



**NOTICE OF WORK SESSION AGENDA
LANCASTER CITY COUNCIL
JAMES R. WILLIAMS WATER PUMP STATION
1999 N. JEFFERSON STREET, LANCASTER, TX 75134
Monday, February 21, 2022 - 7:00 PM**



While one or more City Council Members may be present via video or audio link, a quorum of the City Council will be at the Municipal Center-City Council Chambers, as required by the Texas Open Meetings Act.

Please click the link below to join the webinar:

https://us02web.zoom.us/join/91JmH9Aalr-GbD2E_SLppkvaF9hy

The meeting will be broadcast live via video at the following address:

<http://www.lancaster-tx.com/324/Watch-Meetings>

7:00 P.M. WORK SESSION

CALL TO ORDER

1. Receive a presentation and discuss the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended September 30, 2021, as prepared by BKD LLP, CPAs and Advisors; the City of Lancaster's independent auditors.
2. Receive a presentation from Halff Associates, Inc. regarding the Quality Residential Development planning initiative.
3. Discuss the 2021 Lancaster Police Department Racial Profiling Analysis Annual Report.
4. Discuss and receive a presentation regarding the Quarterly Financial Report for the first quarter of Fiscal Year (FY) 2021/2022 for the period beginning October 1, 2021, and ending December 31, 2021.
5. Discuss and receive an update on the first quarter of Fiscal Year (FY) 2021/2022 on the operations and management of Country View Golf Course.
6. Discuss and receive a presentation regarding the City Council's Five-Year Goals and Objectives established during the annual City Council Strategic Planning Session held on June 25th and 26th, 2021, for the first quarter of the Fiscal Year 2021/2022.

ADJOURNMENT

EXECUTIVE SESSION: The City Council reserves the right to convene into executive session on any posted agenda item pursuant to Section 551.071(2) of the Texas Government Code to seek legal advice concerning such subject.

ACCESSIBILITY STATEMENT: Meetings of the City Council are held in municipal facilities and are

wheelchair-accessible. For sign interpretive services, call the City Secretary's office, 972-218-1311, or TDD 1-800-735-2989, at least 72 hours prior to the meeting. Reasonable accommodation will be made to assist your needs.

PURSUANT TO SECTION 30.06 PENAL CODE (TRESPASS BY HOLDER WITH A CONCEALED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A CONCEALED HANDGUN.

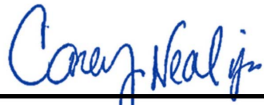
CONFORME A LA SECCION 30.06 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO 411, CODIGO DEL GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO OCULTADA.

PURSUANT TO SECTION 30.07 PENAL CODE (TRESPASS BY HOLDER WITH AN OPENLY CARRIED HANDGUN), A PERSON LICENSED UNDER SUBCHAPTER H, CHAPTER 411, GOVERNMENT CODE (HANDGUN LICENSING LAW), MAY NOT ENTER THIS PROPERTY WITH A HANDGUN THAT IS CARRIED OPENLY.

CONFORME A LA SECCION 30.07 DEL CODIGO PENAL (TRASPASAR PORTANDO ARMAS DE FUEGO AL AIRE LIBRE CON LICENCIA) PERSONAS CON LICENCIA BAJO DEL SUB-CAPITULO H, CAPITULO 411, CODIGO DE GOBIERNO (LEY DE PORTAR ARMAS), NO DEBEN ENTRAR A ESTA PROPIEDAD PORTANDO UN ARMA DE FUEGO AL AIRE LIBRE.

Certificate

I hereby certify the above Notice of Meeting was posted at Lancaster City Hall on February 17, 2022 @ 10:00 p.m. and copies thereof were provided to the Mayor, Mayor Pro-Tempore, Deputy Mayor Pro-Tempore and Council members.



Carey D. Neal, Jr.

Assistant City Manager

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

1.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Michael Delmore, Finance Director

Agenda Caption:

Receive a presentation and discuss the Annual Comprehensive Financial Report (ACFR) for the Fiscal Year ended September 30, 2021, as prepared by BKD LLP, CPAs and Advisors; the City of Lancaster's independent auditors.

Background:

The City of Lancaster, Texas engaged the independent certified public accounting firm BKD LLP, CPAs and Advisors to perform the annual audit of the City of Lancaster, Texas and its component units. This is the seventh year that BKD LLP, CPAs and Advisors has conducted the City's audit. The audit field work began in November 2021 and concluded in February 2022. The City staff and BKD LLP, CPAs and Advisors worked closely to ensure all requests and deadlines were met to accomplish this goal.

