunteer work, participants not only earn scholarships but also build lifelong skills and connections that support future success.

Additionally, the Lancaster Community Center (LCC) has emerged as a dynamic hub for youth engagement and personal growth. Offering programming for children as young as six months through the teenage years, the Center features enriching educational experiences such as EdVentures Preschool, after-school tutoring, and creative arts programs, teen game nights, and STREAM-based learning activities. It also provides open access to a computer lab, game room, and maker space, all designed to foster curiosity, innovation, and community connection.

The LCC goes beyond traditional recreation by providing exposure to music, technology, financial literacy, and entrepreneurship—empowering Lancaster's youth with the tools and resources to succeed in today's rapidly changing world.

As we continue to expand partnerships and elevate these programs, our focus remains clear: to nurture confident, capable young residents who are ready to contribute to a bright future for Lancaster.

Respectfully,

George N. Harris II
Senior Director / Treasurer - Administrative Services Department

City of Lancaster

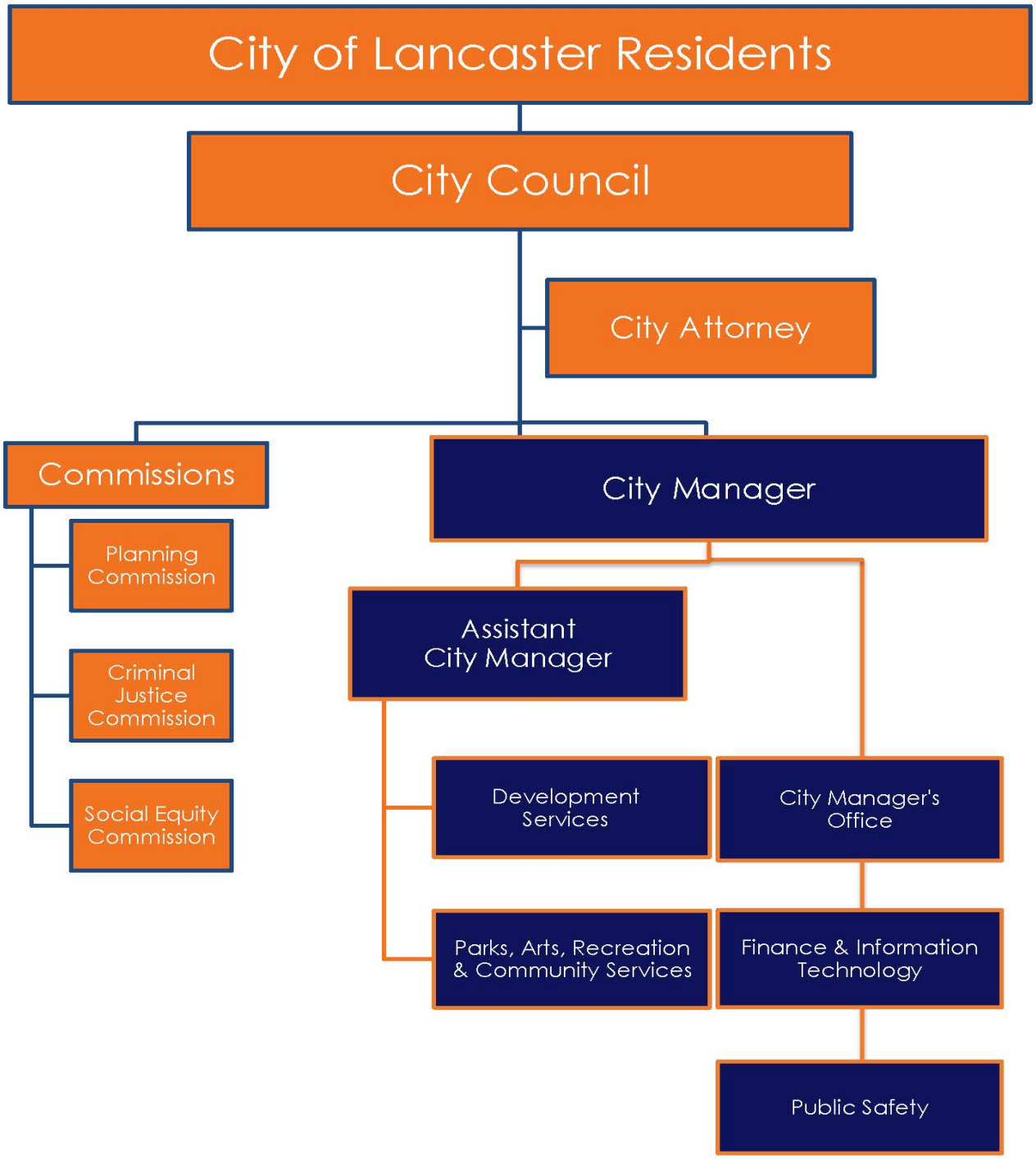
CITY COUNCIL

R. Rex Parris	Mayor
Marvin E. Crist	Vice Mayor
Raj Malhi	Council Member
Kenneth Mann	Council Member
Lauren Hughes-Leslie	Council Member

CITY DIRECTORS/MANAGERS

Jason D. Caudle	City Manager
Trolis Niebla	Assistant City Manager
Allison E. Burns	City Attorney
George N. Harris II	Finance and Information Technology Director
Rodrick Armalin	Public Safety Director
Sonya Patterson	Parks, Recreation, Arts & Community Services Director
Marissa Diaz	Public Works Director
Larissa De La Cruz	Community Development Director

CITY OF LANCASTER
ORGANIZATION CHART
YEAR ENDED JUNE 30, 2024



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, 2024, 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, 2024, 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.

Emphasis of Matter

As discussed in Note 20 to the financial statements, the City made restatements to beginning fund balance/net position resulting from correction of an error and for changes within the financial reporting entity. Our opinions are not modified with respect to this matter.

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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 May 22, 2025, 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
May 22, 2025

Management's Discussion and Analysis

As management of the City of Lancaster, we offer readers of the City of Lancaster's financial statements this narrative overview and analysis of the financial activities of the City of Lancaster for the fiscal year ended June 30, 2024. 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 $113,733,198
- The cost of the General Fund was $126,976,274
- The General Fund reported revenues in deficit of expenditures of $13,243,076
- For the General Fund, actual resources available for appropriation (revenue inflows and fund balance) was greater than final budget by $10,323,037; while actual appropriations (outflows) were less than the final budget by $32,477,878

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.

During 2024 California Choice Energy Authority (Energy Authority) transitioned into a separate reporting entity and is no longer considered a component unit of the City. Previously, the City of Lancaster's City Council members served as the Board of Directors for the Energy Authority. Beginning in January 2024, each member agency of the Energy Authority appointed its own representative to serve on the Board this resulted in a decrease in net position of business-type activities by 1 million as of July 1, 2023. Additionally, the City determined it was appropriate to split apart the special revenue fund LA County Reimbursement into two reporting funds, Measure H and LA County Reimbursement which resulted in the fund balance increasing as of July 1, 2023 in the LA County Reimbursement Fund by approximately 217k.

The City recorded a correction of an error in fiscal year 2024 that resulted in a prior period adjustment. The City identified several land held for resale purchases, disposals, and contributions that occurred a prior period and should have been recorded previously that resulted in an increase to beginning net position in governmental activities by 2.2 million and a decrease in fund balance in the Lancaster Housing Authority .by 2 million.

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 and Lancaster Choice Energy.

The government-wide financial statements include the blending of separate legal entities: Lancaster Housing Authority, Lancaster Community Services Foundation, Lancaster Financing Authority and Lancaster Power 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.

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) 23/24 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.

Effectively January 2024, the California Choice Energy Authority became a separate reporting entity and is no longer a component unit of the City. Previously, members of the City of Lancaster’s City Council served as the Board members for the Energy Authority. In January 2024, each Member of the Energy Authority appointed a representative to be a Board Member.

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 and Lancaster Choice Energy.

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

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

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

Government-wide Financial Analysis

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 $38,108,496.

	Fiscal Year	
	2023	**2024**
Expenses		
Governmental activities:		
General Government	$ 37,100,475	$ 32,412,932
Public Safety	38,988,488	47,567,575
Community Development	1,297,964	10,454,150
Parks, Recreation and Arts	24,557,617	29,566,701
Development Services	82,016,861	82,783,437
Housing and Neighborhood Revitalization	5,171,226	30,338,926
Interest on long-term debt	3,036,813	2,548,299
Total primary governmental activities expenses	$ 192,169,444	$ 235,672,020
Program Revenues (see Schedule 3)		
Governmental activities:		
Charges for services:		
General Government	$ 1,156,517	$ 418,433
Public Safety	681,722	681,642
Community Development	816,687	303,034
Parks, Recreation and Arts	3,415,139	2,935,778
Development Services	20,662,559	21,870,288
Housing and Neighborhood Revitalization	3,276	-
Operating grants and contributions	54,094,552	48,104,288
Capital grants and contributions	2,997,354	19,419,463
Total governmental activities program revenues	$ 83,827,806	$ 93,732,926
Governmental activities	$ (108,341,638)	$ (141,939,094)
Other Changes in Net Assets		
Governmental activities:		
Taxes:		
Property taxes	$ 33,007,795	29,116,559
Franchise taxes	7,451,316	11,491,150
Transient occupancy taxes	2,676,338	2,294,723
Business licenses taxes	855,151	1,489,181
Other taxes	851,184	770,718
Intergovernmental	180,915	218,014
Intergovernmental - state shared sales taxes	49,229,826	47,258,659
Investment Earnings	3,977,989	6,536,775
Miscellaneous	2,157,473	2,335,357
Gain on sale property	433,995	2,520,183
Transfers	926,685	2,132,357

Total governmental activities	$ 101,748,667	$ 106,163,676
Change in Net Assets		
Governmental activities	$ (6,592,971)	$ (35,775,418)

Business-Type Activities. Business-type activities increased the City of Lancaster's net position by $937,546 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.

	2023	2024
Expenses		
Business-type activities:		
Lancaster Power Authority	$ 1,348,432	$ 1,339,619
Lancaster Choice Energy	67,149,222	79,779,572
California Choice Energy Authority	7,517,372	-
Total business-type activities expenses	$ 76,015,026	$ 81,119,191
Program Revenues (see Schedule 3)		
Business-type activities:		
Charges for services:		
Lancaster Power Authority	$ 1,910,499	$ 1,725,547
Lancaster Choice Energy	68,549,854	81,950,853
California Choice Energy Authority	8,015,547	-
Total business-type activities program revenues	$ 78,475,900	$ 83,676,400
Business-type activities:	2,460,874	2,557,209
Other Changes in Net Assets		
Business-type activities:		
Investment Earnings	$ 313	$ 368,695
Miscellaneous	3,273,485	143,999
Transfers	(926,685)	(2,132,357)
Total business-type activities	$ 2,347,113	$ (1,619,663)
Total Primary Government Revenues, Contributions, and Transfers	$ 80,823,013	$ 82,056,737
Change in Net Assets		
Business-type activities	4,807,987	937,546

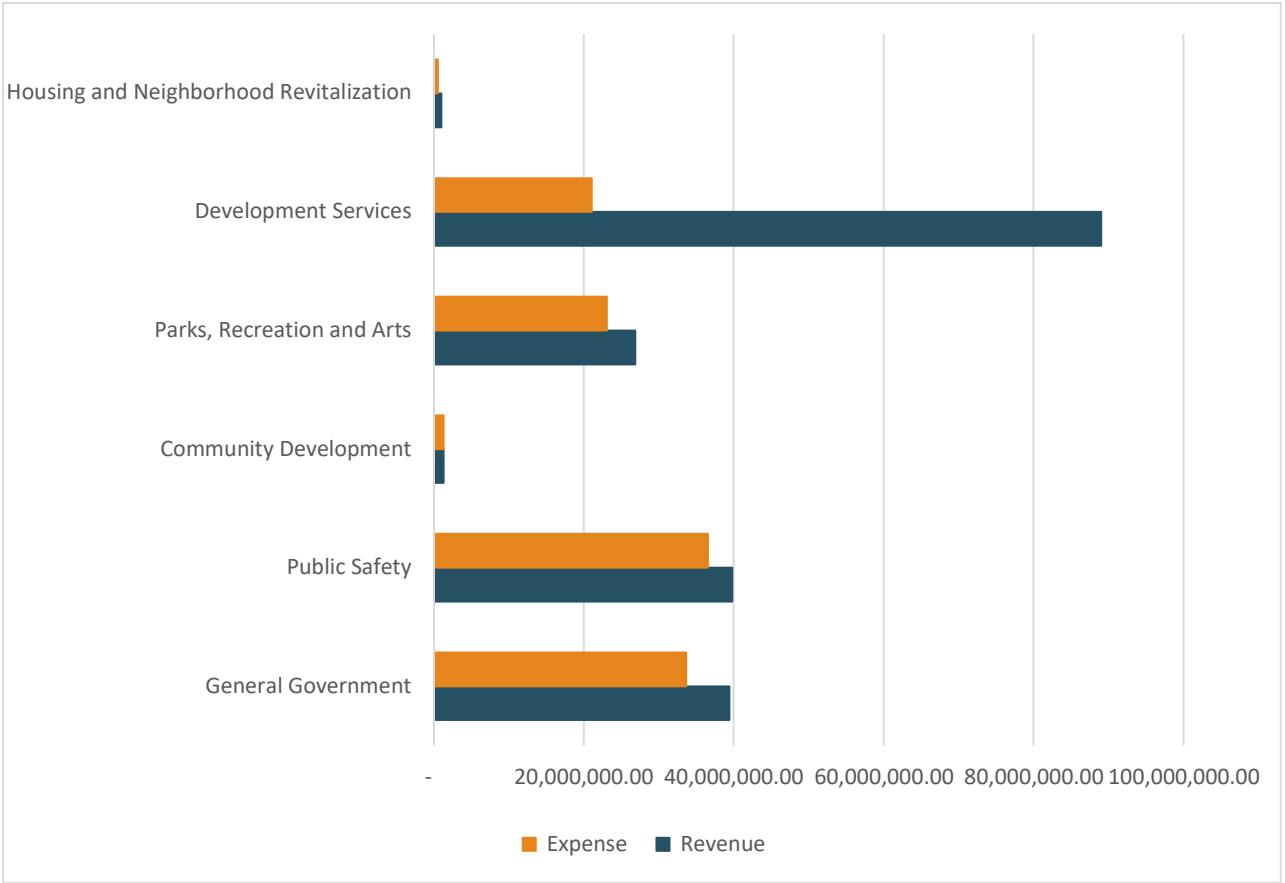
The following presents the cost of each of the City's five largest programs – general government, public safety, parks, recreation and arts, development services, and community development - as well as each program's *net* cost (total cost less revenues generated by the activities).

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- Cost of Services
(in thousands)

	Total Cost of Services 2024	Net Cost of Services 2024
General Government	$ 32,413	$ (26,722)
Public Safety	47,568	(38,898)
Community Development	10,454	(4,433)
Parks, Recreation and Arts	29,567	(26,534)
Development Services	82,783	(12,699)
Housing and Neighborhood Revitalization	30,339	(30,104)
Totals	$ 233,124	$ (139,390)

City of Lancaster Governmental Activities
Revenue & Expense by Source



Financial Analysis of the City's Funds

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

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

As of the end of the current fiscal year, the City of Lancaster's governmental funds reported combined ending fund balances of $206,346,826. This is a decrease of $22,361,332 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 $113,719,835. This is a decrease of $5,516,617 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 $1,143,708.

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 $43,480,972. The Lancaster Housing Authority had a FY24 beginning balance restatement of $2,026,084. This restatement is due to land held for resale error corrections from prior years. 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 $5,717,619.

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 two funds of this type: Lancaster Power Authority and Lancaster Choice Energy.

The net position of the Lancaster Power Authority and Lancaster Choice Energy at the end of the year was $10,690,131 an increase over last year of $937,546. This is primarily due to higher power sales for Lancaster Choice Energy as a result of rate increases and high heat events during the summer months that increased energy consumption and sales.

General Fund Budgetary Highlights

The actual amount of expenditures for the General Fund at year-end were $32,477,878 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 $42,800,915 in actuals over appropriations.

Capital Asset and Debt Administration

Capital Assets. At the end of FY 2024, the City had $889.2 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 $29 million in new capital projects through fiscal year 2023-24 on new projects. Funding will come from current fund balances and projected revenues. The most significant projects include Mariposa Park Improvements, Ave J/SR 138 Interchange, the acquisition and improvement of a new Public Safety Building among other citywide street improvements.

Capital Assets
(in Thousands)

	Governmental Activities	Business-type Activities	Total Capital Assets
Land	$ 42,050		$ 42,050
Structures and Improvements	91,500		91,500
Furniture and Equipment	21,863		21,863
Infrastructure	1,817,393		1,817,393
Construction in Progress	64,472		64,472
Right of Use Assets	4,930		4,930
Intangible Assets	-	23,487	23,487
Accumulated Depreciation	(1,152,970)	(11,743)	(1,164,713)
Net Capital Assets	$ 889,237	$ 11,744	$ 900,981

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 decreased by $4 Million from the prior year. As of June 30, 2024, the City of Lancaster had accrued employee benefits outstanding of $4,016,802.

The City's AA credit rating remained unchanged for FY 23/24.

Economic Factors and Next Year's Budgets and Rates

On June 25, 2024, the City Council adopted and approved the budget for FY 24/25 along with the Five-Year Capital Improvement Program. Appropriations (including transfers) of $211.7 million were adopted for the 24/25 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, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	$ 122,389,268	$ 6,296,353	$ 128,685,621
Receivables:			
Accounts	10,869,007	22,473,363	33,342,370
Taxes	11,643,525	-	11,643,525
Accrued Interest	422,783	-	422,783
Leases	1,059,701	-	1,059,701
Due from Other Governments	21,454,150	1,945,599	23,399,749
Notes and Loans	5,446,732	-	5,446,732
Prepaid Items	4,759,455	21,375,407	26,134,862
Internal Balances	12,018,696	(12,018,696)	-
Inventories	56,458	-	56,458
Land Held for Resale	17,738,883	-	17,738,883
Advances to Successor Agency	65,096,230	-	65,096,230
Restricted Assets:			
Cash and Investments	15,776,994	571	15,777,565
Capital Assets:			
Nondepreciable	106,521,733	-	106,521,733
Depreciable	782,714,952	11,743,762	794,458,714
Total Assets	1,177,968,567	51,816,359	1,229,784,926
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Pension Plan	24,512,306	-	24,512,306
Deferred Amounts on OPEB	4,612,567	-	4,612,567
Total Deferred Outflows of Resources	29,124,873	-	29,124,873
LIABILITIES			
Accounts Payable	21,953,773	10,748,004	32,701,777
Accrued Liabilities	3,162,157	40,132	3,202,289
Accrued Interest	742,730	62,808	805,538
Retentions Payable	1,429,002	-	1,429,002
Unearned Revenues	1,417,270	13,070,757	14,488,027
Deposits Payable	1,719,044	350,000	2,069,044
Noncurrent Liabilities:			
Due Within One Year - Other	6,717,585	830,000	7,547,585
Due in More than One Year:			
Other	81,640,285	16,024,527	97,664,812
Net Pension Liability	82,129,731	-	82,129,731
Net OPEB Liability	5,305,738	-	5,305,738
Total Liabilities	206,217,315	41,126,228	247,343,543
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Leases	1,021,500	-	1,021,500
Deferred Amounts on Pension Plan	1,621,522	-	1,621,522
Deferred Amounts on OPEB	6,613,121	-	6,613,121
Total Deferred Inflows of Resources	9,256,143	-	9,256,143
NET POSITION			
Net Investment in Capital Assets	816,750,637	(5,110,765)	811,639,872
Restricted for:			
Community Development Projects	2,534,309	-	2,534,309
Public Safety	284,928	-	284,928
Parks, Recreation, and Arts	2,131,207	-	2,131,207
Development Services	50,899,054	-	50,899,054
Housing and Neighborhood Revitalization	56,793,673	-	56,793,673
Capital Projects	19,773,795	-	19,773,795
Unrestricted	42,452,380	15,800,896	58,253,276
Total Net Position	$ 991,619,983	$ 10,690,131	$ 1,002,310,114

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	$ 32,412,932	$ 418,433	$ 5,272,880	$ -
Public Safety	47,567,575	681,642	7,987,854	-
Community Development	10,454,150	303,034	5,717,738	-
Parks, Recreation, and Arts	29,566,701	2,935,778	96,653	-
Development Services	82,783,437	21,870,288	28,794,504	19,419,463
Housing and Neighborhood Revitalization	30,338,926	-	234,659	-
Interest and Other Charges	2,548,299	-	-	-
Total Governmental Activities	235,672,020	26,209,175	48,104,288	19,419,463
BUSINESS-TYPE ACTIVITIES				
Lancaster Power Authority	1,339,619	1,725,547	-	-
Lancaster Choice Energy	79,779,572	81,950,853	-	-
Total Business-Type Activities	81,119,191	83,676,400	-	-
Total Government	$ 316,791,211	$ 109,885,575	$ 48,104,288	$ 19,419,463