The purpose of this agenda item is for Council to receive and discuss the Annual Comprehensive Financial Report (ACFR) for the fiscal year ended September 30, 2021. The report is distributed to numerous financial institutions, bond rating agencies, the City's financial advisors, and grantors to comply with financial disclosure requirements. This report is designed to provide readers with an understanding of the financial status of the City and its results of operations.

Attachments

Audited Financial Statements FY21

Draft

City of Lancaster, Texas

Annual Comprehensive Financial Report

For the Fiscal Year Ended

September 30, 2021

Prepared by the Department of Finance

City of Lancaster, Texas
Annual Comprehensive Financial Report
Year Ended September 30, 2021
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City of Lancaster, Texas

Annual Comprehensive Financial Report

Year Ended September 30, 2021

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February __, 2022

To the Honorable Mayor, Members of City Council and Citizens of the City of Lancaster, Texas:

We hereby issue the annual comprehensive financial report of the City of Lancaster, Texas (City) for the fiscal year ended September 30, 2021. State law requires that every municipality publish within six months of the close of each year a complete set of audited financial statements, to include the auditor's opinion on the statements, and this report fulfills that requirement.

This report consists of City management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in accordance with generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose.

As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by BKD, LLP, independent auditors. The goal of the independent audit is to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2021, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation.

The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified (clean) opinion that the City's financial statements for the fiscal year ended September 30, 2021, are fairly presented in accordance with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the report of the independent auditors.



Profile

Located in Southwest Dallas County, the City of Lancaster is situated just minutes from downtown Dallas. Adjacent to I-35 on its western border and I-20 on its northern boundary, the City covers approximately 33.13 square miles, and serves an estimated 2020 population of 41,275. The City is a political subdivision and municipal corporation of the State, duly organized and existing under the laws of the State and is a home-rule city operating under a Council/Manager form of government. The Council is comprised of the Mayor and six Council members, who enact local legislation, adopt budgets, determine policies, and appoint the City Manager, City Secretary, City Attorney and Judge of the municipal court. The City Manager is the chief administrative officer for the City and is responsible for the daily management of the City. Major services provided under general government and enterprise functions are: public safety (police and fire protection), emergency medical services, construction and maintenance of streets, water and sewer delivery services, parks, recreation, library services and general administrative services.

Accounting System and Budgetary Control

One of the objectives of the City's financial accounting system is to provide adequate internal controls. Internal controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. We believe that the City's internal controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received, and the liabilities are incurred.

Accounting records for the City's enterprise activities are maintained on the accrual basis.

The City of Lancaster has adopted a comprehensive set of financial policies. During the current year the City updated its debt policy to include the GFOA recommendation to prohibit the City from investing in derivatives.

The government-wide financial statements are prepared using the accrual basis of accounting and the economic resources measurement focus. Government-wide financial statements do not provide information by fund, but distinguish between the City's governmental activities, business-type activities, and activities of its discretely presented component units on the statement of net position and statement of activities.

Budgetary Controls: The budgetary process begins each year with the preparation of both current and proposed revenue estimates by the City's administrative and financial management staff and expenditure estimates provided by each City department. Budgets are reviewed by the administrative and management staff which consists of the City Manager's office and department directors and managers. The City Manager makes final decisions and submits a recommended budget to the City Council. The proposed budget is reviewed by the City Council, a process which includes public hearing, in addition to work sessions which are open to the public. State law requires adoption of the City budget no later than the 30th day of September.

The objective of the budgetary controls maintained by the City is to ensure compliance with legal provisions embodied in the annual budget approved by the City Council. Activities of the general fund, water and sewer fund, and other funds are included in the annual budget and are appropriated annually. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amounts) is established by departments within the individual fund. The City Manager is authorized to transfer

budgeted amounts between line items and departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council.

Monthly departmental expenditure reports are generated by an automated accounting system and provide expenditure totals and encumbrances at the line-item level for the most recently completed month as well as the year-to-date total, and an actual versus budgeted rate of expenditure. Major expenditure requests are approved by the City Manager prior to the encumbrance of funds.

Relevant Financial Policies

The City has established a policy to have a balanced budget and to maintain a reserve account of 18% of budgeted expenditures. In fiscal year 2021, the General Fund accomplished this by having an unassigned fund balance of \$23,036,747 which exceeds reserve minimum requirements of 12 percent of the operating budget.

The City also has a long-range planning policy to identify major issues when developing its fiscal year budget. A five-year budget analysis of all City funds is developed to provide an understanding of the long-term impact of budget decisions. The fiscal year 2021 budget was prepared along with a planning budget for fiscal years 2022-25.

Cash Management Policies and Practices: The City's current bank depository contract is with JP Morgan Chase and will be in effect through 2022. The City's investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio. The City's investment strategies include using cash flow analysis to purchase securities; however, cash temporarily idle during the year was invested in three public funds investment pools – TexPool, LOGIC and Texas CLASS. This practice allows for a diversified balanced approach to changing interest rates. Investments in the deferred compensation plans are held by the third-party plan administrators. The investment policy is annually updated and approved by the Council in compliance with the *Texas Public Funds Investment Act*.

Pension and other post-employment benefit:

The City participates in the Texas Municipal Retirement System (TMRS), an agency authorized by the State of Texas. Employees of the City contribute seven percent of their gross pay and the City offers a 2:1 match. TMRS participants are immediately vested in those funds they contribute plus allocated interest. Participants are vested in employer contributions after five years of credited participation. If participants withdraw from TMRS prior to five years of credited participation, they may withdraw from TMRS those funds they contributed plus interest earnings. The City also provides postretirement health and dental care benefits for certain retirees and their dependents at the retiree's expense. As of the current fiscal year, there were seven retired employees receiving these benefits. Additional information on the City's pension arrangements and post-employment benefits can be found in the notes to the basic financial statements.

Local Economy

2021 like the prior year was impacted by the COVID-19 Pandemic. The pandemic impacted the world economy. Like communities around the country, Lancaster had to pivot and continue to deliver services to the community utilizing technology as well as traditional means. While not immune from the impacts of the pandemic, our healthy reserve balance, prudent fiscal policies, conservative operational practices and timely actions by the City Council and management, allowed us to end the fiscal year in a positive position. The City of Lancaster received supplemental financial support from (ARPA) American Rescue Plan Act of 2021. We successfully continued service delivery with minimal changes and disruptions while being in compliance with the health professionals recommended mitigation protocols to slow the spread of the COVID-19 virus.

Lancaster's growing economy continues to be greatly influenced by the attraction of light manufacturing, fulfillment and logistics companies to the community. Currently, over ten million square feet of industrial/distribution space is under construction or approved for construction including two large WalMart facilities, a new ThredUp facility planning to employ two thousand workers, a McKinley Packaging manufacturing plant, Niagara Bottling plant, the million square foot regional headquarters for DSV Logistics and several large industrial/distribution facilities. The companies will join several existing national companies with facilities in Lancaster including but not limited to: Quaker/PepsiCo, BMW, Liggert Industries, United Natural Foods, Inc., ICU Medical, DW Distribution, Kodiak Robotics, Mars Petcare, Petmate, Wayfair, Mobis Parts America, Georgia Pacific, Fisher Paykel, Boise Cascade, Oak Creek Homes, AT&T, Oncor, Swift Transportation, Inc., BASF, LGS Technologies, Texas Nameplate, Brenntag, CMOP and Brasscraft.

The new development will nearly double Lancaster's supply of industrial space from thirteen million square feet in 2018 to an estimated twenty-five million square feet in 2024. In addition, Lancaster offers over three thousand acres of undeveloped land zoned for manufacturing/distribution uses that is ready for development. This vacant land can accommodate over forty million additional square feet of industrial/distribution space. The interest in development in the community remains high and is expected to continue over the next three to five years.

The City's unemployment rate at FY21 end is currently 7.5%, down from the 2020 rate of 11.0% and the pandemic high of 15.3%. The City of Lancaster benefits from its easily accessible location in the Dallas-Fort Worth region, fifteen miles south of downtown Dallas and situated between three interstate highways – I-35E, I-20 and I-45. The City's location between the 3 interstate freeways and State Highway Loop 9 (under construction) has been referred to as the Golden Triangle. Lancaster is rapidly becoming an employment hub for the area. The City's location and the close proximity to job opportunities in Dallas, Fort Worth and the region also contribute to growth in the City. Lancaster is part of the Best Southwest Partnership, which includes Lancaster, Cedar Hill, DeSoto, and Duncanville.