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED JUNE 30, 2024

Functions/Programs	Net (Expenses) Revenue and Changes in Net Position Primary Government		
	Governmental Activities	Business-Type Activities	Total
GOVERNMENTAL ACTIVITIES			
General Government	$ (26,721,619)	$ -	$ (26,721,619)
Public Safety	(38,898,079)	-	(38,898,079)
Community Development	(4,433,378)	-	(4,433,378)
Parks, Recreation, and Arts	(26,534,270)	-	(26,534,270)
Development Services	(12,699,182)	-	(12,699,182)
Housing and Neighborhood Revitalization	(30,104,267)	-	(30,104,267)
Interest and Other Charges	(2,548,299)	-	(2,548,299)
Total Governmental Activities	(141,939,094)	-	(141,939,094)
BUSINESS-TYPE ACTIVITIES			
Lancaster Power Authority	-	385,928	385,928
Lancaster Choice Energy	-	2,171,281	2,171,281
Total Business-Type Activities	-	2,557,209	2,557,209
Total Government	(141,939,094)	2,557,209	(139,381,885)
GENERAL REVENUES AND TRANSFERS			
Taxes:			
Property Taxes, Levied for General Purposes	29,116,559	-	29,116,559
Franchise Taxes	11,491,150	-	11,491,150
Transient Occupancy Taxes	2,294,723	-	2,294,723
Business Licenses Taxes	1,489,181	-	1,489,181
Other Taxes	770,718	-	770,718
Intergovernmental	218,014	-	218,014
Intergovernmental - State Shared Sales Tax	47,258,659	-	47,258,659
Investment Earnings	6,536,775	368,695	6,905,470
Miscellaneous	2,335,357	143,999	2,479,356
Gain on Sale of Property	2,520,183	-	2,520,183
Transfers	2,132,357	(2,132,357)	-
Total General Revenues and Transfers	106,163,676	(1,619,663)	104,544,013
CHANGE IN NET POSITION	(35,775,418)	937,546	(34,837,872)
Net Position - Beginning of Year, as Previously Presented	1,025,190,861	10,762,536	1,035,953,397
Change Within Financial Reporting Entity	-	(1,009,951)	(1,009,951)
Error Correction	2,204,540	-	2,204,540
Net Position - Beginning of Year, as Restated	1,027,395,401	9,752,585	1,037,147,986
NET POSITION - END OF YEAR	$ 991,619,983	$ 10,690,131	$ 1,002,310,114

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Special Revenue Funds		Debt Service Fund
		Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
ASSETS				
Pooled Cash and Investments	$ 16,563,224	$ 14,299,959	$ -	$ 34,704,028
Receivables:				
Accounts	1,854,112	131,936	-	-
Taxes	8,910,360	-	-	-
Accrued Interest	422,783	-	-	-
Leases	1,059,701	-	-	-
Due from Other Governments	1,978,765	-	-	-
Notes and Loans, Net	1,080,451	3,776,220	-	-
Prepaid Items	4,590,099	17,045	-	900
Due from Other Funds	71,348,236	-	-	-
Inventories	56,458	-	-	-
Land Held for Resale	-	17,738,883	-	-
Advances to Successor Agency	45,747,029	19,349,201	-	-
Restricted Assets:				
Cash and Investments with Fiscal Agents	-	-	-	15,776,515
Total Assets	$ 153,611,218	$ 55,313,244	$ -	$ 50,481,443
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 13,906,722	$ 151,264	$ 79	$ 533,867
Accrued Liabilities	2,337,868	20,034	2,954	-
Unearned Revenues	-	-	-	-
Deposits Payable	1,669,044	50,000	-	-
Due to Other Funds	-	-	933,636	44,227,376
Retentions Payable	322,453	-	207,039	2,581
Total Liabilities	18,236,087	221,298	1,143,708	44,763,824
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows - Leases	1,021,500	-	-	-
Deferred Inflows - Land Held for Resale	-	6,563,702	-	-
Unavailable Revenues	20,633,796	5,047,272	-	-
Total Deferred Inflows of Resources	21,655,296	11,610,974	-	-
FUND BALANCES				
Nonspendable:				
Notes and Loans	1,080,451	-	-	-
Prepaid Items	4,590,099	17,045	-	900
Inventories	56,458	-	-	-
Advances to Successor Agency	25,609,169	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	-	-	-
Housing and Neighborhood Revitalization	-	43,463,927	-	-
Capital Projects	-	-	-	5,716,719
Committed:				
Contingency Reserve	51,150,088	-	-	-
Assigned:				
Employee Benefits	4,016,802	-	-	-
Legal Claims	2,146,000	-	-	-
Capital Projects	2,357,535	-	-	-
Unassigned	22,713,233	-	(1,143,708)	-
Total Fund Balances (Deficit)	113,719,835	43,480,972	(1,143,708)	5,717,619
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 153,611,218	$ 55,313,244	$ -	$ 50,481,443

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BALANCE SHEET – GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Other Governmental Funds	Total Governmental Funds
ASSETS		
Pooled Cash and Investments	$ 56,822,057	$ 122,389,268
Receivables:		
Accounts	8,882,959	10,869,007
Taxes	2,733,165	11,643,525
Accrued Interest	-	422,783
Leases	-	1,059,701
Due from Other Governments	19,475,385	21,454,150
Notes and Loans, Net	590,061	5,446,732
Prepaid Items	151,411	4,759,455
Due from Other Funds	-	71,348,236
Inventories	-	56,458
Land Held for Resale	-	17,738,883
Advances to Successor Agency	-	65,096,230
Restricted Assets:		
Cash and Investments with Fiscal Agents	479	15,776,994
Total Assets	$ 88,655,517	$ 348,061,422
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES		
LIABILITIES		
Accounts Payable	$ 7,361,841	$ 21,953,773
Accrued Liabilities	801,301	3,162,157
Unearned Revenues	1,417,270	1,417,270
Deposits Payable	-	1,719,044
Due to Other Funds	14,168,528	59,329,540
Retentions Payable	896,929	1,429,002
Total Liabilities	24,645,869	89,010,786
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - Leases	-	1,021,500
Deferred Inflows - Land Held for Resale	-	6,563,702
Unavailable Revenues	19,437,540	45,118,608
Total Deferred Inflows of Resources	19,437,540	52,703,810
FUND BALANCES		
Nonspendable:		
Notes and Loans	-	1,080,451
Prepaid Items	151,411	4,759,455
Inventories	-	56,458
Advances to Successor Agency	-	45,747,029
Restricted:		
Community Development Projects	1,276,024	1,276,024
Public Safety	284,928	284,928
Parks, Recreation, and Arts	2,131,207	2,131,207
Development Services	50,819,704	50,819,704
Housing and Neighborhood Revitalization	1,625,058	45,088,985
Capital Projects	-	5,716,719
Committed:		
Contingency Reserve	-	51,150,088
Assigned:		
Employee Benefits	-	4,016,802
Legal Claims	-	2,146,000
Capital Projects	-	2,357,535
Unassigned	(11,716,224)	(10,284,559)
Total Fund Balances (Deficit)	44,572,108	206,346,826
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 88,655,517	$ 348,061,422

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, 2024

Fund Balances - Total Governmental Funds	$	206,346,826
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		2,042,207,001
Accumulated Depreciation		(1,152,970,316)
		889,236,685
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, 2024, are:		
Bonds, Notes, Loans, Leases, and Subscriptions Payable		(82,195,067)
Claims and Judgments		(2,146,000)
Compensated Absences		(4,016,802)
		(88,357,869)
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		24,512,306
Deferred Inflows of Resources		(1,621,522)
Net Pension Liability		(82,129,731)
		(59,238,947)
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		4,612,567
Deferred Inflows of Resources		(6,613,121)
Net OPEB Liability		(5,305,738)
		(7,306,292)
Accrued interest payable for the current portion of interest due on bonds is not reported in the governmental funds		(742,730)
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		45,118,608
Deferred Inflows of Resources		6,563,702
		51,682,310
Net Position of Governmental Activities	$	991,619,983

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

		Special Revenue Funds		Debt Service Fund
	General	Lancaster Housing Authority	Transportation Development Authority	Lancaster Financing Authority
REVENUES				
Taxes	$ 68,113,723	$ -	$ -	$ -
Licenses and Permits	9,299,007	-	-	-
Intergovernmental	27,375,911	-	21,042,869	172,648
Charges for Services	2,252,137	-	-	-
Investment Earnings	4,720,528	44,125	-	794,453
Fines and Forfeitures	596,782	-	-	-
Contributions	-	-	-	-
Rental Income	229,095	-	-	-
Gain from Sale of Land Held for Resale	-	2,448,984	-	-
Miscellaneous	1,146,015	142,813	-	-
Total Revenues	113,733,198	2,635,922	21,042,869	967,101
EXPENDITURES				
Current:				
General Government	20,871,203	-	-	671,126
Public Safety	46,285,145	-	-	-
Community Development	9,110,658	-	-	-
Parks, Recreation, and Arts	23,804,250	-	-	-
Development Services	9,326,509	-	140,988	16,458
Housing and Neighborhood Revitalization	-	30,091,232	-	-
Capital Outlay	15,950,071	-	4,386,249	649,287
Debt Service:				
Principal Retirement	1,486,773	-	-	1,130,000
Interest and Fiscal Charges	141,665	-	-	2,423,681
Total Expenditures	126,976,274	30,091,232	4,527,237	4,890,552
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(13,243,076)	(27,455,310)	16,515,632	(3,923,451)
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	113,377	-	-	-
Lease Proceeds	43,561	-	-	-
Transfers In	10,613,146	49,306	54,124	4,572,602
Transfers Out	(3,043,625)	(207,820)	(5,869,807)	-
Total Other Financing Sources (Uses)	7,726,459	(158,514)	(5,815,683)	4,572,602
NET CHANGE IN FUND BALANCES	(5,516,617)	(27,613,824)	10,699,949	649,151
Fund Balances (Deficit) - Beginning of Year, as Previously Presented	119,236,452	73,120,880	(11,843,657)	5,068,468
Error Correction	-	(2,026,084)	-	-
Fund Balances (Deficit) - Beginning of Year, as Restated	119,236,452	71,094,796	(11,843,657)	5,068,468
FUND BALANCES (DEFICIT) - END OF YEAR	$ 113,719,835	$ 43,480,972	$ (1,143,708)	$ 5,717,619

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, 2024

	Other Governmental Funds	Total Governmental Funds
REVENUES		
Taxes	$ 4,492,009	$ 72,605,732
Licenses and Permits	1,703,757	11,002,764
Intergovernmental	48,088,250	96,679,678
Charges for Services	11,241,912	13,494,049
Investment Earnings	735,922	6,295,028
Fines and Forfeitures	96,542	693,324
Contributions	20,310	20,310
Rental Income	-	229,095
Gain from Sale of Land Held for Resale	-	2,448,984
Miscellaneous	1,185,691	2,474,519
Total Revenues	67,564,393	205,943,483
EXPENDITURES		
Current:		
General Government	6,362,464	27,904,793
Public Safety	929,018	47,214,163
Community Development	800,796	9,911,454
Parks, Recreation, and Arts	2,878,355	26,682,605
Development Services	22,443,423	31,927,378
Housing and Neighborhood Revitalization	247,694	30,338,926
Capital Outlay	29,264,118	50,249,725
Debt Service:		
Principal Retirement	825,000	3,441,773
Interest and Fiscal Charges	357,947	2,923,293
Total Expenditures	64,108,815	230,594,110
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	3,455,578	(24,650,627)
OTHER FINANCING SOURCES (USES)		
Sale of Capital Assets	-	113,377
Lease Proceeds	-	43,561
Transfers In	11,593,910	26,883,088
Transfers Out	(15,629,479)	(24,750,731)
Total Other Financing Sources (Uses)	(4,035,569)	2,289,295
NET CHANGE IN FUND BALANCES	(579,991)	(22,361,332)
Fund Balances (Deficit) - Beginning of Year, as Previously Presented	45,152,099	230,734,242
Error Correction	-	(2,026,084)
Fund Balances (Deficit) - Beginning of Year, as Restated	45,152,099	228,708,158
FUND BALANCES (DEFICIT) - END OF YEAR	$ 44,572,108	$ 206,346,826

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, 2024

Net Change in Fund Balances - Total Governmental Funds	$ (22,361,332)
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	38,954,276
Disposals	(4,152,901)
Depreciation Expense	(40,809,128)
	(6,007,753)
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	3,441,773
Leases	(43,582)
Amortization of Bond Premium	393,979
	3,792,170
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	(194,132)
Change in Claims Payable	404,000
	209,868
Accrued interest for long-term liabilities. This is the net change in accrued interest for the current period.	(18,985)
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.	2,258,254
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.	(5,355,025)
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.	(8,292,615)
Change in Net Position of Governmental Activities	$ (35,775,418)

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
GENERAL FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 119,236,452	$ 119,236,452	$ 119,236,452	$ -
RESOURCES (INFLOWS)				
Taxes	62,482,978	62,760,978	68,113,723	5,352,745
Licenses and Permits	5,370,045	5,370,045	9,299,007	3,928,962
Intergovernmental	28,371,491	28,371,491	27,375,911	(995,580)
Charges for Services	2,562,107	2,564,807	2,252,137	(312,670)
Investment Earnings	1,871,665	1,871,665	4,720,528	2,848,863
Fine and Forfeitures	1,176,403	1,176,403	596,782	(579,621)
Rental Income	65,004	65,004	229,095	164,091
Miscellaneous	1,391,765	1,664,819	1,146,015	(518,804)
Sale of Capital Assets	-	70,698	113,377	42,679
Lease Proceeds	-	-	43,561	43,561
Transfers In	9,153,102	10,218,835	10,613,146	394,311
Amounts Available for Appropriations	112,490,060	114,180,245	124,503,282	10,323,037
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	18,465,450	22,124,372	20,871,203	1,253,169
Public Safety	47,975,660	50,395,563	46,285,145	4,110,418
Community Development	10,712,635	11,692,674	9,110,658	2,582,016
Parks, Recreation, and Arts	23,590,750	25,885,096	23,804,250	2,080,846
Development Services	7,909,693	11,807,101	9,326,509	2,480,592
Capital Outlay	9,264,959	36,308,552	15,950,071	20,358,481
Debt Service:				
Principal Retirement	1,500,000	1,500,000	1,486,773	13,227
Interest and Fiscal Charges	-	-	141,665	(141,665)
Transfers Out	1,718,686	2,784,419	3,043,625	(259,206)
Total Charges to Appropriations	121,137,833	162,497,777	130,019,899	32,477,878
BUDGETARY FUND BALANCE - END OF YEAR	$ 110,588,679	$ 70,918,920	$ 113,719,835	$ 42,800,915

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
LANCASTER HOUSING AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	$ 71,094,796	$ 71,094,796	$ 71,094,796	$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	44,125	44,125
Gain from Sale of Land Held for Resale	35,628	35,628	2,448,984	2,413,356
Miscellaneous	50,000	50,000	142,813	92,813
Transfers In	-	-	49,306	49,306
Amounts Available for Appropriations	71,180,424	71,180,424	73,780,024	2,599,600
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Housing and Neighborhood Revitalization	1,506,796	1,707,500	30,091,232	(28,383,732)
Transfers Out	511,165	317,116	207,820	109,296
Total Charges to Appropriations	2,017,961	2,024,616	30,299,052	(28,274,436)
BUDGETARY FUND BALANCE - END OF YEAR	$ 69,162,463	$ 69,155,808	$ 43,480,972	$ (25,674,836)

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
BUDGETARY COMPARISON STATEMENT
TRANSPORTATION DEVELOPMENT AUTHORITY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	$ (11,843,657)	$ (11,843,657)	$ (11,843,657)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	12,071,326	12,071,326	21,042,869	8,971,543
Transfers In	-	-	54,124	54,124
Amounts Available for Appropriations	227,669	227,669	9,253,336	9,025,667
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	15,000	15,000	140,988	(125,988)
Capital Outlay	-	5,839,674	4,386,249	1,453,425
Transfers Out	5,869,807	5,869,807	5,869,807	-
Total Charges to Appropriations	5,884,807	11,724,481	10,397,044	1,327,437
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ (5,657,138)	$ (11,496,812)	$ (1,143,708)	$ 10,353,104

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	Business-Type Activities Enterprise Funds			
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	Total
ASSETS				
Current Assets:				
Cash and Investments - Pooled with City	$ 6,296,353	$ -	$ -	$ 6,296,353
Receivables:				
Accounts	221,546	22,251,817	-	22,473,363
Due from Other Governments	-	1,945,599	-	1,945,599
Prepaid Items	-	21,375,407	-	21,375,407
Restricted Assets:				
Cash and Investments	571	-	-	571
Total Current Assets	6,518,470	45,572,823	-	52,091,293
Noncurrent Assets:				
Capital Assets:				
Depreciable, Net	11,743,762	-	-	11,743,762
Total Assets	18,262,232	45,572,823	-	63,835,055
LIABILITIES				
Current Liabilities:				
Accounts Payable	-	10,748,004	-	10,748,004
Accrued Liabilities	-	40,132	-	40,132
Interest Payable	62,808	-	-	62,808
Unearned Revenues	195,757	12,875,000	-	13,070,757
Due to Other Funds	-	12,018,696	-	12,018,696
Deposits	-	350,000	-	350,000
Current Portion of Long-Term Liabilities	830,000	-	-	830,000
Total Current Liabilities	1,088,565	36,031,832	-	37,120,397
Long-Term Liabilities:				
Noncurrent Portion of Long-Term Liabilities	16,024,527	-	-	16,024,527
Total Liabilities	17,113,092	36,031,832	-	53,144,924
NET POSITION				
Net Investment in Capital Assets	(5,110,765)	-	-	(5,110,765)
Unrestricted	6,259,905	9,540,991	-	15,800,896
Total Net Position	$ 1,149,140	$ 9,540,991	$ -	$ 10,690,131

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, 2024

	Business-Type Activities Enterprise Funds			
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	Total
OPERATING REVENUES				
Sales and Service Charges	$ 1,725,547	$ 81,950,853	$ -	$ 83,676,400
Total Operating Revenues	1,725,547	81,950,853	-	83,676,400
OPERATING EXPENSES				
Purchased Power	-	64,080,519	-	64,080,519
Administration and General	375	15,699,053	-	15,699,428
Depreciation Expense	939,096	-	-	939,096
Total Operating Expenses	939,471	79,779,572	-	80,719,043
OPERATING INCOME	786,076	2,171,281	-	2,957,357
NONOPERATING REVENUES (EXPENSES)				
Interest Revenue	-	368,695	-	368,695
Other Nonoperating Income	-	143,999	-	143,999
Interest Expense	(400,148)	-	-	(400,148)
Total Nonoperating Revenue (Expenses)	(400,148)	512,694	-	112,546
INCOME BEFORE TRANSFERS	385,928	2,683,975	-	3,069,903
TRANSFERS				
Transfers Out	(11,505)	(2,120,852)	-	(2,132,357)
Total Transfers	(11,505)	(2,120,852)	-	(2,132,357)
CHANGE IN NET POSITION	374,423	563,123	-	937,546
Net Position - Beginning of Year, as Previously Presented	774,717	8,977,868	1,009,951	10,762,536
Change Within Financial Reporting Entity	-	-	(1,009,951)	(1,009,951)
Net Position - Beginning of Year, as Restated	774,717	8,977,868	-	9,752,585
NET POSITION - END OF YEAR	$ 1,149,140	$ 9,540,991	$ -	$ 10,690,131

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2024

	Business-Type Activities Enterprise Funds			
	Lancaster Power Authority	Lancaster Choice Energy	Nonmajor California Choice Energy Authority	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers and Users	$ 2,115,045	$ 94,207,926	$ -	$ 96,322,971
Cash Paid to Suppliers for Goods and Services	(375)	(92,482,750)	-	(92,483,125)
Net Cash Provided (Used) by Operating Activities	2,114,670	1,725,176	-	3,839,846
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Cash Received from Other Funds	-	26,981	-	26,981
Cash Paid to Other Funds	(11,505)	(2,120,852)	-	(2,132,357)
Net Cash Used by Noncapital Financing Activities	(11,505)	(2,093,871)	-	(2,105,376)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Principal Paid on Capital Debt	(785,000)	-	-	(785,000)
Interest Paid on Capital Debt	(377,370)	-	-	(377,370)
CCEA's Removal from Reporting Entity (See Note 20A)	-	-	(4,526,555)	(4,526,555)
Net Cash Used by Capital and Related Financing Activities	(1,162,370)	-	(4,526,555)	(5,688,925)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	-	368,695	-	368,695
Net Cash Provided by Investing Activities	-	368,695	-	368,695
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	940,795	-	(4,526,555)	(3,585,760)
Cash and Cash Equivalents - Beginning of Year	5,356,129	-	4,526,555	9,882,684
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 6,296,924	$ -	$ -	$ 6,296,924
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income	$ 786,076	$ 2,171,281	$ -	$ 2,957,357
Other Income	-	143,999	-	143,999
Depreciation	939,096	-	-	939,096
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	208,846	976,026	-	1,184,872
(Increase) Decrease in Due from Other Governments	-	(260,802)	-	(260,802)
(Increase) Decrease in Deposits	-	147,000	-	147,000
(Increase) Decrease in Prepaid Items	-	(17,114,262)	-	(17,114,262)
Increase (Decrease) in Accounts Payable	-	4,256,369	-	4,256,369
Increase (Decrease) in Accrued Liabilities	-	7,715	-	7,715
Increase (Decrease) in Due to Other Governments	-	-	-	-
Increase (Decrease) in Unearned Revenues	180,652	11,147,850	-	11,328,502
Increase (Decrease) in Deposits	-	250,000	-	250,000
Net Cash Provided (Used) by Operating Activities	$ 2,114,670	$ 1,725,176	$ -	$ 3,839,846

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	Private-Purpose Trust Fund: Successor Agency of the Former RDA	Other Postemployment Benefit Trust Fund	Custodial Funds
ASSETS			
Pooled Cash and Investments	$ 23,559,797	$ 18,993,430	$ 435,599
Receivables:			
Accounts	6,965	-	47,232
Taxes	-	-	3,420
Notes and Loans, Net	72,860	-	-
Accrued Interest	5,161	-	-
Prepaid Items	1,800	-	-
Restricted Assets:			
Cash and Investments with Fiscal Agents	16,201	-	-
Total Assets	23,662,784	18,993,430	486,251
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Losses on Debt Refundings	4,050,762	-	-
LIABILITIES			
Accounts Payable	3,900	-	-
Interest Payable	1,974,552	-	47,231
Deposits Payable	-	-	241,294
Due to Other Governments	2,441,171	-	-
Advances from City of Lancaster	65,096,230	-	-
Long-Term Liabilities:			
Due in One Year	8,191,000	-	-
Due in More Than One Year	121,020,834	-	-
Total Liabilities	198,727,687	-	288,525
DEFERRED INFLOWS OF RESOURCES			
Deferred Gains on Debt Refundings	805,071	-	-
NET POSITION (DEFICIT)			
Held for OPEB	-	18,993,430	-
Held in Trust for Other Purposes	(171,819,212)	-	-
Restricted for Bondholders	-	-	197,726
Total Net Position (Deficit)	$ (171,819,212)	$ 18,993,430	$ 197,726

See accompanying Notes to Basic Financial Statements.