The 2020 Census population for Lancaster is 41,275 people, an increase of 13.5% over the 2010 Census and 59.4% over the 2000 Census. Lancaster still contains a large amount of undeveloped residential land, only 50% of the City's 33.13 square miles of land are currently developed. Recent platting and residential construction activity indicate that this trend will continue.

In fiscal year 2021, the overall taxable value of property in the Lancaster was up 18.7% over the FY2020 value. Commercial and business personal property grew at a higher rate (21.9% increase) than residential property (15.8% increase).

Sales tax collections in FY2021 were significantly above FY2020 levels – 20.4% increase (\$2,140,509 increase over FY2020 collections). Sales tax collections were also 11.0% above pre-pandemic FY2019 levels. Much of the sales tax growth was from sales tax paid on construction (related to large amount of industrial construction activity), up 57.7% over FY2020; and internet retail, up 36.9% over FY2020 collections.

Major Initiatives

Annually, the City Council has adopted goals aimed at guiding Lancaster's future growth and development. For fiscal year 2021-2022, included initiatives are:

- Quality development;
- Sound infrastructure;
- Professional and committed workforce;
- Health, safe and engaged community;
- Financially sound city government.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certification of Achievement for Excellence in Financial Reporting to the City of Lancaster, Texas for its annual comprehensive financial report (ACFR) for the fiscal year ended September 30, 2020. In order to be awarded a Certificate of Achievement, the City of Lancaster, Texas had to publish an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable program requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We are submitting the September 30, 2021 report to the GFOA to determine eligibility for another certificate.

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the City's staff. In particular, we would like to recognize and express our heartfelt appreciation to all members of the Finance Department, who all worked diligently to assist and contribute to the preparation of this report. The Mayor and the City Council are to be commended for their willingness to participate in the strategic planning process for financial operations, and for their commitment to maintaining the highest standards of professionalism in the management of the City of Lancaster's finances.

Respectively submitted,

Opal Mauldin-Jones, City Manager

Michael Delmore, Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lancaster
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2020

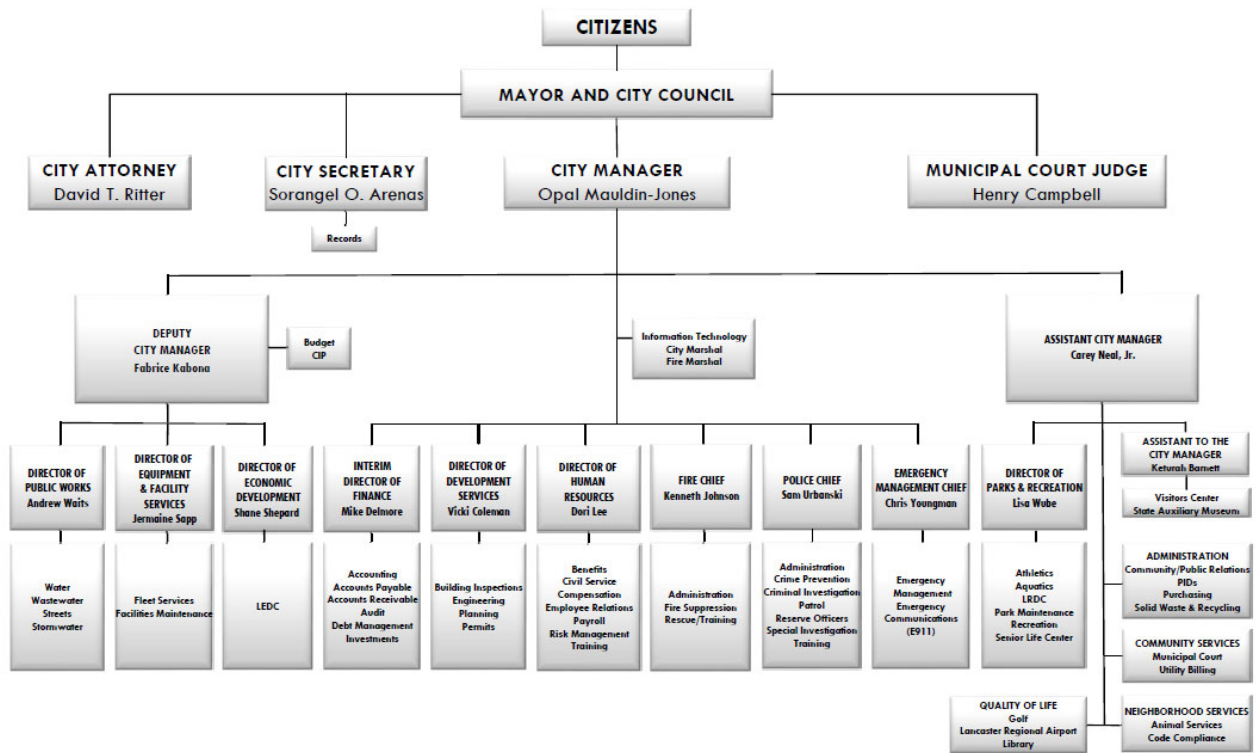
Christopher P. Morill

Executive Director/CEO

City of Lancaster, Texas Organizational Chart



FY 2021-2022 Organizational Chart City of Lancaster



Updated 09/30/2021

City of Lancaster, Texas
List of Principal Officers
as of September 30, 2021

City Council

Clyde C. Hairston	Mayor.....	Term Expires May 2024
Carol Strain-Burk.....	Council Member, District 1	Term Expires May 2022
Stanley Jaglowski.....	Deputy Mayor Pro Tem, District 2	Term Expires November 2023
Marco Mejia	Council Member, District 3	Term Expires May 2022
Keithsha Wheaton.....	Council Member, District 4	Term Expires November 2023
Racheal Hill.....	Mayor Pro Tem, District 5	Term Expires May 2022
Betty Gooden-Davis	Council Member, District 6	Term Expires November 2023

City of Lancaster, Texas
Department Directors

City Executive Staff

Opal Mauldin-Jones.....	City Manager
Fabrice Kabona	Deputy City Manager
Carey D. Neal Jr.	Assistant City Manager
Sorangel O. Arenas	City Secretary
Michael Delmore.....	Interim Director of Finance
Dori Lee	Director of Human Resources
Shane Shepard	Director of Economic Development
Jermaine Sapp.....	Director of Equipment & Facility Services
Andrew Waits	Director of Public Works
Kenneth Johnson.....	Fire Chief
Sam Urbanski	Police Chief
Lisa Wube	Director of Parks & Recreation
Vicki D. Coleman	Director of Development Services
Chris Youngman	Emergency Management Chief

Draft

Financial Section

Independent Auditor's Report

The Honorable Mayor and
Members of the City Council
City of Lancaster, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Lancaster, Texas (City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

The Honorable Mayor and
Members of the City Council
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison, pension and other post-employment benefits information as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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.

Other 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 accompanying combining and individual fund statements and the introductory and statistical sections as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The Honorable Mayor and
Members of the City Council
Page 3

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

Dallas, Texas
February 25, 2022

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

Introduction

The Management's Discussion and Analysis (MD&A) section presents a narrative overview and analysis of the financial activities of the City of Lancaster, Texas (City) for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented here in conjunction with the City's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the end of fiscal year 2021, resulting in \$156,051,200 of net position. Net position associated with governmental activities is \$74,718,261, or 48 percent of the total net position of the City. Net position associated with business-type activities is \$81,332,939, or 52 percent of the total net position of the City. The largest portion of net position consists of net investment in capital assets, which is \$82,938,540.
- Unrestricted net position, which may be used to meet the City's future obligations, consists of \$61,312,356, or 39 percent of the City's total net position. Unrestricted net position for governmental activities is \$22,556,774, or 30 percent of total net position for governmental activities. Unrestricted net position for business-type activities is \$38,755,582 or 48 percent of total net position for business-type activities.
- As of the close of fiscal year 2021, the City's Governmental Funds reported a combined ending fund balance of \$49,468,318, an increase of \$10,281,581 from the prior year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$23,360,623. This represents approximately 70 percent of General Fund expenditures.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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

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

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, for example uncollected taxes and earned, but not used, vacation leave.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental 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 include general administration, public safety, public works, drainage systems, library, human resources and finance. The business-type activities of the City include water and sewer, airport operations, refuse and golf course operations.

The government-wide financial statements include the Economic Development Corporation and the Recreational Development Corporation as part of its reporting entity as discretely presented component units. Discrete presentation entails reporting component unit financial data in columns separate from the financial data of the primary government. The Lancaster Economic Development Corporation and the Lancaster Recreational Development Corporation are legally separate entities.