CITY OF LANCASTER
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2024

	Private-Purpose Trust Fund Successor Agency of the Former RDA	Other Postemployment Benefit Trust Fund	Custodial Funds
ADDITIONS			
Taxes	$ 13,001,546	$ -	$ 42,561
Contributions - Rollover	-	17,243,115	-
Investment Income	623,281	1,759,428	-
Miscellaneous	2,248,110	-	-
Total Additions	15,872,937	19,002,543	42,561
DEDUCTIONS			
Administrative Expenses	5,886	9,113	25,988
Payment of Special Tax Debt	5,411,805	-	-
Total Deductions	5,417,691	9,113	25,988
CHANGE IN NET POSITION	10,455,246	18,993,430	16,573
Net Position (Deficit) - Beginning of Year	(182,274,458)	-	181,153
NET POSITION (DEFICIT) - END OF YEAR	$ (171,819,212)	$ 18,993,430	$ 197,726

See accompanying Notes to Basic Financial Statements.

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, and the Lancaster 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. Effectively January 2024, the Energy Authority became a separate reporting entity and is no longer a component unit of the City. Previously, members of the City of Lancaster's City Council served as the Board members for the Energy Authority. In January 2024, each Member of the Energy Authority appointed a representative to be a Board Member.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Description of the Reporting Entity (Continued)

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

The Lancaster Financing Authority 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.

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.

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.

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.

Revenues are recognized in the accounting period in which they become susceptible to accrual, that is, when they become both measurable and available to finance expenditures of the current period. “Measurable” means that the amount of the transaction can be determined, and “available” means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Accrued revenues include property taxes received within 60 days after year-end, taxpayer-assessed taxes such as sales taxes, and earnings on investments. Grant funds earned but not received are recorded as a receivable, and grant funds received before the revenue recognition criteria have been met are reported as unearned revenues.

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.

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.

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.

Other Postemployment Benefit Trust Fund – This fund is to account for resources that are held in an irrevocable trust for the benefit of participants in the City's other postemployment benefit plan.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. 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).

E. 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."

F. 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.

G. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. 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.

I. Capital Assets

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

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

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

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

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.

J. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Deferred Outflows/Inflows of Resources

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

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

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. Additionally, donated capital assets that are not intended for use but are held for sale should be reported as assets on the governmental fund balance sheet and as a deferred inflow of resources equal to their fair value.

L. Net Position Flow Assumptions

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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.

N. Compensated Absences

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

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

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

O. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Classification

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

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

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

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

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Fund Balance Classification (Continued)

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

Q. Pensions

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

R. 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.

S. Use of Estimates

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

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

General Budget Policies

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

Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. These commitments are recorded for budgetary control purposes in the general, special revenue, and similar governmental funds. Encumbrances are included in the general fund's assigned fund balance under capital projects for $2,357,535. 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, Proposition 1B Special Revenue Fund, AVAQMD 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, 2024:

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Excess of Expenditures Over Appropriations (Continued)

	Final Budget	Actual	Variance With Final Budget
Major Funds:			
General Fund:			
Transfers Out	$ 2,784,419	$ 3,043,625	$ (259,206)
Lancaster Housing Authority:			
Housing and Neighborhood Revitalization	1,707,500	30,091,232	(28,383,732)
Transportation Development Authority:			
Development Services	15,000	140,988	(125,988)
Other Governmental Special Revenue Funds:			
Gas Tax:			
General Government	-	69,912	(69,912)
Transfers Out	2,746,432	2,772,559	(26,127)
Housing and Community Development:			
Housing and Neighborhood Revitalization	132,604	247,694	(115,090)
Transfers Out	-	571,453	(571,453)
Proposition A:			
Development Services	94,126	120,146	(26,020)
Bikeway Improvement:			
Development Services	-	31,505	(31,505)
Transfers Out	-	12,464	(12,464)
Proposition C:			
Development Services	-	257,775	(257,775)
Federal Grant:			
Development Services	-	139,123	(139,123)
Transfers Out	-	1,928,167	(1,928,167)
State Grant:			
General Government	-	180,179	(180,179)
Developer Fees - Drainage:			
Development Services	-	33,411	(33,411)
Recycled Water:			
General Government	-	580	(580)
Capital Outlay	-	579	(579)
Traffic Impact:			
Transfers Out	-	1,595	(1,595)
AQMD:			
Community Development	-	18,750	(18,750)
Transfers Out	5,279	24,565	(19,286)
Landscape Drainage Maintenance District:			
Transfers Out	598,921	624,368	(25,447)
LA County Reimbursement:			
Transfers Out	-	3,180	(3,180)
Measure H:			
Transfers Out	-	26,722	(26,722)
MTA Grant:			
Development Services	-	124,871	(124,871)
Transfers Out	-	49,306	(49,306)
Urban Structure Program:			
Transfers Out	42,507	51,149	(8,642)
Sewer Maintenance:			
General Government	88,491	92,366	(3,875)
Transfers Out	1,540,594	1,540,957	(363)
Measure R:			
Development Services	-	267,050	(267,050)

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

Deficit Net Position/Fund Balances

The following funds contained deficit fund balances as of June 30, 2024:

	Deficit Amount	
Transportation Development Authority Special Revenue Fund	$ (1,143,708)	(3)
Other Governmental Special Revenue Funds:		
Bikeway Improvement Special Revenue Fund	(18,125)	(1)
State Grants Special Revenue Fund	(2,797,512)	(1)
Recycled Water Special Revenue Fund	(124,143)	(1)
AQMD Special Revenue Fund	(18,750)	(2)
LA County Reimbursement Special Revenue Fund	(364,009)	(1)
Measure H Special Revenue Fund	(265,295)	(1)
MTA Grant Special Revenue Fund	(1,289,964)	(1)
Measure R Special Revenue Fund	(6,526,653)	(1)
AVAQMD Special Revenue Fund	(311,533)	(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, 2024, are reported in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	$ 128,685,621
Restricted:	
Cash and Investments	15,777,565
Statement of Fiduciary Assets and Liabilities:	
Pooled Cash and Investments	42,988,826
Restricted:	
Cash and Investments with Fiscal Agents	16,201
Total Cash and Investments	$ 187,468,213

Cash and Investments Consisted of the Following:	
Cash on Hand	$ 2,650
Deposits with Financial Institutions	43,655,871
Investments	143,809,692
Total Cash and Investments	$ 187,468,213

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.

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, 2024, 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.

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, 2024, the City invested in various MTNs and municipal bonds which were rated AA- or better by Standard & Poor's (S&P). At June 30, 2024, 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, 2024, 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, 2024, 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, 2024, none of the City's investments had issuers exceeding 5% of the City investment pool.

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 Stated 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, 2024, the City had the following investments and original maturities:

	Remaining Maturity (in Years)				
Investment Type	1 Year or Less	1 Year to 3 Years	3 Years to 5 Years	5 Years and More	Total
City Investment Pool:					
United States Treasury Securities	$ -	$ 9,513,261	$ 8,692,175	$ 1,018,670	$ 19,224,106
United States Government Sponsored Agency Securities	-	6,975,873	2,632,769	-	9,608,642
Medium-Term Corporate Notes	-	5,700,692	699,153	-	6,399,845
Certificates of Deposit	160,027	-	-	-	160,027
Municipal Bonds	-	1,493,913	-	-	1,493,913
California Local Agency Investment Fund (LAIF)	11,728,559	-	-	-	11,728,559
California CLASS	60,407,403	-	-	-	60,407,403
Held by OPEB Trust:					
Money Market Mutual Funds	18,993,431	-	-	-	18,993,431
Held by Fiscal Agent:					
Money Market Mutual Funds	15,793,766	-	-	-	15,793,766
Total	$ 107,083,186	$ 23,683,739	$ 12,024,097	$ 1,018,670	$ 143,809,692

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).

NOTE 3 CASH AND INVESTMENTS (CONTINUED)

Fair Value Measurements (Continued)

The City has the following recurring fair value measurements as of June 30, 2024:

	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
United States Treasury Securities	$ 19,224,106	$ -	$ -	$ 19,224,106
United States Government Sponsored Agency Securities	-	9,608,642	-	9,608,642
Medium-Term Corporate Notes	-	6,399,845	-	6,399,845
Certificates of Deposit	-	160,027	-	160,027
Municipal Bonds	-	1,493,913	-	1,493,913
Total Subject to Hierarchy	$ 19,224,106	$ 17,662,427	$ -	36,886,533
LAIF (1)				11,728,559
California CLASS (1)				60,407,403
Held by OPEB Trust:				
Money Market Mutual Funds (1)				18,993,431
Held by Fiscal Agent:				
Money Market Mutual Funds (1)				15,793,766
Total Investment Portfolio				$ 143,809,692

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

NOTE 4 NOTES AND LOANS RECEIVABLE

Notes and loans receivable at June 30, 2024, were as follows:

	Loans and Notes Receivable Repayments	Loan Forgiveness/ Allowance Terms	Long-Term Lump-Sum Repayment Terms	Total
General Fund	$ 1,401,717	$ (280,384)	$ (40,882)	$ 1,080,451
Lancaster Housing Authority:				
Special Revenue Fund	3,776,220	-	-	3,776,220
Other Governmental Funds:				
HOME Program Special Revenue Fund	15,377,995	(14,787,934)	-	590,061
Total	$ 20,555,932	$ (15,068,318)	$ (40,882)	$ 5,446,732
Fiduciary Private-Purpose:				
Trust Fund	$ 87,079	$ (14,219)	$ -	$ 72,860

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

NOTE 5 LEASE RECEIVABLE

The City, acting as lessor, leases land under long-term, noncancelable lease agreements. The leases expire at various dates through 2043 and provide for renewal options ranging from three months to six years. During the year ended June 30, 2024, 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, 2024, was as follows:

Governmental Activities

	Balance at June 30, 2023 as Restated (1)	Construction in Progress Transfers	Additions	Deletions	Balance at June 30, 2024
Governmental Activities:					
Capital Assets, Not Depreciated:					
Land	$ 42,079,636	$ -	$ -	$ (29,854)	$ 42,049,782
Construction in Progress	60,485,334	(22,783,425)	30,176,562	(3,406,520)	64,471,951
Total Capital Assets, Not Depreciated	102,564,970	(22,783,425)	30,176,562	(3,436,374)	106,521,733
Capital Assets, Being Depreciated:					
Structures and Improvements	88,043,508	2,034,301	1,568,601	(146,841)	91,499,569
Furniture and Equipment	20,426,672	-	4,140,412	(2,704,344)	21,862,740
Right-to-Use Assets:					
Leases	927,188	-	43,562	(17,267)	953,483
Subscription	3,976,348	-	-	-	3,976,348
Infrastructure	1,793,618,866	20,749,124	3,025,138	-	1,817,393,128
Total Capital Assets, Being Depreciated	1,906,992,582	22,783,425	8,777,713	(2,868,452)	1,935,685,268
Less Accumulated Depreciation for:					
Structures and Improvements	(41,077,901)	-	(3,214,265)	-	(44,292,166)
Furniture and Equipment	(13,430,946)	-	(373,106)	2,134,658	(11,669,394)
Right-to-Use Assets:					
Leases	(219,157)	-	(237,105)	17,267	(438,995)
Subscription	(897,413)	-	(897,413)	-	(1,794,826)
Infrastructure	(1,058,687,696)	-	(36,087,239)	-	(1,094,774,935)
Total Accumulated Depreciation	(1,114,313,113)	-	(40,809,128)	2,151,925	(1,152,970,316)
Total Capital Assets, Being Depreciated, Net	792,679,469	22,783,425	(32,031,415)	(716,527)	782,714,952
Governmental Activities Capital Assets, Net	$ 895,244,439	$ -	$ (1,854,853)	$ (4,152,901)	$ 889,236,685

(1) The beginning balance has been restated to reflect land acquisition and deletions from a prior year. See Note 20 for Restatement footnote.

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, 2024, as follows:

General Government	$ 1,621,215
Public Safety	353,412
Development Services	35,407,709
Community Development	542,696
Parks, Recreation, and Arts	2,884,096
Total	$ 40,809,128

Business-Type Activities

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance at June 30, 2023	Additions	Deletions	Balance at June 30, 2024
Capital Assets, Being Depreciated:				
Intangible Assets	$ 23,486,774	$ -	$ -	$ 23,486,774
Less Accumulated Depreciation for:				
Intangible Assets	(10,803,916)	(939,096)	-	(11,743,012)
Total Business-Type Activities Capital Assets, Net	$ 12,682,858	$ (939,096)	$ -	$ 11,743,762

The depreciation expense of $939,096 was charged to the Lancaster Power Authority program for the year ended June 30, 2024.

NOTE 7 INTERFUND RECEIVABLE, PAYABLE, AND TRANSFERS

Due To/From Other Funds

Interfund receivable and payable balances at June 30, 2024, are as follows:

Receivable	Payable	Amount
General Fund	Transportation Development Authority	$ 933,636
	Lancaster Financing Authority	44,227,376
	Other Governmental Funds	14,168,528
	Lancaster Choice Energy Enterprise Fund	12,018,696
	Total	$ 71,348,236

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

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

Transfers

The following schedule summarizes the City's transfer activity:

Transfers In	Transfers Out	Amount
General Fund	Lancaster Housing Authority Special Revenue Fund	$ 90,464
	Other Governmental Funds	8,415,772
	Lancaster Power Authority Enterprise Fund	11,505
	Lancaster Choice Energy Enterprise Fund	2,095,405
Lancaster Housing Authority Special Revenue Fund	Other Governmental Funds	49,306
Transportation Development Authority Special Revenue Fund	Other Governmental Funds	54,124
Lancaster Financing Authority Debt Service Fund	General Fund	735,019
	Other Governmental Funds	3,812,136
	Lancaster Choice Energy Enterprise Fund	25,447
Other Governmental Funds	General Fund	2,308,606
	Lancaster Housing Authority Special Revenue Fund	117,356
	Transportation Special Revenue Fund	5,869,807
	Other Governmental Funds	3,298,141
	Total	$ 26,883,088

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

Transfers made to the Lancaster Housing Authority Special Revenue Fund were for project expenses.

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

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

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

NOTE 8 LONG-TERM LIABILITIES

Governmental Activities

Changes in long-term liabilities for the governmental activities for the year ended June 30, 2024, are as follows:

	Balance June 30, 2023	Additions	Deletions	Balance June 30, 2024	Due One Year	Due in More than One Year
Direct Borrowings:						
Section 108 Notes:						
Series 2015-A1	$ 102,000	$ -	$ 102,000	$ -	$ -	$ -
Series 2015-A2	209,000	-	103,000	106,000	106,000	-
Equipment Agreements Payable	407,431	-	129,994	277,437	135,733	141,704
Loans	6,200,170	-	128,736	6,071,434	132,649	5,938,785
Settlement Agreement	800,000	-	200,000	600,000	200,000	400,000
Other Debt:						
Streetlight Acquisition Issue of 2016	10,870,000	-	620,000	10,250,000	640,000	9,610,000
Public Improvements Project Issue of 2018	13,255,000	-	305,000	12,950,000	320,000	12,630,000
Measure M & R Street: Improvement Project Issue of 2018	44,695,000	-	825,000	43,870,000	865,000	43,005,000
Unamortized Bond Premium	6,606,877	-	393,979	6,212,898	-	6,212,898
Other Long-Term Liabilities:						
Lease Payable	708,710	43,561	242,230	510,041	264,918	245,123
Subscription Payable	2,133,049	-	785,792	1,347,257	656,826	690,431
Accrued Employee Benefits	3,822,670	2,974,591	2,780,459	4,016,802	2,780,459	1,236,343
Claims and Judgements	2,550,000	1,227,364	1,631,364	2,146,000	616,000	1,530,000
Total Governmental Activities	$ 92,359,907	$ 4,245,516	$ 8,247,554	$ 88,357,869	$ 6,717,585	$ 81,640,284

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 matured from 2004-2023 and bear varying rates of interest. The note was paid off during the year.

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, 2024, was $106,000.

The annual requirements to amortize the Section 108 Notes outstanding indebtedness as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 106,000	$ 1,510	$ 107,510

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, 2024, is $277,437.

The future payments debt service payments are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 135,733	$ 10,609	$ 146,342
2026	141,704	4,657	146,361
Total	$ 277,437	$ 15,266	$ 292,703

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, 2024, is $201,434.

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Loans (Continued)

The annual requirements to amortize the outstanding indebtedness as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$ 132,649	$ 5,030	$ 137,679
2026	68,785	1,020	69,805
Total	$ 201,434	$ 6,050	$ 207,484

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, 2024, 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, 2024, is $10,250,000.

The bond indenture requires the City to maintain a bond reserve in the amount of $975,606. To satisfy this requirement, the City purchased as municipal bond insurance policy. The annual requirements to amortize the outstanding indebtedness as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	725,000	240,856	965,856
2030 - 2034	4,070,000	771,513	4,841,513
2035 - 2037	2,775,000	131,953	2,906,953
Total	$ 10,250,000	$ 2,354,046	$ 12,604,046

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

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, 2024, is $12,950,000.

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 annual requirements to amortize the outstanding indebtedness as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	385,000	468,281	853,281
2030 - 2034	2,210,000	2,041,963	4,251,963
2035 - 2039	2,675,000	1,577,719	4,252,719
2040 - 2044	3,235,000	1,015,200	4,250,200
2045 - 2048	3,085,000	314,800	3,399,800
Total	$ 12,950,000	$ 7,458,437	$ 20,408,437

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, 2024, is $43,870,000.

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:

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Governmental Activities (Continued)

Lease Revenue Bonds (Continued)

Street Improvements Project, Issue of 2019 (Continued)

- 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

The annual requirements to amortize the outstanding indebtedness as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,050,000	1,651,300	2,701,300
2030 - 2034	6,085,000	7,426,500	13,511,500
2035 - 2039	7,480,000	6,028,200	13,508,200
2040 - 2044	11,255,000	4,282,400	15,537,400
2045 - 2049	14,280,000	1,758,400	16,038,400
Total	$ 43,870,000	$ 28,228,250	$ 72,098,250

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, 2024, is $600,000.

Business-Type Activities

Changes in long-term liabilities for the business-type activities for the year ended June 30, 2024, are as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due One Year	Due in More Than One Year
Other Debt:						
Taxable Revenue Refunding Bonds, Series 2021	$ 17,940,000	$ -	$ 785,000	$ 17,155,000	$ 830,000	$ 16,325,000
Unamortized Bond Discount	(323,927)	-	23,454	(300,473)	-	(300,473)
Total Business-Type Activities	$ 17,616,073	$ -	$ 808,454	$ 16,854,527	$ 830,000	$ 16,024,527

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

Business-Type Activities (Continued)

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.

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, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	1,135,000	315,825	1,450,825
2030 - 2034	6,885,000	1,169,897	8,054,897
2035 - 2037	5,285,000	231,867	5,516,867
Total	$ 17,155,000	$ 3,141,987	$ 20,296,987

NOTE 8 LONG-TERM LIABILITIES (CONTINUED)

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:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2025	$ 264,918	$ 18,614	$ 283,532
2026	125,199	9,147	134,346
2027	109,909	3,144	113,053
2028	10,015	55	10,070
Total Minimum Lease Payments	$ 510,041	$ 30,960	$ 541,001

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

	Governmental Activities
Building	$ 43,561
Equipment	340,021
Vehicles	569,901
Less: Accumulated Amortization	(438,995)
Total	$ 514,488

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, 2024, SBITA assets and the related accumulated amortization totaled $3,976,348 and $1,794,826, respectively.

The future subscription payments under SBITA agreements are as follows:

	Governmental Activities		
Year Ending June 30,	Principal	Interest	Total
2025	$ 264,918	$ 18,614	$ 283,532
2026	125,199	9,147	134,346
2027	109,909	3,144	113,053
2028	10,015	55	10,070
Total Minimum Lease Payments	$ 510,041	$ 30,960	$ 541,001

NOTE 9 DEFINED BENEFIT PENSION PLANS

The following is a summary of pension-related items for the year ended June 30, 2024:

	Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension (Income) Expense
CalPERS Miscellaneous	$ 77,965,648	$ 23,449,144	$ (1,016,958)	$ 14,273,087
PARS	4,164,083	1,063,162	(604,564)	267,240
Total	$ 82,129,731	$ 24,512,306	$ (1,621,522)	$ 14,540,327

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.

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Benefits Provided (Continued)

The Miscellaneous Plan's provisions and benefits in effect at year ended June 30, 2024, are summarized as follows:

	Miscellaneous Plan		
Hire Date	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
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 Years of Service	5 Years of Service	5 Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 - 55+	50 - 63+	52 - 67+
Monthly Benefits, as a % of Eligible Compensation	2% to 2.7%	1.092% to 2.418%	1.0% to 2.5%
Required Employee Contribution Rates	8%	7%	6.25%
Required Employer Contribution Rates:			
Normal Cost Rate	12.80%	12.80%	12.80%
Payment of Unfunded Liability	$ 5,230,947	$ -	$ -

Employees Covered

At the June 30, 2023, measurement date, the following employees were covered by the benefit terms for the Miscellaneous Plan:

	Miscellaneous Plan
Inactive Employees or Beneficiaries Currently Receiving Benefits	352
Inactive Employees Entitled to But Not Yet Receiving Benefits	516
Active Employees	281
Total	1,149

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Employees Covered (Continued)

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, 2024, of $9,181,497.

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, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions

The total pension liabilities in the June 30, 2022, actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Plan
Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
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)
Postretirement Benefit Income	(3)

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Actuarial Assumptions (Continued)

(1) Varies by entry age and service.
(2) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.
(3) The less of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% 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.

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

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

General Information about the Pension Plan (Continued)

Long-Term Expected Rate of Return (Continued)

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

Asset Class	New Strategic Allocation	Real Return Years (a)(b)
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	100.00 %	

(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.

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, 2022 (Measurement Date)	$ 218,978,683	$ 149,873,354	$ 69,105,329
Changes in the Year:			
Service Cost	4,617,487	-	4,617,487
Interest on the Total Pension Liability	15,486,594	-	15,486,594
Changes of Benefit Terms	218,866	-	218,866
Differences Between Expected and Actual Experience	8,337,543	-	8,337,543
Contribution - Employer	-	8,635,828	(8,635,828)
Contribution - Employee	-	1,893,145	(1,893,145)
Net Investment Income	-	9,381,408	(9,381,408)
Administrative Expenses	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,800,859)	(10,800,859)	-
Other Miscellaneous Income (Expense)	-	(110,210)	110,210
Net Changes	17,859,631	8,999,312	8,860,319
Balance at June 30, 2023 (Measurement Date)	$ 236,838,314	$ 158,872,666	$ 77,965,648

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	$ 111,050,272	$ 77,965,648	$ 50,798,871

Pension Plans Fiduciary Net Position

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

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, 2024, the City recognized pension expense of $14,273,087. At June 30, 2024, 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	$ 9,181,497	$ -
Differences Between Expected and Actual Experience	5,359,849	(1,016,958)
Change in Assumptions	1,840,164	-
Net Differences Between Projected and Actual Earnings on Plan Investments	7,067,634	-
Total	$ 23,449,144	$ (1,016,958)

Deferred outflows of resources of $9,181,497 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, 2025. 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
2025	$ 5,054,459
2026	3,109,437
2027	4,899,242
2028	187,551
2029	-
Thereafter	-
Total	$ 13,250,689

Payable to the Pension Plans

At June 30, 2024, the City had no outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2024.

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, 2023, 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, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023, 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, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Level % of Pay
Actuarial Assumptions:	
Discount Rate	4.32%
Inflation	2.50%
Investment Rate of Return	5.5%
Mortality Assumption for Service	CalPERS 2021 Experience Study

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, 2022, the discount rate was updated from 4.27% to 4.32%.

Discount Rate

The discount rate of 4.32% 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 5.50% at June 30, 2023. 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 6.96% for equities, 4.88% for fixed income, and 0.00% for cash equivalent.

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

Asset Class	Target Allocation	Expected Real Rate of Return
Global Equity	50.00 %	6.96 %
Fixed Income	45.00	4.88
Cash	5.00	-
Total	100.00 %	

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, 2023, are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2022 (Measurement Date)	$ 11,677,215	$ 7,571,389	$ 4,105,826
Changes in the Year:			
Service Cost	-	-	-
Interest on the Total Pension Liability	482,753	-	482,753
Changes in Benefit Terms	-	-	-
Changes in Assumptions	(23,210)	-	(23,210)
Differences Between Expected and Actual Experience	- 83,118	-	- 83,118
Net Investment Income	-	500,693	(500,693)
Administrative Expenses	-	-	-
Benefit Payments	(743,071)	(743,071)	-
Administrative Expenses	-	(16,289)	16,289
Net Changes	(200,410)	(258,667)	58,257
Balance at June 30, 2023 (Measurement Date)	$ 11,476,805	$ 7,312,722	$ 4,164,083

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 3.32%	Discount Rate 4.32%	1% Increase 5.32%
Net Pension Liability (Asset)	$ 5,436,856	$ 4,164,083	$ 3,101,292

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.

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, 2024, the City recognized pension expense of $267,240. At June 30, 2024, 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	$ 1,063,162	$ (604,564)
Total	$ 1,063,162	$ (604,564)

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
2025	$ 106,527
2026	38,749
2027	298,969
2028	(38,723)
2029	-
Thereafter	-
Total	$ 405,522

Payable to the Pension Plans

At June 30, 2024, the City had no outstanding contributions to the PARS pension plan required for the year ended June 30, 2024.

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.

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

General Information about the OPEB Plan (Continued)

Plan Description (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, 2023, 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	141
Active Employees	302
Total	443

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, 2024, the City's cash contributions were $1,931,187 in payments to the trust and the estimated implicit subsidy was $376,253, resulting in total contributions of $2,307,440.

Net OPEB Liability

The City's net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by using an actuarial valuation as of June 30, 2023. 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, 2023, actuarial valuation was determined using the following actuarial assumptions and applied to all periods included in the measurement, unless otherwise specified:

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Net OPEB Liability (Continued)

Actuarial Assumptions (Continued)

Valuation Date	June 30, 2023
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.50%
Inflation	2.50%
Projected Salary Increase	Aggregate - 2.80%
Expected Long-Term Investment Rate of Return	5.50%
Health Care Cost Trend Rates	Pre-65 8.00% for 2024, Decreasing to 4.50% in 2032, Post-65 6.50% for 2024, Decreasing to 4.50% in 2032,
Mortality, Retirement, Disability, and Termination	Derived from CalPERS 2021 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:

Asset Class	Target Allocation	Long-Term Expected Gross Rate of Return
CERBT		
Global Equity	34.00 %	N/A
Fixed Income	41.00	N/A
TIPS	5.00	N/A
REITs	17.00	N/A
Commodities	3.00	N/A
Total	100.00 %	5.50%

Discount Rate

The discount rate used to measure the total OPEB liability is 5.50%. This is the expected long-term rate of return on City assets using investment strategy 2 within CERBT. The projection of cash flows used to determine the discount rate assumed that the City contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position is projected to cover all future OPEB payments. Therefore, the discount rate was set equal to the long-term expected rate of return.

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, 2022 (Measurement Date)	$ 22,983,928	$ 14,200,195	$ 8,783,733
Changes in the Year:			
Service Cost	427,974	-	427,974
Interest on the Total OPEB Liability	1,311,591	-	1,311,591
Differences Between Actual and Expected Experience	(2,174,130)	-	(2,174,130)
Changes in Assumptions	560,296	-	560,296
Changes in Benefit Terms	-	-	-
Contribution - Employer	-	3,038,434	(3,038,434)
Net Investment Income	-	569,865	(569,865)
Administrative Expenses	-	(4,573)	4,573
Benefit Payments	(1,220,306)	(1,220,306)	-
Net Changes	(1,094,575)	2,383,420	(3,477,995)
Balance at June 30, 2023 (Measurement Date)	$ 21,889,353	$ 16,583,615	$ 5,305,738

Change of Assumptions

The discount rate changed from 5.75% to 5.50%.

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

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

	1% Decrease 4.50%	Discount Rate 5.50%	1% Increase 6.50%
Net OPEB Liability	$ 7,814,921	$ 5,305,738	$ 3,187,684

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 (7.00% decreasing to 3.50%) or one percentage point higher (9.00% decreasing to 5.50%) than current health-care cost trend rates:

	1% Decrease	Current Health Care Cost Trend Rates	1% Increase
Net OPEB Liability	$ 3,004,807	$ 5,305,738	$ 8,060,730

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

For the year ended June 30, 2024, the City recognized OPEB expense of $49,186. At June 30, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	$ 2,307,440	$ -
Differences Between Actual and Expected Experience	535,698	5,234,494
Change in Assumptions	490,259	1,378,627
Differences Between Projected and Actual Earnings	1,279,170	-
Total	$ 4,612,567	$ 6,613,121

An amount of $2,307,440, 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, 2025. 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
2025	$ (848,601)
2026	(873,507)
2027	(543,208)
2028	(1,106,339)
2029	(532,879)
Thereafter	(403,460)
Total	$ (4,307,994)

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS PLAN (CONTINUED)

Payable to the OPEB Plan

At June 30, 2024, the City had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2024.

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, 2024 (latest information available), Antelope Valley Transit Authority's financial position was as follows:

Assets	$ 166,271,804
Deferred Outflow of Resources	$ 1,857,902
Liabilities	$ 6,006,314
Deferred Inflows of Resources	$ 748,643
Net Position	$ 161,374,749
Revenues	$ 73,499,377
Expenses	49,932,926
Changes in Net Position	$ 23,566,451

NOTE 11 ANTELOPE VALLEY TRANSIT AUTHORITY JOINT VENTURE (CONTINUED)

Description of Debt (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, 2024, $2,146,000 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, 2024, 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 2023 and 2024 were as follows:

Fiscal Year Ended	Beginning of Fiscal Year Liability	Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability
2022 - 2023	$ 3,054,000	$ 781,000	$ 1,285,000	$ 2,550,000
2023 - 2024	2,550,000	1,227,364	1,631,364	2,146,000

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.

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, 2024:

Project Name	Contract Amount	Expenditures to Date as of June 30, 2024	Remaining Commitments
2 WAY STOP ROUNDABOUT CONVERSION	$ 2,344,913	$ 13,659	$ 2,331,253
2022 SPRING PMP	1,488,226.74	(13,812.88)	1,502,040
2024 PMP - PAVEMENT PRESERVATION	1,590,436.00	-	1,590,436
2024 PMP - PREVENTATIE MAINT	737,138.03	119,776.95	617,361
2024 PMP - ROAD REHAB PROJ	5,163,867.16	234,403.95	4,929,463
28 SIGNALIZED SAFETY UPGRADES	2,897,555.42	1,899.22	2,895,656
35TH ST W IMPROVEMENTS PHASE 1	1,575,550.91	548,755.74	1,026,795
AMARGOSA RECREATION TRAIL CALTRANS	4,858,742.66	-	4,858,743
ANNUAL CONRETE REPAIRS/MAINT	771,891.93	31,578.76	740,313
ATP CYCLE 6_5TH E CORR SCHOOL CON	7,738,809.16	-	7,738,809
AV EVENT CENTER AND EVAC CENTR	5,361,647.25	2,825,838.00	2,535,809
AVE J AT-GRADE CROSSING	2,220,928.73	141,913.92	2,079,015
AVE J/SR 138 (SR 14) INTRCHG - MSR	34,055,652.38	8,018,738.41	26,036,914
AVE K AT-GRADE CROSSING	1,349,832.98	144,751.13	1,205,082
AVE K/SR 138 (SR 14) INTRCHG - MSR	7,633,604.27	(3,464,003.01)	11,097,607
AVE L AND 5TH E DRAINAGE IMPRV	5,150,000.00	20,535.09	5,129,465
AVE M AT-GRADE CROSSING	1,119,213.47	140,755.36	978,458
AVE M/SR 138 (SR 14) INTRCHG - MSR	8,353,097.03	(47,039.40)	8,400,136
AVHUSD PROP ACQUISITION	6,754,904.26	5,989,713.46	765,191
AVTA BUS STOP IMPROVEMENTS	3,043,592.51	13,528.08	3,030,064
BLVD PARKING LOT IMPROVEMENTS	792,882.87	8,587.90	784,295
CDBG-FY24	(160,889.50)	(1,138,196.72)	977,307
CITY BEAUTIFICATION	2,264,878.81	-	2,264,879
CITY HALL FACE LIFT	1,452,222.13	535,288.17	916,934
CITY HALL RESILIENCY/BATTERY	2,404,593.01	-	2,404,593
DRAINAGE IMPACT FEES REFUNDED	721,534.65	-	721,535
FENCE/LANDSCAPE RPLCMNT-SIERRA HWY	2,280,087.97	5,247.86	2,274,840
HIGH VIS XWALK STANDARDIZATION	786,994.87	12,646.86	774,348
INDOOR REC COMPLEX & WRKFRC TRNG CT	900,773.50	-	900,774
LANCASTER HEALTH DISTRICT	26,816,877.89	2,221,431.46	24,595,446
LPAC IMPROVEMENTS	854,047.42	256,001.10	598,046
MARIPOSA PARK IMPROVEMENTS	4,024,783.66	2,190,000.40	1,834,783
MPD IMPROV BASIN AT AV M/ 32ND W -	2,170,179.17	112,556.59	2,057,623
MUNICIPAL STADIUM RENOVATION	2,118,706.00	1,039,819.34	1,078,887
OMP HARDCOURT IMPROVEMENTS	1,352,776.86	625,466.47	727,310
PARK AND FACILITY BUILD RENNO	971,433.90	252,776.00	718,658
PARK N RIDE PARKING REFURBISH	3,578,615.59	113,670.61	3,464,945
PEDESTRIAN GAP CLOSURE IMPS	2,473,693.81	(4,702,485.29)	7,176,179
PLHA2020	1,080,020.00	-	1,080,020
PMP - RB NBH	6,724,367.90	5,326,502.50	1,397,865
RDP PLAYGROUND AND HARDCOURT IMPROV	1,082,517.00	273,092.30	809,425
SAFER STREETS ACTION PLAN	1,179,290.81	95,743.28	1,083,548
SPP EL DORADO PARK IMPROVEMENT	7,779,830.84	562,845.35	7,216,985
TRACT IMPROVEMENTS WESTERN INSUR	3,434,325.00	-	3,434,325
TROPICAL STORM HILARY REPAIRS AND	2,000,000.00	-	2,000,000
WELLNESS FACILITY	5,000,000.00	-	5,000,000
YARD FACILITIES IMPROVEMENTS	777,636.72	-	777,637

NOTE 15 LANCASTER CHOICE ENERGY

Lancaster Energy (LE) has registered as a Community Choice Aggregator (CCA) for the purpose of delivering electric services to certain customers located within the City of Lancaster. LE entered into an administrative services agreement with California Choice Energy Authority (CalChoice), for administration, energy procurement, contract negotiation, contract administration, resource planning services, and other services provided to the LE 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 CalChoice is a party on behalf of LE. Due to large sales of Resource Adequacy, payments to LE from CalChoice for the fiscal year ended June 30, 2024, totaled $12,933,202.

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

During the fiscal year ended June 30, 2024, the total payments made by LE under the take or pay contracts was $67,384,326. At June 30, 2024, the remaining take or pay contracts for LE is $307,475,587 through December 2041.

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, 2024, was as follows:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due One Year	Due in More than One Year
Other Borrowings:						
2004 County Fire	$ 780,000	$ -	$ 780,000	$ -	$ -	$ -
2004 County - Sheriff	1,680,000	-	1,680,000	-	-	-
2015 Housing A&B	17,270,000	-	1,120,000	16,150,000	775,000	15,375,000
2017 Housing	50,530,000	-	2,785,000	47,745,000	3,325,000	44,420,000
2016 A-1 & A-2 Non-Housing	44,470,000	-	2,965,000	41,505,000	3,050,000	38,455,000
2016 B-1 & B-2 Non-Housing	12,960,000	-	765,000	12,195,000	805,000	11,390,000
2021 Lease Revenue Bonds	3,416,000	-	232,000	3,184,000	236,000	2,948,000
Total Successor Agency	131,106,000	-	10,327,000	120,779,000	8,191,000	112,588,000
Unamortized Original Issue (Discount) or Premium	9,048,600	-	615,766	8,432,834	-	8,432,834
Net Long-Term Debt	$ 140,154,600	$ -	$ 10,942,766	$ 129,211,834	$ 8,191,000	$ 121,020,834

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 note was paid off during the year.

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 note was paid off during the year.

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, 2024, is $16,150,000.

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, 2024, is $47,745,000.

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, 2024, is $41,505,000.

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, 2024, is $12,195,000.

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, 2024, is $3,184,000.

The annual requirements to amortize the outstanding bond indebtedness for the Lancaster Redevelopment Agency Bonds and Notes, as of June 30, 2024, including interest, are as follows:

Year Ending June 30,	Principal	Interest	Total
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	8,960,000	3,592,135	12,552,135
2029	9,337,000	3,257,825	12,594,825
2030 - 2034	51,263,000	9,989,213	61,252,213
2035 - 2039	24,890,000	1,781,270	26,671,270
2040 - 2041	1,310,000	26,200	1,336,200
Total	$ 120,779,000	$ 31,683,172	$ 152,462,172

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 $152,462,172 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 $13,001,546 and the debt service obligation on the bonds was $15,151,506 broken down as follows:

Scope of Fund Recognized by Successor Agency for enforceable Obligations:	Received in FY 23/24
Redevelopment Property Tax Trust Funds (RPTTF)	$ 13,001,546

Debt Service Obligations Due in FY 2023/2024	Principal Due	Interest Due	Total
Non-Housing, Housing, and School Bus (RPTTF)	$ 7,635,000	$ 4,995,006	$ 12,630,006
County Fire and Sheriff Bonds (Paid From Fire and Sheriff Pass-Through Funds)	2,460,000	61,500	2,521,500
Total Successor Agency Debt Service Obligations FY 23/24	$ 10,095,000	$ 5,056,506	$ 15,151,506

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, 2024, is $7,912,442. The Successor Agency made repayments totaling $0 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, 2024, totals $25,172,326. The total amount due to the City and Housing Authority from the Successor Agency on these prior advances is $57,183,788. 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, 2024, the following defeased bond issues are still outstanding:

	Outstanding Amount
The Combined Housing Financing Bonds 2003 Issue	$ 2,495,000
Tax Allocation Bonds (Housing Programs) 2009 Issue	19,880,000

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.

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 297 participants in the Plan for the year ended June 30, 2024. Employer contributions are based on an employee's tier of eligibility. For the year ended June 30, 2024, employer contributions totaled $1,572,000. 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.

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, 2024. Employer contributions for the year ended June 30, 2024, totaled $739,652.

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, 2023, were restated as follows:

	Governmental Activities	Lancaster Housing Authority	LA County Reimbursement	Measure H	Business-Type Activities	California Choice Energy Authority
Net Position/Fund Balance - Beginning of Year, as Previously Reported, July 1, 2023	$ 1,025,190,861	$ 73,120,880	$ (255,676)	$ -	$ 10,762,536	$ 1,009,951
Increase in Net Position/Fund Balance for Correction of an Error:						
Land Disposals Recorded in the Housing Authority	(7,056,907)	(7,056,907)	-	-	-	-
Land Disposals Recorded in Governmental Activities	(2,333,078)	-	-	-	-	-
Land Acquisitions Recorded in the Housing Authority	5,030,823	5,030,823	-	-	-	-
Donated Acquistions Held for Resale in the Housing Authority	6,563,702	-	-	-	-	-
Decrease in Net Position/Fund Balance for Other Restatement:						
Change Within Financial Reporting Entity	-	-	216,892	(216,892)	(1,009,951)	(1,009,951)
Net Position/Fund Balance - Beginning of Year, as Restated, July 1, 2023	$ 1,027,395,401	$ 71,094,796	$ (38,784)	$ (216,892)	$ 9,752,585	$ -

A. Changes Within Financial Reporting Entity

Change in Component Unit

California Choice Energy Authority (Energy Authority) was previously reported as a blended component unit in the City's financial statement because its board was substantively the same as the City of Lancaster City Council. However, effective January 2024, each member of the Energy Authority appointed a representative to be a Board Member. Therefore, because the board no longer is substantively the same as the City of Lancaster's City Council, the Energy Authority no longer meets the requirements for presentation as a blended component unit. The effects of that change within the financial reporting entity are in the table above.