Fund Financial Statements. A *fund* is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Some funds are required to be established by state law and by bond covenants. The City Council also establishes other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities when using certain taxes, grants or other money. The City's two kinds of funds – Governmental and Proprietary – utilize different accounting approaches.

Governmental Funds. The majority of the City's basic services are reported in Governmental Funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method identified as the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. The Governmental Fund statements provide a detailed short-term view of the City's general government operations and the basic services it provides. Governmental Fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.

By comparing information presented for Governmental Funds with similar information presented for governmental activities in the government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. The relationships, or differences between governmental activities (reported in the accompanying Statement of Net Position and the Statement of Activities) and Governmental Funds, are detailed in a reconciliation following the fund financial statements.

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

Information is presented separately in the accompanying Governmental Funds Balance Sheet and in the accompanying Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, Debt Service Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other Governmental Funds are combined into a single, aggregated presentation. Individual fund data for each of these Non-major Governmental Funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds. The City charges customers for the services it provides, whether to outside customers or to other units within the City. These services are generally reported in Proprietary Funds. Proprietary Funds are reported in the same way that all activities are reported in the accompanying Statement of Net Position and the Statement of Activities. The City's Enterprise Funds (a component of Proprietary Funds) are identical to the business-type activities reported in the government-wide statements, but provide information, such as cash flows.

The City maintains an Enterprise Fund to account for: (1) water and sewer services provided to the City's retail and wholesale customers, (2) trash collection and disposal services, (3) operation of the City's airport and (4) operation of the City's golf course. All activities associated with providing such services are accounted for in these funds, including administration, operation, maintenance, debt service, capital improvements, billing and collection. The City's intent is that the cost of providing the services to the general public on a continuing basis is financed through user charges in a manner similar to a private-sector business enterprise.

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 statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligations. Required supplementary information immediately follows the notes to the financial statements. Combining statements for Non-major Governmental Funds, Enterprise Funds and component units fund financial statements follow the section of required supplementary information.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As of September 30, 2021, City assets and deferred outflows of resources exceeded its liabilities and deferred inflows resulting in \$156,051,200 of net position.

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

Statement of Net Position for Governmental and Business-type Activities

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 62,994,824	\$ 42,793,428	\$ 105,788,252	\$ 51,465,822	\$ 40,487,985	\$ 91,953,807
Capital assets	102,366,999	48,115,979	150,482,978	102,827,022	48,567,549	151,394,571
Total assets	165,361,823	90,909,407	256,271,230	154,292,844	89,055,534	243,348,378
Deferred outflows of resources	3,232,356	364,583	3,596,939	3,396,756	383,856	3,780,612
Long-term liabilities	78,971,957	6,348,706	85,320,663	84,515,725	7,030,284	91,546,009
Other liabilities	12,126,850	3,323,170	15,450,020	9,650,465	3,298,917	12,949,382
Total liabilities	91,098,807	9,671,876	100,770,683	94,166,190	10,329,201	104,495,391
Deferred inflows of resources	2,777,111	269,175	3,046,286	2,131,324	206,731	2,338,055
Net position						
Net investment in capital assets	40,362,558	42,577,357	82,939,915	37,281,365	42,523,889	79,805,254
Restricted	12,231,682	-	12,231,682	9,480,064	-	9,480,064
Unrestricted	22,124,021	38,755,582	60,879,603	14,630,657	36,379,569	51,010,226
Total net position	\$ 74,718,261	\$ 81,332,939	\$ 156,051,200	\$ 61,392,086	\$ 78,903,458	\$ 140,295,544

By far, the largest portion of the City's net position (53 percent) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, vehicles and infrastructure), less any related outstanding debt that was used to acquire those assets. The City uses these capital assets to provide a variety of services to its citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (7.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$61,312,356 is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

Analysis of City's Operations. The following table provides a summary of the City's operations for the year ended September 30, 2021. Overall, the City had an increase in net position of \$16,162,170.