NOTE 20 RESTATEMENT (CONTINUED)

A. Changes Within Financial Reporting Entity (Continued)

Change Reporting Fund

The Measure H Special Revenue Fund, which was previously included within the Los Angeles County Reimbursement Special Revenue Fund, is now being reported as a separate fund by management in the current year.

B. Correction of an Error in Previously Issued Financial Statements

During fiscal year 2024, the City discovered that parcels of land purchased within the Lancaster Housing Authority in a previous period were not properly reported, resulting in a net impact of $2 million. Of this amount, $3.65 million was donated to a non-profit organization in fiscal year 2023 but was not properly expensed. Additionally, $2.35 million pertains to land sold in fiscal year 2023, that was not properly disposed. Another $1 million is related to the correction of an error due to improper financial statement classification. Prior period land acquisitions include $5 million of land that was erroneously expensed to land acquisitions instead of being capitalized, and $6.5 million of donated land intended for sale, which is offset by a deferred inflow of resources on the Lancaster Housing Authority Special Revenue Fund statement and presented as a correction of an error in the Statement of Activities.

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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, 2024

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	$ 4,617,487	$ 4,222,786	$ 3,835,000	$ 3,812,712	$ 3,984,412
Interest on Total Pension Liability	15,486,594	14,305,083	13,947,225	13,228,411	12,492,922
Differences Between Expected and Actual Experience	8,337,543	(4,406,814)	1,656,000	1,608,904	1,303,631
Changes in Assumptions	-	7,974,044	-	-	-
Changes in Benefit Terms	218,866	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(10,800,859)	(9,515,662)	(9,063,152)	(8,246,671)	(7,180,971)
Net Change in Total Pension Liability	17,859,631	12,579,437	10,375,073	10,403,356	10,599,994
Total Pension Liability - Beginning of Year	218,978,683	206,399,246	196,024,173	185,620,817	175,020,823
Total Pension Liability - End of Year (a)	$ 236,838,314	$ 218,978,683	$ 206,399,246	$ 196,024,173	$ 185,620,817
Plan Fiduciary Net Position:					
Contributions - Employer	$ 8,635,828	$ 7,691,954	$ 6,735,805	$ 6,104,781	$ 5,376,086
Contributions - Employee	1,893,145	1,681,343	1,518,908	1,680,632	1,594,327
Net Investment Income (Loss)	9,381,408	(12,367,601)	30,324,328	6,427,646	7,935,508
Benefit Payments	(10,800,859)	(9,515,662)	(9,063,152)	(8,246,671)	(7,180,971)
Net Plan to Plan Resource Movement	-	-	-	-	277
Administrative and Other Expense	(110,210)	(101,218)	(132,960)	(179,482)	(85,403)
Net Change in Plan Fiduciary Net Position	8,999,312	(12,611,184)	29,382,929	5,786,906	7,639,824
Plan Fiduciary Net Position - Beginning of Year	149,873,354	162,484,538	133,101,609	127,314,703	119,674,879
Plan Fiduciary Net Position - End of Year (b)	$ 158,872,666	$ 149,873,354	$ 162,484,538	$ 133,101,609	$ 127,314,703
Net Pension Liability (Asset) - Ending (a)-(b)	$ 77,965,648	$ 69,105,329	$ 43,914,708	$ 62,922,564	$ 58,306,114
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.08%	68.44%	78.72%	67.90%	68.59%
Covered Payroll	$ 30,917,064	$ 26,429,406	$ 23,010,769	$ 20,370,100	$ 19,995,467
Net Pension Liability as Percentage of Covered Payroll	252.18%	261.47%	190.84%	308.90%	291.60%

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%.
From fiscal year June 30, 2023, to June 30, 2024:
There were no changes in assumptions.

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
CalPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	$ 4,089,766	$ 4,120,166	$ 3,757,280	$ 3,659,838	$ 3,783,673
Interest on Total Pension Liability	11,749,454	11,094,780	10,446,457	9,650,056	9,015,665
Differences Between Expected and Actual Experience	925,375	(449,010)	1,362,060	(445,730)	-
Changes in Assumptions	(1,119,628)	9,732,561	-	(2,517,116)	-
Changes in Benefit Terms	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(6,203,088)	(5,495,333)	(4,608,628)	(4,011,772)	(3,666,038)
Net Change in Total Pension Liability	9,441,879	19,003,164	10,957,169	6,335,276	9,133,300
Total Pension Liability - Beginning of Year	165,578,944	146,575,780	135,618,611	129,283,335	120,150,035
Total Pension Liability - End of Year (a)	$ 175,020,823	$ 165,578,944	$ 146,575,780	$ 135,618,611	$ 129,283,335
Plan Fiduciary Net Position:					
Contributions - Employer	$ 4,949,350	$ 4,609,250	$ 4,077,018	$ 3,803,574	$ 3,549,119
Contributions - Employee	1,606,648	1,558,516	1,628,815	1,611,229	1,556,684
Net Investment Income (Loss)	9,429,980	11,061,811	535,654	2,090,380	13,752,204
Benefit Payments	(6,203,088)	(5,495,333)	(4,608,628)	(4,011,772)	(3,666,038)
Net Plan to Plan Resource Movement	(277)	-	-	-	-
Administrative and Other Expense	(498,688)	(145,875)	(59,256)	(109,427)	-
Net Change in Plan Fiduciary Net Position	9,283,925	11,588,369	1,573,603	3,383,984	15,191,969
Plan Fiduciary Net Position - Beginning of Year	110,390,954	98,802,585	97,228,982	93,844,998	78,653,029
Plan Fiduciary Net Position - End of Year (b)	$ 119,674,879	$ 110,390,954	$ 98,802,585	$ 97,228,982	$ 93,844,998
Net Pension Liability (Asset) - Ending (a)-(b)	$ 55,345,944	$ 55,187,990	$ 47,773,195	$ 38,389,629	$ 35,438,337
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.38%	66.67%	67.41%	71.69%	72.59%
Covered Payroll	$ 20,482,128	$ 19,501,764	$ 19,428,612	$ 19,407,546	$ 19,312,337
Net Pension Liability as Percentage of Covered Payroll	270.22%	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%.
From fiscal year June 30, 2023, to June 30, 2024:
There were no changes in assumptions.

CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CalPERS PENSION PLANS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	$ 9,181,497	$ 8,632,023	$ 7,699,142	$ 6,735,678	$ 6,104,781
Contributions in Relation to the Actuarially Determined Contributions	(9,181,497)	(8,632,023)	(7,699,142)	(6,735,678)	(6,104,781)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered Payroll	$ 26,429,406	$ 23,010,769	$ 20,370,100	$ 20,158,000	$ 20,370,100
Contributions as a Percentage of Covered Payroll	34.74%	37.51%	37.80%	33.41%	29.92%
Notes to Schedule:					
Valuation Date	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
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%	2.30%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)	(2)
Investment Rate of Return	6.90% (3)	6.90% (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.

CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
CalPERS PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
Actuarially Determined Contribution	$ 5,376,086	$ 4,949,350	$ 4,609,250	$ 4,077,018
Contributions in Relation to the Actuarially Determined Contributions	(5,376,086)	(4,949,350)	(4,609,250)	(4,077,018)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -
Covered Payroll	$ 19,995,467	$ 20,482,128	$ 19,501,764	$ 19,428,612
Contributions as a Percentage of Covered Payroll	26.81%	24.16%	22.71%	20.96%
Notes to Schedule:				
Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/213
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(1)	(1)	(1)	(1)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(2)	(2)	(2)	(2)
Investment Rate of Return	7.375% (3)	7.50% (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, 2024

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Measurement Period Ended	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Total Pension Liability:					
Service Cost	$ -	$ -	$ -	$ -	$ 1,569
Interest on Total Pension Liability	482,476	494,992	481,917	545,037	569,756
Differences Between Expected and Actual Experience	(184,766)	-	-	-	134,522
Changes in Assumptions	(18,652)	35,169	(670,041)	1,173,341	439,122
Changes in benefits	-	-	(163,673)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(756,009)	(728,778)	(710,129)	(705,047)	(694,049)
Net Change in Total Pension Liability	(476,951)	(198,617)	(1,061,926)	1,013,331	450,920
Total Pension Liability - Beginning of Year	11,677,215	11,875,832	12,937,758	11,924,427	11,473,507
Total Pension Liability - End of Year (a)	$ 11,200,264	$ 11,677,215	$ 11,875,832	$ 12,937,758	$ 11,924,427
Plan Fiduciary Net Position:					
Contributions - Employer	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	-	-	-	-	-
Net Investment Income (Loss)	580,129	(1,187,427)	1,786,017	262,205	536,880
Administrative Expense	(14,315)	(16,638)	(16,893)	(16,793)	(17,313)
Benefit Payments	(756,009)	(728,778)	(710,129)	(705,047)	(694,049)
Net Change in Plan Fiduciary Net Position	(190,195)	(1,932,843)	1,058,995	(459,635)	(174,482)
Plan Fiduciary Net Position - Beginning of Year	7,571,389	9,504,232	8,445,237	8,904,872	9,079,354
Plan Fiduciary Net Position - End of Year (b)	$ 7,381,194	$ 7,571,389	$ 9,504,232	$ 8,445,237	$ 8,904,872
Net Pension Liability (Asset) - Ending (a)-(b)	$ 3,819,070	$ 4,105,826	$ 2,371,600	$ 4,492,521	$ 3,019,555
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.90%	64.84%	80.03%	65.28%	74.68%
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%.
From fiscal year June 30, 2023, to June 30, 2024:
The discount rate was updated from 4.27% to 4.32%.

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, 2024

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Period Ended	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Total Pension Liability:					
Service Cost	$ 1,577	$ 1,485	$ 1,000	$ 1,000	$ 1,000
Interest on Total Pension Liability	568,236	578,723	636,000	605,000	607,000
Differences Between Expected and Actual Experience	-	89,030	-	156,000	-
Changes in Assumptions	(188,575)	(161,368)	1,837,000	350,000	-
Changes in benefits	-	-	-	-	-
Benefit Payments, Including Refunds of Employee Contributions	(678,957)	(665,644)	(652,000)	(640,000)	(627,000)
Net Change in Total Pension Liability	(297,719)	(157,774)	1,822,000	472,000	(19,000)
Total Pension Liability - Beginning of Year	11,771,226	11,929,000	10,107,000	9,635,000	9,654,000
Total Pension Liability - End of Year (a)	$ 11,473,507	$ 11,771,226	$ 11,929,000	$ 10,107,000	$ 9,635,000
Plan Fiduciary Net Position:					
Contributions - Employer	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	-	-	-	-	-
Net Investment Income (Loss)	551,796	881,421	(108)	230,000	1,204,000
Administrative Expense	(18,115)	(18,063)	(23,332)	(20,000)	(20,000)
Benefit Payments	(678,957)	(665,644)	(665,644)	(640,000)	(627,000)
Net Change in Plan Fiduciary Net Position	(145,276)	197,714	(689,084)	(430,000)	557,000
Plan Fiduciary Net Position - Beginning of Year	9,224,630	9,026,916	9,716,000	10,146,000	9,589,000
Plan Fiduciary Net Position - End of Year (b)	$ 9,079,354	$ 9,224,630	$ 9,026,916	$ 9,716,000	$ 10,146,000
Net Pension Liability (Asset) - Ending (a)-(b)	$ 2,394,153	$ 2,546,596	$ 2,902,084	$ 391,000	$ (511,000)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.13%	78.37%	75.67%	96.13%	105.30%
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

CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Actuarially Determined Contribution	$ 218,175	$ 234,572	$ 217,689	$ 233,631	$ 311,000
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-	-
Contribution Deficiency (Excess)	$ 218,175	$ 234,572	$ 217,689	$ 233,631	$ 311,000
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	6/30/2022	6/30/2021	6/30/2021	6/30/2019	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%	2.50%	2.75%	2.75%
Salary Scale:					
Aggregate	3.00%	3.00%	3.00%	3.00%	3.00%
Merit (CalPERS Experience Study)	2021	2000-2019	2000-2019	1997-2015	1997-2015
Investment Rate of Return:					
06/30/23 Valuation	4.32%, including inflation and net of investment expenses				
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 and 6/30/23 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:					
06/30/24 Measurement Date	CalPERS 2021 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2021.				
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.				

CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS
PARS PENSION PLAN (CONTINUED)
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Actuarially Determined Contribution	$ 337,000	$ 89,000	$ 93,000	$ 52,000	$ -
Contributions in Relation to the Actuarially Determined Contributions	-	-	-	-	-
Contribution Deficiency (Excess)	$ 337,000	$ 89,000	$ 93,000	$ 52,000	$ -
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	6/30/2017	6/30/2015	6/30/2015	6/30/213	6/30/213
Methods and Assumptions Used to Determine Contribution Rates:					
Single and Agent Employers	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	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 Closed	10 Years Open
Asset Valuation Method	Market Value	Market Value	Market Value	Market Value	Market Value
Inflation	2.75%	3.00%	3.00%	3.00%	3.00%
Salary Scale:					
Aggregate	3.00%	3.25%	3.25%	3.25%	3.25%
Merit (CalPERS Experience Study)	1997-2015	1997-2011	1997-2011	1997-2007	1997-2007
Investment Rate of Return:					
06/30/23 Valuation	4.32%, including inflation and net of investment expenses				
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 and 6/30/23 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:					
06/30/24 Measurement Date	CalPERS 2021 Experience Study, Mortality Table projected fully generational with Society of Actuaries Scale MP-2021.				
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.				

CITY OF LANCASTER
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2024

Fiscal Year End	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Measurement Date	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018	6/30/2017
Total OPEB Liability:							
Service Cost	$ 427,974	$ 416,520	$ 556,718	$ 544,912	$ 514,497	$ 549,862	$ 533,847
Interest on Total OPEB Liability	1,311,591	1,262,548	1,747,735	1,711,964	1,640,380	1,574,306	1,500,990
Change in Assumption	560,296	(643,491)	(358,865)	(498,407)	(1,320,939)	-	-
Difference Between Expected and Actual Experience	(2,174,130)	-	(5,656,872)	-	1,492,298	-	-
Benefit Payments, Including Refunds of Employee Contributions	(1,220,306)	(1,181,090)	(1,132,629)	(1,263,243)	(1,159,375)	(903,880)	(851,733)
Net Change in Total OPEB Liability	(1,094,575)	(145,513)	(4,843,913)	495,226	1,166,861	1,220,288	1,183,104
Total OPEB Liability - Beginning of Year	22,983,928	23,129,441	27,973,354	27,478,128	26,311,267	25,090,979	23,907,875
Total OPEB Liability - End of Year (a)	21,889,353	22,983,928	23,129,441	27,973,354	27,478,128	26,311,267	25,090,979
Plan Fiduciary Net Position:							
Contributions - Employer	3,038,434	3,027,605	1,132,629	2,451,000	2,973,720	2,521,850	2,757,002
Net Investment Income	569,865	(2,062,879)	2,423,434	652,096	717,403	470,766	400,018
Administrative Expenses	(4,573)	(4,093)	(4,425)	(6,167)	(2,205)	(11,481)	(3,027)
Benefit Payments	(1,220,306)	(1,181,090)	(1,132,629)	(1,263,243)	(1,159,375)	(903,880)	(851,733)
Net Change in Plan Fiduciary Net Position	2,383,420	(220,457)	2,419,009	1,833,686	2,529,543	2,077,255	2,302,260
Plan Fiduciary Net Position - Beginning of Year	14,200,195	14,420,652	12,001,643	10,167,957	7,638,414	5,561,159	3,258,899
Plan Fiduciary Net Position - End of Year (b)	16,583,615	14,200,195	14,420,652	12,001,643	10,167,957	7,638,414	5,561,159
Net OPEB Liability - Ending (a)-(b)	$ 5,305,738	$ 8,783,733	$ 8,708,789	$ 15,971,711	$ 17,310,171	$ 18,672,853	$ 19,529,820
Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability	75.76%	61.78%	62.35%	42.90%	37.00%	29.03%	22.16%
Covered - Employee Payroll	$ 26,906,110	$ 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	19.72%	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
From fiscal year June 30, 2023, to June 30, 2024:
Discount rate changed from 5.75% to 5.50%

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

CITY OF LANCASTER
SCHEDULE OF CONTRIBUTIONS – OPEB
LAST TEN FISCAL YEARS*
YEAR ENDED JUNE 30, 2024

Fiscal Year Ended	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Contractually Required Contribution (Actuarially Determined)	$ 1,080,580	$ 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	(2,307,440)	(3,038,434)	(3,027,604)	(1,132,629)	(2,451,000)	(2,973,720)	(2,521,850)
Contribution Deficiency (Excess)	$ (1,226,860)	$ (1,938,496)	$ (1,181,089)	$ 852,898	$ (478,000)	$ (964,720)	$ (422,850)
Covered - Employee Payroll	$ 29,550,948	$ 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	10.20%	11.30%	12.30%	5.36%	12.03%	14.12%	13.26%
Notes to Schedule:							
Valuation Date	6/30/2023	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	Entry Age	Entry Age	Entry Age	Entry Age	Entry Age	Entry age	Entry age
Amortization Method	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level Dollar	Level dollar	Level dollar
Amortization Period	20 Year Fixed 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%	2.50%	2.75%	2.75%	2.75%	2.75%	3.00%
Mortality	CalPERS 2021 Experience 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-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% decreasing to 5.00% in 2021, Medicare 7.80% decreasing to 5.00% in 2021.						
06/30/17 Valuation	Non-Medicare 7.50% decreasing to 4.00% in 2076, Medicare 6.50% decreasing to 4.00% in 2076.						
06/30/19 Valuation	Non-Medicare 7.25% decreasing to 4.00% in 2076, Medicare 6.30% decreasing to 4.00% in 2076.						
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.						
06/30/23 Valuation	Initial rate of 8.00%, decreasing 0.50% annually to an ultimate rate of 4.50% for Pre-65 and 6.50% decreasing by 0.25% annually to an ultimate rate of 4.50% for Post-65.						

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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, 2024

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
ASSETS				
Pooled Cash and Investments	$ 2,984,021	$ 90,587	$ 850,165	$ 1,736,681
Receivables:				
Accounts	35,591	26,944	-	224,373
Taxes	1,651,442	-	16,998	-
Due from Other Governments	-	-	-	1,239,601
Notes and Loans, Net	-	-	-	-
Prepaid Items	133,161	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 4,804,215	$ 117,531	$ 867,163	$ 3,200,655
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 473,576	$ 9,807	$ 164,664	$ 722,763
Accrued Liabilities	248,773	-	7,229	116,055
Unearned Revenues	-	-	-	60,932
Due to Other Funds	-	-	-	-
Retentions Payable	41,805	-	-	-
Total Liabilities	764,154	9,807	171,893	899,750
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	79,350	19,943	-	1,239,601
Total Deferred Inflows of Resources	79,350	19,943	-	1,239,601
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	133,161	-	-	-
Restricted:				
Community Development Projects	-	87,781	-	1,061,304
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	3,827,550	-	695,270	-
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	-	-	-
Total Fund Balances (Deficits)	3,960,711	87,781	695,270	1,061,304
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 4,804,215	$ 117,531	$ 867,163	$ 3,200,655

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
ASSETS				
Pooled Cash and Investments	$ 916,999	$ 7,514,482	$ -	$ 10,818,267
Receivables:				
Accounts	117,998	-	-	-
Taxes	-	-	-	302,616
Due from Other Governments	-	-	-	-
Notes and Loans, Net	590,061	-	-	-
Prepaid Items	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 1,625,058	$ 7,514,482	$ -	$ 11,120,883
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ 70,118	$ -	$ 218,386
Accrued Liabilities	-	2,091	-	2,401
Unearned Revenues	-	-	-	-
Due to Other Funds	-	-	18,125	-
Retentions Payable	-	-	-	55,766
Total Liabilities	-	72,209	18,125	276,553
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	7,442,273	-	10,844,330
Housing and Neighborhood Revitalization	1,625,058	-	-	-
Unassigned	-	-	(18,125)	-
Total Fund Balances (Deficits)	1,625,058	7,442,273	(18,125)	10,844,330
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 1,625,058	$ 7,514,482	$ -	$ 11,120,883

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
ASSETS				
Pooled Cash and Investments	$ -	$ -	$ 536,947	$ 3,087,958
Receivables:				
Accounts	1,409,876	78,319	-	103,599
Taxes	-	-	-	-
Due from Other Governments	1,568,472	2,944,632	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 2,978,348	$ 3,022,951	$ 536,947	$ 3,191,557
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 324,510	$ 449,806	$ 70,590	$ 103,121
Accrued Liabilities	3,549	63,862	-	-
Unearned Revenues	-	757,453	-	103,599
Due to Other Funds	1,988,534	1,588,914	-	-
Retentions Payable	-	-	-	-
Total Liabilities	2,316,593	2,860,035	70,590	206,720
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	534,816	2,960,428	-	-
Total Deferred Inflows of Resources	534,816	2,960,428	-	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	126,939	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	466,357	-
Development Services	-	-	-	2,984,837
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	(2,797,512)	-	-
Total Fund Balances (Deficits)	126,939	(2,797,512)	466,357	2,984,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,978,348	$ 3,022,951	$ 536,947	$ 3,191,557

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
ASSETS				
Pooled Cash and Investments	$ 11,256,521	$ -	$ 1,047,770	$ 2,609,705
Receivables:				
Accounts	247,252	16,239	-	222,388
Taxes	-	-	-	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 11,503,773	$ 16,239	$ 1,047,770	$ 2,832,093
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 268,589	$ 21,316	$ -	$ 242,823
Accrued Liabilities	460	3,998	-	1,189
Unearned Revenues	247,252	-	-	222,388
Due to Other Funds	-	107,779	-	-
Retentions Payable	-	-	-	-
Total Liabilities	516,301	133,093	-	466,400
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	-	7,289	-	-
Total Deferred Inflows of Resources	-	7,289	-	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	10,987,472	-	1,047,770	2,365,693
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	-	(124,143)	-	-
Total Fund Balances (Deficits)	10,987,472	(124,143)	1,047,770	2,365,693
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 11,503,773	$ 16,239	$ 1,047,770	$ 2,832,093

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	AQMD	Lancaster Drainage Maintenance District	Traffic Safety	Zero-Net Energy Solar Mitigation In Lieu
ASSETS				
Pooled Cash and Investments	$ -	$ 938,863	$ 257,669	$ 117,379
Receivables:				
Accounts	18,750	-	-	-
Taxes	-	42,599	27,259	-
Due from Other Governments	-	-	-	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 18,750	$ 981,462	$ 284,928	$ 117,379
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ 4,375	$ 43,275	$ -	$ -
Accrued Liabilities	-	36,374	-	-
Unearned Revenues	-	-	-	-
Due to Other Funds	14,375	-	-	-
Retentions Payable	-	-	-	-
Total Liabilities	18,750	79,649	-	-
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	18,750	-	-	-
Total Deferred Inflows of Resources	18,750	-	-	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	284,928	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	901,813	-	117,379
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	(18,750)	-	-	-
Total Fund Balances (Deficits)	(18,750)	901,813	284,928	117,379
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 18,750	$ 981,462	$ 284,928	$ 117,379

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			
	LA County Reimbursement	Measure H	MTA Grant	Urban Structure Program
ASSETS				
Pooled Cash and Investments	$ -	$ -	$ -	$ 1,882,368
Receivables:				
Accounts	364,009	2,303,641	1,408,073	25,646
Taxes	-	-	-	-
Due from Other Governments	-	238,403	1,164,514	-
Notes and Loans, Net	-	-	-	-
Prepaid Items	-	-	-	-
Restricted Assets:				
Cash and Investments With Fiscal Agents	-	-	-	-
Total Assets	$ 364,009	$ 2,542,044	$ 2,572,587	$ 1,908,014
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	$ -	$ 129,780	$ 84,567	$ 217,518
Accrued Liabilities	-	60,650	20,566	-
Unearned Revenues	-	-	-	25,646
Due to Other Funds	364,009	2,378,506	2,357,299	-
Retentions Payable	-	-	109,625	-
Total Liabilities	364,009	2,568,936	2,572,057	243,164
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenues	364,009	238,403	1,290,494	-
Total Deferred Inflows of Resources	364,009	238,403	1,290,494	-
FUND BALANCES (DEFICITS)				
Nonspendable:				
Prepaid Items	-	-	-	-
Restricted:				
Community Development Projects	-	-	-	-
Public Safety	-	-	-	-
Parks, Recreation, and Arts	-	-	-	1,664,850
Development Services	-	-	-	
Housing and Neighborhood Revitalization	-	-	-	-
Unassigned	(364,009)	(265,295)	(1,289,964)	-
Total Fund Balances (Deficits)	(364,009)	(265,295)	(1,289,964)	1,664,850
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 364,009	$ 2,542,044	$ 2,572,587	$ 1,908,014

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds				
	Mariposa Lily	Sewer Maintenance District	Proposition 1B	Proposition 42	Measure R
ASSETS					
Pooled Cash and Investments	$ 62,733	$ 1,006,650	$ 6,296	$ 46,543	$ -
Receivables:					
Accounts	-	14,106	-	-	1,866,389
Taxes	-	79,063	-	-	227,629
Due from Other Governments	-	-	-	-	12,257,739
Notes and Loans, Net	-	-	-	-	-
Prepaid Items	-	16,900	-	-	240
Restricted Assets:					
Cash and Investments With Fiscal Agents	-	-	-	-	-
Total Assets	$ 62,733	$ 1,116,719	$ 6,296	$ 46,543	$ 14,351,997
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ -	$ 168,020	$ -	$ -	$ 2,919,863
Accrued Liabilities	-	103,985	-	-	9,440
Unearned Revenues	-	-	-	-	-
Due to Other Funds	-	-	-	-	5,084,246
Retentions Payable	-	91,144	-	-	598,589
Total Liabilities	-	363,149	-	-	8,612,138
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	-	-	-	-	12,266,512
Total Deferred Inflows of Resources	-	-	-	-	12,266,512
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid Items	-	16,900	-	-	240
Restricted:					
Community Development Projects	-	-	-	-	-
Public Safety	-	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-	-
Development Services	62,733	736,670	6,296	46,543	-
Housing and Neighborhood Revitalization	-	-	-	-	-
Unassigned	-	-	-	-	(6,526,893)
Total Fund Balances (Deficits)	62,733	753,570	6,296	46,543	(6,526,653)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 62,733	$ 1,116,719	$ 6,296	$ 46,543	$ 14,351,997

CITY OF LANCASTER
COMBINING BALANCE SHEET
OTHER GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2024

	Special Revenue Funds			Capital Projects Fund	
	Measure M	Lancaster Lighting District	AVAQMD	Capital Projects	Total Other Governmental Funds
ASSETS					
Pooled Cash and Investments	$ 1,921,272	$ 7,132,181	$ -	$ -	$ 56,822,057
Receivables:					
Accounts	-	75,535	324,231	-	8,882,959
Taxes	258,073	127,486	-	-	2,733,165
Due from Other Governments	62,024	-	-	-	19,475,385
Notes and Loans, Net	-	-	-	-	590,061
Prepaid Items	360	750	-	-	151,411
Restricted Assets:					
Cash and Investments With Fiscal Agents	-	479	-	-	479
Total Assets	$ 2,241,729	$ 7,336,431	$ 324,231	$ -	$ 88,655,517
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable	$ 28,550	$ 625,824	$ -	$ -	$ 7,361,841
Accrued Liabilities	58,249	17,638	44,792	-	801,301
Unearned Revenues	-	-	-	-	1,417,270
Due to Other Funds	-	-	266,741	-	14,168,528
Retentions Payable	-	-	-	-	896,929
Total Liabilities	86,799	643,462	311,533	-	24,645,869
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenues	62,024	31,690	324,231	-	19,437,540
Total Deferred Inflows of Resources	62,024	31,690	324,231	-	19,437,540
FUND BALANCES (DEFICITS)					
Nonspendable:					
Prepaid Items	360	750	-	-	151,411
Restricted:					
Community Development Projects	-	-	-	-	1,276,024
Public Safety	-	-	-	-	284,928
Parks, Recreation, and Arts	-	-	-	-	2,131,207
Development Services	2,092,546	6,660,529	-	-	50,819,704
Housing and Neighborhood Revitalization	-	-	-	-	1,625,058
Unassigned	-	-	(311,533)	-	(11,716,224)
Total Fund Balances (Deficits)	2,092,906	6,661,279	(311,533)	-	44,572,108
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 2,241,729	$ 7,336,431	$ 324,231	$ -	$ 88,655,517

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Gas Tax	Community Services	Landscape Maintenance District	Housing and Community Development
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-
Intergovernmental	9,345,674	-	-	3,612,730
Charges for Services	-	-	2,136,781	-
Investment Earnings	152,013	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	20,310	-
Miscellaneous	2,186	40,898	525	-
Total Revenues	9,499,873	40,898	2,157,616	3,612,730
EXPENDITURES				
Current:				
General Government	69,912	20,459	-	2,205,005
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	67,823	20,380	-	-
Development Services	8,365,656	1,676	2,571,425	-
Housing and Neighborhood Revitalization	-	-	-	247,694
Capital Outlay	3,765,025	-	-	2,225,710
Debt Service:				
Principal Retirement	-	-	-	205,000
Interest and Fiscal Charges	-	-	-	5,891
Total Expenditures	12,268,416	42,515	2,571,425	4,889,300
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,768,543)	(1,617)	(413,809)	(1,276,570)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,869,807	-	-	671
Transfers Out	(2,772,559)	-	(263,119)	(571,453)
Total Other Financing Sources (Uses)	3,097,248	-	(263,119)	(570,782)
NET CHANGE IN FUND BALANCES	328,705	(1,617)	(676,928)	(1,847,352)
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	3,632,006	89,398	1,372,198	2,908,656
Change within the financial reporting entity	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	3,632,006	89,398	1,372,198	2,908,656
FUND BALANCES (DEFICITS) - END OF YEAR	$ 3,960,711	$ 87,781	$ 695,270	$ 1,061,304

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	HOME Program	Proposition A	Bikeway Improvement	Proposition C
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-
Intergovernmental	1,286,042	4,644,715	190,039	3,852,684
Charges for Services	-	-	-	-
Investment Earnings	-	174,446	-	248,552
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	1,286,042	4,819,161	190,039	4,101,236
EXPENDITURES				
Current:				
General Government	1,281,382	1,607,025	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	110,071	-	-
Development Services	-	120,146	31,505	257,775
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	596,710	181,467	2,403,028
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	1,281,382	2,433,952	212,972	2,660,803
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	4,660	2,385,209	(22,933)	1,440,433
OTHER FINANCING SOURCES (USES)				
Transfers In	-	65,091	-	19,802
Transfers Out	(719)	(174,697)	(12,464)	-
Total Other Financing Sources (Uses)	(719)	(109,606)	(12,464)	19,802
NET CHANGE IN FUND BALANCES	3,941	2,275,603	(35,397)	1,460,235
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	1,621,117	5,166,670	17,272	9,384,095
Change within the financial reporting entity	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	1,621,117	5,166,670	17,272	9,384,095
FUND BALANCES (DEFICITS) - END OF YEAR	$ 1,625,058	$ 7,442,273	$ (18,125)	$ 10,844,330

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Federal Grants	State Grants	Parks Development	Developer Fees - Signals
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	27,680	219,843
Intergovernmental	6,503,969	1,600,009	-	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	6,503,969	1,600,009	27,680	219,843
EXPENDITURES				
Current:				
General Government	-	180,179	-	-
Public Safety	796,853	132,165	-	-
Community Development	-	373,221	-	-
Parks, Recreation, and Arts	-	172,720	-	-
Development Services	139,123	273,924	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	1,939,531	1,953,870	85,900	55,321
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	2,875,507	3,086,079	85,900	55,321
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,628,462	(1,486,070)	(58,220)	164,522
OTHER FINANCING SOURCES (USES)				
Transfers In	2,416,225	217,469	-	-
Transfers Out	(1,928,167)	(52,383)	-	-
Total Other Financing Sources (Uses)	488,058	165,086	-	-
NET CHANGE IN FUND BALANCES	4,116,520	(1,320,984)	(58,220)	164,522
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	(3,989,581)	(1,476,528)	524,577	2,820,315
Change within the financial reporting entity	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	(3,989,581)	(1,476,528)	524,577	2,820,315
FUND BALANCES (DEFICITS) - END OF YEAR	$ 126,939	$ (2,797,512)	$ 466,357	$ 2,984,837

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	Developer Fees - Drainage	Recycled Water	Biological Impact Fees	Traffic Impact Fees
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	255,055	-	119,882	612,427
Intergovernmental	-	-	-	-
Charges for Services	-	115,233	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	255,055	115,233	119,882	612,427
EXPENDITURES				
Current:				
General Government	-	580	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	33,411	217,024	-	-
Housing and Neighborhood Revitalization		-	-	-
Capital Outlay	191,331	579	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	224,742	218,183	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	30,313	(102,950)	119,882	612,427
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	-	(71,685)	-	(1,595)
Total Other Financing Sources (Uses)	-	(71,685)	-	(1,595)
NET CHANGE IN FUND BALANCES	30,313	(174,635)	119,882	610,832
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	10,957,159	50,492	927,888	1,754,861
Change within the financial reporting entity	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	10,957,159	50,492	927,888	1,754,861
FUND BALANCES (DEFICITS) - END OF YEAR	$ 10,987,472	$ (124,143)	$ 1,047,770	$ 2,365,693

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	AQMD	Lancaster Drainage Maintenance District	Traffic Safety	Zero-Net Energy Solar Mitigation In Lieu
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	-
Intergovernmental	-	-	-	-
Charges for Services	-	2,388,126	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	96,542	-
Contributions	-	-	-	-
Miscellaneous	-	-	36,483	10,679
Total Revenues	-	2,388,126	133,025	10,679
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Community Development	18,750	303,000	-	-
Parks, Recreation, and Arts	-	-	-	-
Development Services	-	1,517,566	-	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	668,897	-	-
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	18,750	2,489,463	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(18,750)	(101,337)	133,025	10,679
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(24,565)	(624,368)	(133,025)	(505)
Total Other Financing Sources (Uses)	(24,565)	(624,368)	(133,025)	(505)
NET CHANGE IN FUND BALANCES	(43,315)	(725,705)	-	10,174
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	24,565	1,627,518	284,928	107,205
Change within the financial reporting entity	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	24,565	1,627,518	284,928	107,205
FUND BALANCES (DEFICITS) - END OF YEAR	$ (18,750)	$ 901,813	$ 284,928	$ 117,379

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			
	LA County Reimbursement	Measure H	MTA Grant	Urban Structure Program
REVENUES				
Taxes	$ -	$ -	$ -	$ -
Licenses and Permits	-	-	-	208,154
Intergovernmental	-	2,163,635	1,859,989	-
Charges for Services	-	-	-	-
Investment Earnings	-	-	-	-
Fines and Forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total Revenues	-	2,163,635	1,859,989	208,154
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	-	-	-	-
Community Development	-	-	-	-
Parks, Recreation, and Arts	322,045	2,185,316	-	-
Development Services	-	-	124,871	-
Housing and Neighborhood Revitalization	-	-	-	-
Capital Outlay	-	-	2,140,011	276,080
Debt Service:				
Principal Retirement	-	-	-	-
Interest and Fiscal Charges	-	-	-	-
Total Expenditures	322,045	2,185,316	2,264,882	276,080
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(322,045)	(21,681)	(404,893)	(67,926)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	49,595	8,737
Transfers Out	(3,180)	(26,722)	(49,306)	(51,149)
Total Other Financing Sources (Uses)	(3,180)	(26,722)	289	(42,412)
NET CHANGE IN FUND BALANCES	(325,225)	(48,403)	(404,604)	(110,338)
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	(255,676)	-	(885,360)	1,775,188
Change within the financial reporting entity	216,892	(216,892)	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	(38,784)	(216,892)	(885,360)	1,775,188
FUND BALANCES (DEFICITS) - END OF YEAR	$ (364,009)	$ (265,295)	$ (1,289,964)	$ 1,664,850

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds				
	Mariposa Lily	Sewer Maintenance District	Proposition 1B	Proposition 42	Measure R
REVENUES					
Taxes	$ -	$ 4,492,009	$ -	$ -	$ -
Licenses and Permits	-	260,716	-	-	-
Intergovernmental	-	-	-	-	8,846,255
Charges for Services	-	-	-	-	-
Investment Earnings	-	-	144	-	90,374
Fines and Forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	103	-	-	-
Total Revenues	-	4,752,828	144	-	8,936,629
EXPENDITURES					
Current:					
General Government	-	92,366	-	-	-
Public Safety	-	-	-	-	-
Community Development	-	-	-	-	-
Parks, Recreation, and Arts	-	-	-	-	-
Development Services	-	3,217,081	-	-	267,050
Housing and Neighborhood Revitalization	-	-	-	-	-
Capital Outlay	-	718,044	-	-	10,315,097
Debt Service:					
Principal Retirement	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-
Total Expenditures	-	4,027,491	-	-	10,582,147
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	725,337	144	-	(1,645,518)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	522,871
Transfers Out	-	(1,540,957)	-	-	(1,079,849)
Total Other Financing Sources (Uses)	-	(1,540,957)	-	-	(556,978)
NET CHANGE IN FUND BALANCES	-	(815,620)	144	-	(2,202,496)
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	62,733	1,569,190	6,152	46,543	(4,324,157)
Change within the financial reporting entity	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	62,733	1,569,190	6,152	46,543	(4,324,157)
FUND BALANCES (DEFICITS) - END OF YEAR	$ 62,733	$ 753,570	$ 6,296	$ 46,543	$ (6,526,653)

CITY OF LANCASTER
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – OTHER GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	Special Revenue Funds			Capital Projects Fund	
	Measure M	Lancaster Lighting District	AVAQMD	Capital Projects	Total Other Governmental Funds
REVENUES					
Taxes	$ -	$ -	$ -	$ -	$ 4,492,009
Licenses and Permits	-	-	-	-	1,703,757
Intergovernmental	4,182,509	-	-	-	48,088,250
Charges for Services	-	6,601,772	-	-	11,241,912
Investment Earnings	70,393	-	-	-	735,922
Fines and Forfeitures	-	-	-	-	96,542
Contributions	-	-	-	-	20,310
Miscellaneous	-	18,171	1,075,538	1,108	1,185,691
Total Revenues	4,252,902	6,619,943	1,075,538	1,108	67,564,393
EXPENDITURES					
Current:					
General Government	-	-	905,556	-	6,362,464
Public Safety	-	-	-	-	929,018
Community Development	-	105,825	-	-	800,796
Parks, Recreation, and Arts	-	-	-	-	2,878,355
Development Services	84,655	5,220,535	-	-	22,443,423
Housing and Neighborhood Revitalization	-	-	-	-	247,694
Capital Outlay	1,741,427	6,090	-	-	29,264,118
Debt Service:					
Principal Retirement	-	620,000	-	-	825,000
Interest and Fiscal Charges	-	352,056	-	-	357,947
Total Expenditures	1,826,082	6,304,506	905,556	-	64,108,815
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	2,426,820	315,437	169,982	1,108	3,455,578
OTHER FINANCING SOURCES (USES)					
Transfers In	26,184	-	-	2,397,458	11,593,910
Transfers Out	(1,619,773)	(346,622)	-	(4,280,617)	(15,629,479)
Total Other Financing Sources (Uses)	(1,593,589)	(346,622)	-	(1,883,159)	(4,035,569)
NET CHANGE IN FUND BALANCES	833,231	(31,185)	169,982	(1,882,051)	(579,991)
Fund Balances (Deficits) - Beginning of Year, as Previously Presented	1,259,675	6,692,464	(481,515)	1,882,051	45,152,099
Change within the financial reporting entity	-	-	-	-	-
Fund Balances (Deficits) - Beginning of Year, as Restated	1,259,675	6,692,464	(481,515)	1,882,051	45,152,099
FUND BALANCES (DEFICITS) - END OF YEAR	$ 2,092,906	$ 6,661,279	$ (311,533)	$ -	$ 44,572,108

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GAS TAX SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 3,632,006	$ 3,632,006	$ 3,632,006	$ -
RESOURCES (INFLOWS)				
Intergovernmental	8,986,575	8,986,575	9,345,674	359,099
Investment Earnings	-	-	152,013	152,013
Miscellaneous	240	1,272	2,186	914
Transfers In	10,018,879	10,018,879	5,869,807	(4,149,072)
Amounts Available for Appropriations	22,637,700	22,638,732	19,001,686	(3,637,046)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	69,912	(69,912)
Parks, Recreation, and Arts	414,050	530,280	67,823	462,457
Development Services	11,369,196	9,387,187	8,365,656	1,021,531
Capital Outlay	4,276,849	8,073,412	3,765,025	4,308,387
Transfers Out	2,746,432	2,746,432	2,772,559	(26,127)
Total Charges to Appropriations	18,806,527	20,737,311	15,040,975	5,696,336
BUDGETARY FUND BALANCE - END OF YEAR	$ 3,831,173	$ 1,901,421	$ 3,960,711	$ 2,059,290

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,372,198	$ 1,372,198	$ 1,372,198	$ -
RESOURCES (INFLOWS)				
Charges for Services	1,950,000	1,950,000	2,136,781	186,781
Contributions	-	-	20,310	20,310
Miscellaneous	-	-	525	525
Transfers In	929,108	929,108	-	(929,108)
Amounts Available for Appropriations	4,251,306	4,251,306	3,529,814	(721,492)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	3,241,480	3,261,971	2,571,425	690,546
Transfers Out	263,366	263,366	263,119	247
Total Charges to Appropriations	3,504,846	3,525,337	2,834,544	690,793
BUDGETARY FUND BALANCE - END OF YEAR	$ 746,460	$ 725,969	$ 695,270	$ (30,699)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 2,908,656	$ 2,908,656	$ 2,908,656	$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,400,000	5,228,911	3,612,730	(1,616,181)
Transfers In	-	-	671	671
Amounts Available for Appropriations	5,308,656	8,137,567	6,522,057	(1,615,510)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	2,324,527	2,205,005	119,522
Housing and Neighborhood Revitalization	-	132,604	247,694	(115,090)
Capital Outlay	1,457,443	4,024,784	2,225,710	1,799,074
Debt Service:				
Principal Retirement	199,954	205,000	205,000	-
Interest and Fiscal Charges	5,891	5,891	5,891	-
Transfers Out	-	-	571,453	(571,453)
Total Charges to Appropriations	1,663,288	6,692,806	5,460,753	1,232,053
BUDGETARY FUND BALANCE - END OF YEAR	$ 3,645,368	$ 1,444,761	$ 1,061,304	$ (383,457)