Revenues and Expenses for Governmental and Business-type Activities

	2021			2020		
	Governmental Activities	Business-type Activities	Total	Governmental Activities	Business-type Activities	Total
Revenues						
Program revenues						
Charges for services	\$ 9,743,310	\$ 21,419,591	\$ 31,162,901	\$ 5,145,928	\$ 20,998,155	\$ 26,144,083
Operating grants and contributions	2,546,121	-	2,546,121	4,496,757	-	4,496,757
Capital grants and contributions	-	-	-	-	-	-
General revenues						
Taxes and fees	37,384,525	-	37,384,525	34,059,101	-	34,059,101
Other	652,953	2,109,440	2,762,393	734,266	1,891,048	2,625,314
Total revenues	50,326,909	23,529,031	73,855,940	44,436,052	22,889,203	67,325,255
Expenses						
General government	6,205,691	-	6,205,691	8,618,415	-	8,618,415
Public safety	22,602,069	-	22,602,069	21,474,236	-	21,474,236
Public works	5,034,667	-	5,034,667	3,735,538	-	3,735,538
Community development and recreation	2,625,974	-	2,625,974	2,795,968	-	2,795,968
Interest and fiscal charges	2,331,002	-	2,331,002	2,794,842	-	2,794,842
Water and sewer	-	15,673,559	15,673,559	-	14,573,772	14,573,772
Refuse	-	1,702,400	1,702,400	-	1,891,782	1,891,782
Airport	-	891,042	891,042	-	780,611	780,611
Golf course	-	1,033,880	1,033,880	-	951,759	951,759
Total expenses	38,799,403	19,300,881	58,100,284	39,418,999	18,197,924	57,616,923
Increase in Net Position						
Before Transfers	11,527,506	4,228,150	15,755,656	5,017,053	4,691,279	9,708,332
Transfers	1,798,669	(1,798,669)	-	1,824,767	(1,824,767)	-
Change in Net Position	13,326,175	2,429,481	15,755,656	6,841,820	2,866,512	9,708,332
Net position, Beginning of Year	61,392,086	78,903,458	140,295,544	54,550,266	76,036,946	130,587,212
Net position, End of Year	\$ 74,718,261	\$ 81,332,939	\$ 156,051,200	\$ 61,392,086	\$ 78,903,458	\$ 140,295,544

Governmental Activities. Governmental activities increased the City's net position by \$13,732,689. Total revenue for the governmental activities (excluding transfers) increased from the previous year by \$5,890,857. General revenue had a net increase of \$3,244,111. Property tax collections increased as a result of new business and property additions as well as due to recent real property reappraisals.

Business-type Activities. Net position from business-type activities increased by \$2,429,481. Total revenue for the business-type activities increased from the previous year by \$639,828 primarily due to an increase in charges for services revenue.

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City'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's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the 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's Governmental Funds reported a combined ending fund balance of \$49,468,318, an increase of \$10,281,581 from the prior year. This amount includes fund balance restricted for Public Improvement Districts of \$1,681,744, restricted for Capital Projects of \$9,991,544, restricted for Public Works of \$4,340,081, restricted for Court of \$202,952, restricted for Police Grants and Law Enforcement Purposes of \$1,279,573, restricted for Tourism of \$1,457,365, and restricted for Park Land Dedication of \$431,378. The net unassigned fund balance was \$22,784,087 an increase of \$7,191,349 from prior year. Components of the net increase of the total fund balance are:

- The General Fund recorded a net increase in fund balance of \$7,444,009, primarily related to increased property and sales tax revenue.
- General Obligation Debt Service Fund recorded a net increase in fund balance of \$1,397,476, primarily related to taxes.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements. Unrestricted net position of the Water and Sewer Fund at the end of the fiscal year amounted to \$37,317,412 and the Airport Fund reported an unrestricted net position of (\$1,662,723).

Capital Assets

The City's capital assets for its governmental and business-type activities as of September 30, 2021, amount to \$150,482,978 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, park facilities, roads, bridges and water and sewer lines.

Additional information on capital asset activity can be found in *Note 6* of this report.