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
HOME PROGRAM SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,621,117	$ 1,621,117	$ 1,621,117	$ -
RESOURCES (INFLOWS)				
Intergovernmental	2,000,000	2,000,000	1,286,042	(713,958)
Amounts Available for Appropriations	3,621,117	3,621,117	2,907,159	(713,958)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	2,804,046	2,922,046	1,281,382	1,640,664
Transfers Out	719	719	719	-
Total Charges to Appropriations	2,804,765	2,922,765	1,282,101	1,640,664
BUDGETARY FUND BALANCE - END OF YEAR	$ 816,352	$ 698,352	$ 1,625,058	$ 926,706

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION A SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 5,166,670	$ 5,166,670	$ 5,166,670	$ -
RESOURCES (INFLOWS)				
Intergovernmental	5,062,428	5,062,428	4,644,715	(417,713)
Investment Earnings	14,040	14,040	174,446	160,406
Transfers In	-	-	65,091	65,091
Amounts Available for Appropriations	10,243,138	10,243,138	10,050,922	(192,216)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	1,610,090	1,610,090	1,607,025	3,065
Parks, Recreation, and Arts	270,203	270,203	110,071	160,132
Development Services	94,126	94,126	120,146	(26,020)
Capital Outlay	-	10,735,220	596,710	10,138,510
Transfers Out	174,697	174,697	174,697	-
Total Charges to Appropriations	2,149,116	12,884,336	2,608,649	10,275,687
BUDGETARY FUND BALANCE - END OF YEAR	$ 8,094,022	$ (2,641,198)	$ 7,442,273	$ 10,083,471

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
BIKEWAY IMPROVEMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 17,272	$ 17,272	$ 17,272	$ -
RESOURCES (INFLOWS)				
Intergovernmental	204,932	204,932	190,039	(14,893)
Amounts Available for Appropriations	222,204	222,204	207,311	(14,893)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	31,505	(31,505)
Capital Outlay	-	436,657	181,467	255,190
Transfers Out	-	-	12,464	(12,464)
Total Charges to Appropriations	-	436,657	225,436	211,221
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 222,204	$ (214,453)	$ (18,125)	$ 196,328

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION C SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 9,384,095	$ 9,384,095	$ 9,384,095	$ -
RESOURCES (INFLOWS)				
Intergovernmental	4,199,151	4,199,151	3,852,684	(346,467)
Investment Earnings	18,000	18,000	248,552	230,552
Transfers In	-	-	19,802	19,802
Amounts Available for Appropriations	13,601,246	13,601,246	13,505,133	(96,113)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	257,775	(257,775)
Capital Outlay	-	25,016,579	2,403,028	22,613,551
Total Charges to Appropriations	-	25,016,579	2,660,803	22,355,776
BUDGETARY FUND BALANCE - END OF YEAR	$ 13,601,246	$ (11,415,333)	$ 10,844,330	$ 22,259,663

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
FEDERAL GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	$ (3,989,581)	$ (3,989,581)	$ (3,989,581)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	6,856,288	7,956,288	6,503,969	(1,452,319)
Transfers In	-	-	2,416,225	2,416,225
Amounts Available for Appropriations	2,866,707	3,966,707	4,930,613	963,906
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Public Safety	-	1,100,000	796,853	303,147
Community Development	2,450,524	2,450,524	-	2,450,524
Development Services	-	-	139,123	(139,123)
Capital Outlay	202,950	6,837,248	1,939,531	4,897,717
Transfers Out	-	-	1,928,167	(1,928,167)
Total Charges to Appropriations	2,653,474	10,387,772	4,803,674	5,584,098
BUDGETARY FUND BALANCE - END OF YEAR	$ 213,233	$ (6,421,065)	$ 126,939	$ 6,548,004

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
STATE GRANTS SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	$ (1,476,528)	$ (1,476,528)	$ (1,476,528)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	22,536,267	26,535,519	1,600,009	(24,935,510)
Transfers In	-	-	217,469	217,469
Amounts Available for Appropriations	21,059,739	25,058,991	340,950	(24,718,041)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	180,179	(180,179)
Public Safety	60,000	402,000	132,165	269,835
Community Development	2,443,367	3,413,872	373,221	3,040,651
Parks, Recreation, and Arts	-	1,403,006	172,720	1,230,286
Development Services	-	585,550	273,924	311,626
Capital Outlay	12,144,240	29,302,736	1,953,870	27,348,866
Transfers Out	121,037	121,037	52,383	68,654
Total Charges to Appropriations	14,768,644	35,228,201	3,138,462	32,089,739
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 6,291,095	$ (10,169,210)	$ (2,797,512)	$ 7,371,698

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PARKS DEVELOPMENT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 524,577	$ 524,577	$ 524,577	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	40,000	40,000	27,680	(12,320)
Amounts Available for Appropriations	564,577	564,577	552,257	(12,320)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	134,750	403,113	85,900	317,213
Total Charges to Appropriations	134,750	403,113	85,900	317,213
BUDGETARY FUND BALANCE - END OF YEAR	$ 429,827	$ 161,464	$ 466,357	$ 304,893

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 2,820,315	$ 2,820,315	$ 2,820,315	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	84,000	84,000	219,843	135,843
Amounts Available for Appropriations	2,904,315	2,904,315	3,040,158	135,843
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	-	2,857,216	55,321	2,801,895
Total Charges to Appropriations	-	2,857,216	55,321	2,801,895
BUDGETARY FUND BALANCE - END OF YEAR	$ 2,904,315	$ 47,099	$ 2,984,837	$ 2,937,738

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 10,957,159	$ 10,957,159	$ 10,957,159	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	450,000	450,000	255,055	(194,945)
Amounts Available for Appropriations	11,407,159	11,407,159	11,212,214	(194,945)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	33,411	(33,411)
Capital Outlay	-	9,694,985	191,331	9,503,654
Total Charges to Appropriations	-	9,694,985	224,742	9,470,243
BUDGETARY FUND BALANCE - END OF YEAR	$ 11,407,159	$ 1,712,174	$ 10,987,472	$ 9,275,298

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
RECYCLED WATER SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 50,492	$ 50,492	$ 50,492	$ -
RESOURCES (INFLOWS)				
Charges for Services	-	125,000	115,233	(9,767)
Transfers In	194,486	194,486	-	(194,486)
Amounts Available for Appropriations	369,978	369,978	165,725	(204,253)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	-	-	580	(580)
Development Services	249,469	350,979	217,024	133,955
Capital Outlay	-	-	579	(579)
Transfers Out	71,685	71,685	71,685	-
Total Charges to Appropriations	321,154	422,664	289,868	132,796
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 48,824	$ (52,686)	$ (124,143)	$ (71,457)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 927,888	$ 927,888	$ 927,888	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	300,000	300,000	119,882	(180,118)
Amounts Available for Appropriations	1,227,888	1,227,888	1,047,770	(180,118)
BUDGETARY FUND BALANCE - END OF YEAR	$ 1,227,888	$ 1,227,888	$ 1,047,770	$ (180,118)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,754,861	$ 1,754,861	$ 1,754,861	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	200,000	200,000	612,427	412,427
Amounts Available for Appropriations	1,954,861	1,954,861	2,367,288	412,427
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	-	-	1,595	(1,595)
Total Charges to Appropriations	-	-	1,595	(1,595)
BUDGETARY FUND BALANCE - END OF YEAR	$ 1,954,861	$ 1,954,861	$ 2,365,693	$ 410,832

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
AQMD SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 24,565	$ 24,565	$ 24,565	$ -
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	-	-	18,750	(18,750)
Transfers Out	5,279	5,279	24,565	(19,286)
Total Charges to Appropriations	5,279	5,279	43,315	(38,036)
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 119,096	$ 119,096	$ (18,750)	$ (137,846)

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,627,518	$ 1,627,518	$ 1,627,518	$ -
RESOURCES (INFLOWS)				
Charges for Services	2,133,000	2,133,000	2,388,126	255,126
Amounts Available for Appropriations	3,760,518	3,760,518	4,015,644	255,126
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	317,922	320,567	303,000	17,567
Development Services	1,617,835	1,829,491	1,517,566	311,925
Capital Outlay	-	1,521,570	668,897	852,673
Transfers Out	598,921	598,921	624,368	(25,447)
Total Charges to Appropriations	2,534,678	4,270,549	3,113,831	1,156,718
BUDGETARY FUND BALANCE - END OF YEAR	$ 1,225,840	$ (510,031)	$ 901,813	$ 1,411,844

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
TRAFFIC SAFETY SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 284,928	$ 284,928	$ 284,928	$ -
RESOURCES (INFLOWS)				
Fines and Forfeitures	160,000	160,000	96,542	(63,458)
Miscellaneous	100,000	100,000	36,483	(63,517)
Amounts Available for Appropriations	544,928	544,928	417,953	(126,975)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Transfers Out	260,000	260,000	133,025	126,975
Total Charges to Appropriations	260,000	260,000	133,025	126,975
BUDGETARY FUND BALANCE - END OF YEAR	$ 284,928	$ 284,928	$ 284,928	$ -

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR AS RESTATED	$ (38,784)	$ (38,784)	$ (38,784)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	-	480,000	-	(480,000)
Amounts Available for Appropriations	(38,784)	441,216	(38,784)	(480,000)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	-	586,154	322,045	264,109
Transfers Out	-	-	3,180	(3,180)
Total Charges to Appropriations	-	586,154	325,225	260,929
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ (38,784)	$ (144,938)	$ (364,009)	$ (219,071)

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE H SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR AS RESTATED	$ (216,892)	$ (216,892)	$ (216,892)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	3,114,682	3,956,769	2,163,635	(1,793,134)
Amounts Available for Appropriations	2,897,790	3,739,877	1,946,743	(1,793,134)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Parks, Recreation, and Arts	3,471,447	4,285,724	2,185,316	2,100,408
Transfers Out	-	-	26,722	(26,722)
Total Charges to Appropriations	3,471,447	4,285,724	2,212,038	2,073,686
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ (573,657)	$ (545,847)	$ (265,295)	$ 280,552

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MTA GRANT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	$ (885,360)	$ (885,360)	$ (885,360)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	1,460,390	1,460,390	1,859,989	399,599
Transfers In	-	-	49,595	49,595
Amounts Available for Appropriations	575,030	575,030	1,024,224	449,194
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	124,871	(124,871)
Capital Outlay	-	3,293,742	2,140,011	1,153,731
Transfers Out	-	-	49,306	(49,306)
Total Charges to Appropriations	-	3,293,742	2,314,188	979,554
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 575,030	$ (2,718,712)	$ (1,289,964)	$ 1,428,748

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,775,188	$ 1,775,188	$ 1,775,188	$ -
RESOURCES (INFLOWS)				
Licenses and Permits	-	-	208,154	208,154
Transfers In	-	-	8,737	8,737
Amounts Available for Appropriations	1,775,188	1,775,188	1,992,079	216,891
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Capital Outlay	415,655	1,454,975	276,080	1,178,895
Transfers Out	42,507	42,507	51,149	(8,642)
Total Charges to Appropriations	458,162	1,497,482	327,229	1,170,253
BUDGETARY FUND BALANCE - END OF YEAR	$ 1,317,026	$ 277,706	$ 1,664,850	$ 1,387,144

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,569,190	$ 1,569,190	$ 1,569,190	$ -
RESOURCES (INFLOWS)				
Taxes	4,400,000	4,400,000	4,492,009	92,009
Licenses and Permits	272,400	272,400	260,716	(11,684)
Miscellaneous	1,000	1,000	103	(897)
Amounts Available for Appropriations	6,242,590	6,242,590	6,322,018	79,428
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
General Government	88,491	88,491	92,366	(3,875)
Development Services	3,374,732	3,739,236	3,217,081	522,155
Capital Outlay	-	1,041,934	718,044	323,890
Transfers Out	1,540,594	1,540,594	1,540,957	(363)
Total Charges to Appropriations	5,003,817	6,410,255	5,568,448	841,807
BUDGETARY FUND BALANCE - END OF YEAR	$ 1,238,773	$ (167,665)	$ 753,570	$ 921,235

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION 1B SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 6,152	$ 6,152	$ 6,152	$ -
RESOURCES (INFLOWS)				
Investment Earnings	-	-	144	144
Amounts Available for Appropriations	6,152	6,152	6,296	144
BUDGETARY FUND BALANCE - END OF YEAR	$ 6,152	$ 6,152	$ 6,296	$ 144

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
PROPOSITION 42 SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 46,543	$ 46,543	$ 46,543	$ -
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	17,783	17,783	-	17,783
Total Charges to Appropriations	17,783	17,783	-	17,783
BUDGETARY FUND BALANCE - END OF YEAR	$ 28,760	$ 28,760	$ 46,543	$ 17,783

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE R SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE (DEFICIT) - BEGINNING OF YEAR	$ (4,324,157)	$ (4,324,157)	$ (4,324,157)	$ -
RESOURCES (INFLOWS)				
Intergovernmental	29,863,361	29,863,361	8,846,255	(21,017,106)
Investment Earnings	20,500	20,500	90,374	69,874
Transfers In	-	-	522,871	522,871
Amounts Available for Appropriations	25,559,704	25,559,704	5,135,343	(20,424,361)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	-	-	267,050	(267,050)
Capital Outlay	-	50,156,850	10,315,097	39,841,753
Transfers Out	1,081,420	1,081,420	1,079,849	1,571
Total Charges to Appropriations	1,081,420	51,238,270	11,661,996	39,576,274
BUDGETARY FUND BALANCE (DEFICIT) - END OF YEAR	$ 24,478,284	$ (25,678,566)	$ (6,526,653)	$ 19,151,913

CITY OF LANCASTER
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
MEASURE M SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 1,259,675	$ 1,259,675	$ 1,259,675	$ -
RESOURCES (INFLOWS)				
Intergovernmental	4,313,570	4,313,570	4,182,509	(131,061)
Investment Earnings	10,000	10,000	70,393	60,393
Transfers In	-	-	26,184	26,184
Amounts Available for Appropriations	5,583,245	5,583,245	5,538,761	(44,484)
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Development Services	343,048	343,048	84,655	258,393
Capital Outlay	2,527,206	2,708,240	1,741,427	966,813
Transfers Out	6,363,906	6,363,906	1,619,773	4,744,133
Total Charges to Appropriations	9,234,160	9,415,194	3,445,855	5,969,339
BUDGETARY FUND BALANCE - END OF YEAR	$ (3,650,915)	$ (3,831,949)	$ 2,092,906	$ 5,924,855

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, 2024

	Budgeted Amounts			Variance with Final Budget Positive
	Original	Final	Actual	(Negative)
BUDGETARY FUND BALANCE - BEGINNING OF YEAR	$ 6,692,464	$ 6,692,464	$ 6,692,464	$ -
RESOURCES (INFLOWS)				
Charges for Services	5,750,000	5,750,000	6,601,772	851,772
Miscellaneous	78,000	78,000	18,171	(59,829)
Amounts Available for Appropriations	12,520,464	12,520,464	13,312,407	791,943
CHARGES TO APPROPRIATIONS (OUTFLOWS)				
Community Development	115,713	118,621	105,825	12,796
Development Services	2,960,112	6,585,540	5,220,535	1,365,005
Capital Outlay	6,090	6,090	6,090	-
Principal Retirement	620,000	620,000	620,000	-
Interest and Fiscal Charges	405,607	405,607	352,056	53,551
Transfers Out	346,622	346,622	346,622	-
Total Charges to Appropriations	4,454,144	8,082,480	6,651,128	1,431,352
BUDGETARY FUND BALANCE - END OF YEAR	$ 8,066,320	$ 4,437,984	$ 6,661,279	$ 2,223,295

CITY OF LANCASTER
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
JUNE 30, 2024

	Assessment District	Deposits	AD 92-101	CFD 89-1
ASSETS				
Pooled Cash and Investments	$ 154,596	$ 214,320	$ 202	$ 23,835
Receivable:				
Accounts	-	47,232	-	-
Taxes	-	3,420	-	-
Total Assets	154,596	264,972	202	23,835
LIABILITIES				
Deferred Revenues	-	47,231	-	-
Deposits Payable	-	241,294	-	-
Total Liabilities	-	288,525	-	-
NET POSITION				
Restricted for Bondholders	154,596	(23,553)	202	23,835
Total Net Position	$ 154,596	$ (23,553)	$ 202	$ 23,835

CITY OF LANCASTER
COMBINING STATEMENT OF FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS (CONTINUED)
JUNE 30, 2024

	CFD 90-1	CFD 91-1	CFD 91-2	CFD 21-1	Total
ASSETS					
Pooled Cash and Investments	$ (207)	$ 542	$ 42,561	$ (250)	$ 435,599
Receivable:					
Accounts	-	-	-	-	47,232
Taxes	-	-	-	-	3,420
Total Assets	(207)	542	42,561	(250)	486,251
LIABILITIES					
Deferred Revenues	-	-	-	-	47,231
Deposits Payable	-	-	-	-	241,294
Total Liabilities	-	-	-	-	288,525
NET POSITION					
Restricted for Bondholders	(207)	542	42,561	(250)	197,726
Total Net Position	$ (207)	$ 542	$ 42,561	$ (250)	$ 197,726

CITY OF LANCASTER
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS
YEAR ENDED JUNE 30, 2024

	Assessment District	Deposits	AD 92-101	CFD 89-1
ADDITIONS				
Special Assessments or Taxes Collected from Property Owners	$ -	$ -	$ -	$ -
DEDUCTIONS				
Administrative Expenses	-	23,553	-	2,185
CHANGE IN NET POSITION	-	(23,553)	-	(2,185)
Total Net Position (Deficit) - Beginning of Year	154,596	-	202	26,020
TOTAL NET POSITION (DEFICIT) - END OF YEAR	$ 154,596	$ (23,553)	$ 202	$ 23,835

CITY OF LANCASTER
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
ALL CUSTODIAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2024

	CFD 90-1	CFD 91-1	CFD 91-2	CFD 21-1	Total
ADDITIONS					
Special Assessments or Taxes Collected from Property Owners	$ -	$ -	$ 42,561	$ -	$ 42,561
DEDUCTIONS					
Administrative Expenses	-	-	-	250	25,988
CHANGE IN NET POSITION	-	-	42,561	(250)	16,573
Total Net Position (Deficit) - Beginning of Year	(207)	542	-	-	181,153
TOTAL NET POSITION (DEFICIT) - END OF YEAR	$ (207)	$ 542	$ 42,561	$ (250)	$ 197,726

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STATISTICAL SECTION

CITY OF LANCASTER
DESCRIPTION OF STATISTICAL SECTION CONTENTS
JUNE 30, 2024

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.

Contents

Financial Trends
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.

Debt Capacity
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.

Demographic and Economic Information
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.

Operating Information
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.

***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, 2024
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities										
Net Investment in Capital Assets	$ 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	$ 815,321,635
Restricted	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	133,027,456
Unrestricted	(10,727,418)	3,063,526	(1,347,011)	(6,020,947)	(13,964,865)	(80,694,919)	16,690,582	53,224,096	52,070,411	43,270,892
Total Governmental Activities Net Assets	$ 1,053,698,597	$ 1,044,902,898	$ 1,014,069,921	$ 995,991,467	$ 990,603,948	$ 983,489,489	$ 1,003,796,665	$ 1,036,415,215	$ 1,025,191,827	$ 991,619,983
Business-type activities										
Net Investment in Capital Assets	$ (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)	$ (5,110,765)
Unrestricted	(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	15,800,896
Total Business-Type Activities Net Assets	$ (2,551,661)	$ 572,736	$ 2,318,985	$ 3,359,888	$ 2,727,026	$ 7,273,689	$ 5,762,437	$ 5,954,549	$ 10,762,536	$ 10,690,131
Primary Government										
Net Investment in Capital Assets	$ 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	$ 810,210,870
Restricted	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	133,027,456
Unrestricted	(11,961,659)	4,811,607	1,970,245	(1,109,863)	(9,183,718)	(70,914,185)	25,352,990	63,883,935	67,766,162	59,071,788
Total Primary Government Net Assets	$ 1,051,146,936	$ 1,045,475,634	$ 1,016,388,906	$ 999,351,355	$ 993,330,974	$ 990,763,178	$ 1,009,559,102	$ 1,042,369,764	$ 1,035,954,363	$ 1,002,310,114

*2017 Net Assets Restated

CITY OF LANCASTER
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Expenses										
Governmental Activities:										
General Government	$ 18,151,158	$ 24,202,118	$ 8,960,666	$ 25,403,881	$ 36,559,231	$ 34,227,243	$ 35,691,615	$ 27,689,637	$ 39,446,279	$ 32,412,932
Public Safety	26,777,341	26,305,165	28,407,266	29,600,738	30,472,647	31,515,319	32,230,935	35,132,514	39,792,259	47,567,575
Community Development	3,205,562	3,075,464	3,153,141	3,596,731	3,203,719	657,480	592,696	664,521	1,297,964	10,454,150
Parks, Recreation, and Arts	14,096,265	16,934,244	16,693,089	18,330,765	19,055,172	18,323,761	17,820,781	25,614,746	26,856,459	29,566,701
Development Services	54,734,695	50,457,653	69,971,677	54,409,902	53,929,613	53,960,990	50,239,507	65,722,004	89,042,176	85,116,515
Housing and Neighborhood Revitalization	4,341,667	2,672,073	2,561,473	2,158,452	2,115,890	1,850,333	2,056,358	7,758,697	1,011,720	30,338,926
Interest on Long-Term Debt	180,567	217,001	273,270	793,067	920,559	2,315,735	3,119,743	2,551,057	3,036,813	2,548,299
Total Primary Governmental Activities Expenses	121,487,255	123,863,718	130,020,582	134,293,536	146,256,831	142,850,861	141,751,635	165,133,176	200,483,670	238,005,098
Business-type activities:										
Lancaster Power Authority	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	1,339,619
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	79,779,572
California Choice Energy Authority	-	-	52,276	2,414,623	4,287,401	5,650,866	6,033,722	7,081,730	7,517,372	4,555,947
Total Business-Type Activities Expenses	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	85,675,138
Total Primary Government Expenses	125,088,379	146,268,845	165,921,421	172,985,394	189,347,931	190,084,252	196,624,374	225,356,128	276,498,696	323,680,236
Program Revenues (see Schedule 3)										
Governmental Activities:										
Charges for Services:										
General Government	432,988	513,200	639,962	602,044	619,995	139,214	3,335,332	287,009	1,156,517	418,433
Public Safety	818,277	751,611	984,026	1,062,896	1,085,753	853,945	2,525,888	802,251	681,722	681,642
Community Development	550,551	496,533	661,602	634,154	639,536	597,666	430,021	653,198	816,687	303,034
Parks, Recreation and Arts	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	2,935,778
Development Services	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	21,870,288
Housing and Neighborhood Revitalization	303,541	226,958	229,371	365,977	237,247	1,042,728	290,464	12	3,276	-
Operating Grants and Contributions	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	48,104,288
Capital Grants and Contributions	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	19,419,463
Total Governmental Activities Program Revenues	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	93,732,926

CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for Services:										
Lancaster Power Authority	$ 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	$ 1,725,547
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	81,950,853
California Choice Energy Authority	-	-	80,000	1,495,702	4,535,102	5,438,167	5,987,488	7,206,199	8,015,547	5,254,985
Total Business-Type Activities Program Revenues	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	88,931,385
Total Primary Government Program Revenues	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	182,664,311
Governmental Activities	(59,335,872)	(70,620,908)	(80,887,847)	(76,448,162)	(78,056,651)	(75,786,830)	(52,600,567)	(69,994,828)	(116,655,864)	(144,272,172)
Business-Type Activities:	(52,815)	4,545,271	3,021,750	2,119,843	164,432	3,147,572	(3,202,808)	587,139	2,460,874	3,256,247
Net Primary Government Revenue (Expense)	(59,388,687)	(66,075,637)	(77,866,097)	(74,328,319)	(77,892,219)	(72,639,258)	(55,803,375)	(69,407,689)	(114,194,990)	(141,015,925)
Other Changes in Net Assets										
Governmental Activities:										
Taxes										
Property Taxes	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	29,116,559
Franchise Taxes	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	11,491,150
Transient Occupancy Taxes	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	2,294,723
Business Llicenses Taxes	983,968	915,740	842,598	932,469	920,998	722,837	1,223,982	1,364,377	855,151	1,489,181
Other Taxes	419,034	428,651	630,705	991,873	885,093	1,279,397	1,315,822	1,027,933	851,184	770,718
Intergovernmental	65,519	64,874	70,376	83,074	77,514	127,902	118,596	186,425	180,915	218,014
Intergovernmental -State Shared Sales Taxes	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	47,258,659
Investment Earnings	331,645	532,869	465,226	243,124	1,942,204	4,696,743	1,391,387	(1,397,099)	3,977,989	6,536,775
Miscellaneous	1,141,731	1,041,187	2,308,190	3,393,939	10,536,241	4,138,146	1,546,901	9,577,174	14,641,946	2,335,357
Gain on Sale of Land Held for Resale	2,129,772	1,158,860	443,926	1,283,807	1,220,392	888,441	513,340	801,949	433,995	2,520,183
Transfers	800,000	1,600,000	1,358,064	1,525,000	845,513	893,410	875,850	946,797	926,685	2,132,357
Total Governmental Activities	45,657,576	49,181,115	51,041,477	56,269,028	72,471,872	68,633,724	74,684,205	102,613,378	114,233,140	106,163,676
Business-Type Activities:										
Investment Earnings	1,762	6,041	10,109	25,250	48,219	34,247	860	182	313	411,543
Miscellaneous	51,700	173,085	72,454	420,810		2,258,254	2,790,669	551,588	3,273,485	143,999
Transfers	(800,000)	(1,600,000)	(1,358,064)	(1,525,000)	(845,513)	(893,410)	(875,850)	(946,797)	(926,685)	(2,132,357)
Total Business-Type Activities	(746,538)	(1,420,874)	(1,275,501)	(1,078,940)	(797,294)	1,399,091	1,915,679	(395,027)	2,347,113	(1,576,815)

CITY OF LANCASTER
CHANGES IN NET POSITION (CONTINUED)
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Extraordinary Gain/(Loss)	$ -	$ 11,789,312	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Primary Government Revenues, Contributions, Extraordinary Items and Transfers	44,911,038	59,549,553	49,765,976	55,190,088	71,674,578	70,032,815	76,599,884	102,218,351	116,580,253	104,586,861
Change in Net Assets										
Governmental Activities	(13,678,296)	(9,650,481)	(29,846,370)	(20,179,134)	(5,584,779)	(7,153,106)	22,083,638	32,618,550	(2,422,724)	(38,108,496)
Business-Type Activities	(799,353)	3,124,397	1,746,249	1,040,903	(632,862)	4,546,663	(1,287,129)	192,112	4,807,987	1,679,432
Total Primary Government	$ (14,477,649)	$ (6,526,084)	$ (28,100,121)	$ (19,138,231)	$ (6,217,641)	$ (2,606,443)	$ 20,796,509	$ 32,810,662	$ 2,385,263	$ (36,429,064)

CITY OF LANCASTER
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Fund										
Nonspendable	$ 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	$ 51,474,037
Committed	-	-	-	-	3,365,000	1,614,733	8,083,847	47,957,898	49,046,805	51,150,088
Assigned	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	25,976,348
Unassigned	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	(14,880,638)
Total General Fund	$ 42,437,721	$ 55,053,205	$ 55,555,359	$ 56,182,359	$ 62,907,617	$ 65,281,967	$ 86,205,564	$ 121,911,511	$ 119,236,452	$ 113,719,835
All Other Governmental Funds										
Nonspendable	$ 47,639	$ 138,887	$ 302,869	$ -	$ 1,952	$ -	$ 114,493	$ 29,788	$ 174,084	$ 169,356
Restricted	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	111,881,269
Assigned	17,055	-	60,647.00	60,647	60,647	556,466	1,905,548	1,882,051	-	-
Unassigned	(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)	(12,859,932)
Total all Other Governmental Funds	$ 150,859,588	$ 141,074,717	$ 135,092,704	$ 130,112,508	$ 141,024,985	$ 182,612,597	$ 184,708,486	$ 140,393,406	$ 111,497,790	$ 99,190,693

Explanation of fund balance categories and descriptions can be found in Note 1 - Summary of Significant Accounting Policies; differences in fund balances betweem 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, 2024
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues										
Taxes	$ 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	$ 72,605,732
Licenses, Fees, and Permits	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	11,002,764
Intergovernmental	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	96,679,678
Charges for Services	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	13,494,049
Investment Earnings	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	6,295,028
Fines and Forfeitures	1,031,987	958,579	1,076,830	1,248,494	1,296,476	996,310	702,937	974,257	854,519	693,324
Contributions	-	-	630	35,586	8,033	2,669	8,757	59,454	57,632	20,310
Rental Income	5,748	194,687	155,750	155,750	156,958	128,893	-	25,613	-	229,095
Gain From Sale of Land Held	-	-	-	-		30,303	472,883	570,576	433,995	2,448,984
Miscellaneous	2,167,266	2,365,424	5,320,963	6,340,721	5,930,584	6,331,271	7,193,270	9,499,352	12,513,345	2,474,519
Total Revenues	$ 97,795,587	$ 95,583,255	$ 97,979,456	$ 110,586,494	$ 132,434,580	$ 124,407,013	$ 169,175,568	$ 195,869,676	$ 167,808,520	$ 205,943,483
Expenditures										
General Government	$ 15,994,460	$ 20,261,382	$ 19,648,188	$ 21,765,331	$ 31,975,792	$ 28,610,023	$ 31,230,218	$ 34,603,620	$ 40,690,629	$ 27,904,793
Public Safety	25,019,344	26,299,308	28,401,068	29,429,466	30,290,409	31,325,203	32,319,382	35,083,490	39,778,360	47,214,163
Community Development	2,732,422	2,796,072	2,879,556	3,352,591	2,779,144	236,826	490,242	236,622	871,273	9,911,454
Parks, Recreation and Arts	12,819,404	15,218,338	16,157,838	16,769,802	17,655,903	17,042,667	15,392,513	23,729,690	24,969,678	26,682,605
Development Services	19,678,403	18,634,314	34,626,426	20,337,475	19,389,078	20,176,895	21,898,694	36,449,170	45,115,363	31,927,378
Housing and Neighborhood Revitalization	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	30,338,926
Capital Outlay	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	50,249,725
Debt Service										
Principal	549,758	607,293	771,403	1,774,883	2,524,442	3,397,596	3,055,692	2,342,636	4,492,084	3,441,773
Interest	221,672	185,367	293,259	660,933	845,577	2,413,747	3,525,805	2,976,633	3,110,856	2,923,293
Total Expenditures	96,209,708	103,783,286	119,409,719	118,629,826	131,616,930	137,538,444	140,844,322	206,064,530	205,219,548	230,594,110
Excess of Revenues Over (Under) Expenditures	1,585,879	(8,200,031)	(21,430,263)	(8,043,332)	817,650	(13,131,431)	28,331,246	(10,194,854)	(37,411,028)	(24,650,627)
Other Financing Sources (Uses)										
Sale of Capital Assets	-	-	-	-	-	526,178	40,457	576,405	4,024,793	113,377
Bonds, notes, and Loans Iissued	-	-	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	43,561
Transfers in	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	26,883,088
Transfers out	(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)	(24,750,731)
Total Other Financing Sources (Uses)	800,000	1,855,981	16,692,515	1,615,300	16,622,825	57,093,393	916,307	1,585,721	5,840,353	2,289,295
Extraordinary, Special Gain/(Loss)	-	9,174,663	-	-	-	-	-	-	-	-
Net Change in Fund Balances	$ 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)	$ (22,361,332)
Debt service as a percentage of noncapital expenditures	0.95%	0.91%	1.00%	2.53%	3.13%	5.53%	5.98%	3.72%	4.75%	3.53%

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

CITY OF LANCASTER
TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(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
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
2024	29,116,559	2,294,723	26,222,177	21,254,496	11,491,150	1,489,181	770,718	92,639,005
	-11.79%	-14.26%	-4.81%	-1.97%	54.22%	74.14%	-9.45%	-1.52%
Change	3,891,236		1,325,300	427,853	(4,039,834)	(634,030)	80,466	1,432,605
2015-2024	51.2%	42.1%	41.4%	319.2%	307.2%	62.6%	79.8%	112.6%

*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, 2024
(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*
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
2023-24	12,109,009	1,519,158	755,059	1,319,416	464,649	(52,911)	16,114,380	0.085340

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, 2024

Fiscal Year	General	Los Angeles County	Antelope Valley Union High School District	Elementary School Districts	Antelope Valley Community College	Water	Total Direct & Overlapping(1)	City's Share of 1% Levy Per Prop 13(2)	Total Direct(3)
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
2024	1.00000%	0.00000%	0.02045%	0.15664%	0.04078%	0.07049%	1.28836%	0.06611%	0.085340

Source: Los Angeles County Auditor 2014/15-2023/24 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, 2024

	2023-24				2014-15		
Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxpayer	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
WestCore Bravo Lancaster LLC	$ 146,072,160	1	0.91%	Walmart Real Estate Business Trust	$ 54,315,484	1	0.57%
AG Cordova Park Owner LP	87,815,730	2	0.54%	CP Antelope Shops LLC	49,794,429	2	0.53%
Rami Darghalli Trust	76,875,513	3	0.48%	Thrifty Payless Inc	45,911,250	3	0.49%
Walmart Stores Inc	69,834,460	4	0.43%	US Industrial Reit II	45,284,000	4	0.48%
Granada Villas REI LLC	68,616,621	5	0.43%	Kaiser	41,061,198	5	0.43%
AG Sienna Heights Owner LP	63,919,303	6	0.40%	MGF Cordova Park LP	34,117,900	6	0.36%
2018-3 IH Borrower LP	58,016,360	7	0.36%	MK RRP 117 Holston Drive LLC	31,600,000	7	0.33%
TA-High Desert LLC	50,727,911	8	0.31%	MGP IX Properties LLC	28,375,096	8	0.30%
BYD Coach and Bus LLC	50,702,029	9	0.31%	Sygma Network Inc	26,721,080	9	0.28%
Vereit Real Estate LP	49,378,113	10	0.31%	Castleblack Lancaster Owner II LLC	24,483,233	10	0.26%
Top Ten Total	$ 721,958,200		4.48%		$ 381,663,670		4.03%
City Total	16,114,379,982		100.00%	City Total	9,464,083,477		100.00%

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

CITY OF LANCASTER
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024

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
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%
2024	12,370,275	12,370,275	100%	-	12,370,275	100%

Source: City of Lancaster Finance Department

CITY OF LANCASTER
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
YEAR ENDED JUNE 30, 2024
(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
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
2024	12,950	10,250	17,155	40,355	144.68%	0.23

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, 2024
(DOLLARS IN THOUSANDS, EXCEPT PER CAPITA)

Fiscal Year	General Bonded Debt Outstanding: General Obligation Bonds	General Bonded Debt Outstanding: Tax Allocation Redevelopment Bonds	General Bonded Debt Outstanding: Total	Percentage of Actual Taxable Value [a] of Property	Per Capita [b]
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
2024	-	129,212	129,212	0.8018%	0.75

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, 2024

	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Direct and Overlapping Debt
Direct Debt			
Direct Borrowings	$ 7,054,871	100.00%	$ 7,054,871
Other Debt:			
Streetlight Acquisition Bonds of 2016	10,250,000	100.00%	10,250,000
Public Improvement Project Bonds of 2018	12,950,000	100.00%	12,950,000
Unamortized Bond Premiums	6,212,898	100.00%	6,212,898
Measure M & R Street Improvement	43,870,000	100.00%	43,870,000
Other Long-Term Liabilities	8,020,100	100.00%	8,020,100
Total Direct Debt			$ 88,357,869
Overlapping Tax and Assessment Debt			
Antelope Valley Joint Community College District	$ 422,405,916	34.47%	145,615,991
Antelope Valley Union High School District	23,149,873	39.07%	9,043,729
Eastside Union School District	14,745,000	63.99%	9,435,768
Lancaster School District	63,464,397	97.54%	61,905,077
Westside Union School District	35,525,600	29.47%	10,467,973
Westside Union School District Community Facilities Districts	20,974,389	100.00%	20,974,389
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	10,250,000	100.00%	10,250,000
California Statewide Community Development Authority Assessment Districts	6,070,000	100.00%	6,070,000
Total Overlapping Tax And Assessment Debt			283,267,927
Total Direct And Overlapping Governmental Funds Debt			$ 371,625,796
City Assessed Valuation	$ 16,195,500,834		
Incremental Value	$ 120,779,000		
Total Assessed Valuation	$ 16,316,279,834		
Debt to Assessed Valuation Ratios:			
Direct Debt		0.542%	
Overlapping and Assessment Debt		1.736%	
Total Direct and Overlapping Governmental Funds Debt		2.278%	

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, 2024
(DOLLARS IN THOUSANDS)

	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Assessed Valuation	$ 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	$ 16,195,500
Debt Limit (3.75% of Gross AV)	350,214	374,454	396,014	414,195	442,470	476,878	499,625	528,229	570,357	607,331
Total Net Debt Applicable to Limit	-	-	-	-	-	-	-	-	-	-
Legal Debt Margin	$ 350,214	$ 374,454	$ 396,014	$ 414,195	$ 442,470	$ 476,878	$ 499,625	$ 528,229	$ 570,357	$ 607,331
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, 2024
(DOLLARS IN THOUSANDS)

Fiscal Year	Redevelopment Tax Allocation Bonds			
	Property Tax Increment	Debt Service		Coverage
		Principal	Interest	
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
2024	13,002	10,095	5,057	0.86

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, 2024

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
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%
2023	172,631	$4,815,047	$27,892	6.70%	33.6	81.20%	19.40%

Source: Los Angeles County Assessor data, HdL Coren & Cone
Utilized most recent available information

CITY OF LANCASTER
TOP 10 PRINCIPAL EMPLOYERS
CURRENT CALENDAR YEAR AND TEN YEARS PRIOR
YEAR ENDED JUNE 30, 2024

	2024				2015		
Employer	Estimated Employees	Rank	Percentage of Total Valley Employment	Employer	Estimated Employees	Rank	Percentage of Total Valley Employment
Edwards Air Force Base	11,500	1	17.22%	Edwards Air Force Base	10,647	1	13.88%
Northrop Grumman	8,300	2	12.43%	China Lake Navel Weapons	6,690	2	8.72%
China Lake NWC	6,520	3	4.49%	County of Los Angeles	3,743	3	4.88%
Palmdale School District	3,000	4	4.04%	Lockheed Martin	3,700	4	4.82%
Antelope Valley Hospital Medical Center	2,700	5	9.76%	Antelope Valley Hospital	2,300	5	3.00%
Antelope Valley Union Highschool District	2,300	6	1.70%	Northrop Grumman	2,100	6	2.74%
Lancaster School District	1,136	7	3.44%	Walmart Stores (5)	1,922	7	2.51%
Antelope Valley College	850	8	1.27%	California Correctional Institute	1,915	8	2.50%
Trader Joe's Distribution Center	800	9	1.20%	Antelope Valley Mall	1,800	9	2.35%
Ride.Co (formerly BYD)	750	10	1.12%	Palmdale School District	1,792	10	2.34%
TOTAL Employment	66,800		56.67%		76,690		47.74%

Source: City of Lancaster Economic Development: City of Lancaster ACFR FY 2014-2015

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, 2024

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government										
Administrative Services	6.00	3.00	1.00	13.00	16.00	15.00	12.00	-	-	-
Air Quality Management District	-	-	-	-	-	-	-	6.00	6.00	7.00
City Clerk	2.00	3.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00	5.00
City Manager	10.25	11.75	12.75	9.75	8.00	10.00	9.00	10.00	10.00	12.00
Communications	-	-	-	-	-	-	-	4.00	4.00	5.00
Community Development	-	-	-	-	-	-	-	-	12.00	27.00
Economic Development, Housing, & Film	3.00	4.00	4.00	5.00	2.00		23.00	-	10.00	13.00
Finance & Information Technology	24.00	25.00	25.00	19.00	18.00	17.00		25.00	25.00	25.00
Housing and Neighborhood Revitalization	19.00	20.00	20.00	19.00	21.00	17.00	17.00	-	-	-
Human Resources	5.00	4.00	6.00	7.00	7.00	7.00	10.00	10.00	10.00	11.00
Planning, Building & Safety, & Energy	-	-	-	-	-	-	-	-	17.00	-
Redevelopment	-	-	-	-	-	-	-	-	-	-
City Attorney	1.00	1.00	2.00	2.00	2.00	-	-	-	-	-
Development Services	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	53.00	45.00	45.00	45.00	47.00	45.00	51.00	53.00	53.00	55.00
Public Safety	13.00	12.00	12.00	13.00	11.00	12.00	26.00	50.00	50.00	46.00
Public Works	-	-	-	-	-	-	-	-	95.00	104.00
Less vacancies filled by internal recruitments	(8.00)	(22.00)	(18.75)	(19.00)	(8.00)	-	-	-	-	-
Total	252.25	245.75	251.00	245.75	255.00	249.00	256.00	298.00	298.00	310.00
Year over year	2.00	(6.50)	5.25	(5.25)	9.25	(6.00)	7.00	42.00	-	12.00

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 disolved and divisions being absorbed by various departments

CITY OF LANCASTER
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
YEAR ENDED JUNE 30, 2024

	Fiscal Year									
Function/Program	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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