City of Lancaster, Texas
Management's Discussion and Analysis (Unaudited)
September 30, 2021

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
Land	\$ 13,262,490	\$ 13,262,490	\$ 4,971,266	\$ 4,971,266	\$ 18,233,756	\$ 18,233,756
Buildings	37,183,289	37,183,289	2,808,948	2,808,948	39,992,237	39,992,237
Equipment	5,437,711	5,437,711	4,396,320	4,396,320	9,834,031	9,834,031
Construction in progress	11,779,491	10,935,608	2,860,748	1,982,465	14,640,239	12,918,073
Improvements	2,083,186	2,083,186	82,005,931	81,450,223	84,089,117	83,533,409
Streets and bridges	114,636,187	110,429,040	-	-	114,636,187	110,429,040
Drainage	7,433,204	7,433,204	-	-	7,433,204	7,433,204
Accumulated depreciation	(89,448,559)	(83,937,506)	(48,927,234)	(47,041,673)	(138,375,793)	(130,979,179)
Total	<u>\$ 102,366,999</u>	<u>\$ 102,827,022</u>	<u>\$ 48,115,979</u>	<u>\$ 48,567,549</u>	<u>\$ 150,482,978</u>	<u>\$ 151,394,571</u>

Long-term Debt

At the end of the current fiscal year, the City had total bonds outstanding of \$67,495,000, all being tax supported. The City also has \$2,206,665 of debt through capital leases.

During fiscal year 2021, the City of Lancaster entered into a capital lease for the purchase of a new fire truck in the amount of \$1,674,226 with an interest rate of 1.32%.

Additional information on long-term debt activity can be found in *Note 7* of this report.

	Governmental Activities		Business-type Activities		Totals	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 58,305,017	\$ 61,910,017	\$ 1,119,983	\$ 1,269,983	\$ 59,425,000	\$ 63,180,000
Certificates of obligation	3,600,000	3,680,000	4,470,000	4,825,000	8,070,000	8,505,000
Notes payable	-	1,859,583	-	-	-	1,859,583
Capital leases	2,206,665	840,049	-	-	2,206,665	840,049
Total	<u>\$ 64,111,682</u>	<u>\$ 68,289,649</u>	<u>\$ 5,589,983</u>	<u>\$ 6,094,983</u>	<u>\$ 69,701,665</u>	<u>\$ 74,384,632</u>

The City has an Aa3 rating from Moody's Investors Service and an AA rating from Standard and Poor's.

Economic Factor and Next Year's Budgets and Rates

In the fiscal year 2022 budget, General Fund revenues are budgeted to decrease by 1.75 percent from the 2021 budget year. The budget decrease is the direct result of the uncertainty of revenue streams impacted by the Covid-19 Pandemic and the variability of sales tax revenues.

Property taxes make up about 58 percent of budgeted revenues and sales tax make up about 19 percent of budgeted revenues.

Request for Information

For additional information please contact Director of Finance, Mike Delmore, at 972-218-1333 or Finance Department, City of Lancaster, Texas, P.O. Box 940, Lancaster, Texas, 75146, email mdelmore@lancaster-tx.com.

Draft

Basic Financial Statements

City of Lancaster, Texas
Statement of Net Position
September 30, 2021

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Lancaster Economic Development Corporation	Lancaster Recreational Development Corporation
Assets					
Cash and cash equivalents	\$ 47,643,265	\$ 43,136,271	\$ 90,779,536	\$ 7,295,496	\$ 2,087,651
Receivables (net of allowance)					
Notes	4,555,000	-	4,555,000	-	-
Delinquent taxes	963,024	-	963,024	-	-
Accounts	1,981,994	2,426,669	4,408,663	-	19,745
Sales tax	1,631,553	-	1,631,553	326,310	641,163
Fines	558,979	-	558,979	-	-
Due from other governments	745,706	-	745,706	672,238	-
Due from component unit	1,993,142	-	1,993,142	-	-
Prepaid items	50,778	-	50,778	-	15,707
Inventory	70,146	31,725	101,871	-	-
Internal balances	2,801,237	(2,801,237)	-	-	-
Capital assets					
Land and construction in progress	25,041,981	7,832,014	32,873,995	100,378	989,118
Other capital assets, net of accumulated depreciation	77,325,018	40,283,965	117,608,983	-	8,605,514
Total assets	165,361,823	90,909,407	256,271,230	8,394,422	12,358,898
Deferred Outflows of Resources					
Deferred charges on refunding	1,007,184	141,193	1,148,377	-	-
Deferred outflows on pensions - contributions	1,630,549	167,204	1,797,753	16,828	81,280
Deferred outflows on pensions - assumption changes	98,363	9,636	107,999	1,028	5,149
Deferred outflows on pensions - experience	92,724	9,191	101,915	963	4,753
Deferred outflows on OPEB - contributions	27,223	2,531	29,754	315	1,584
Deferred outflows on OPEB - assumption changes	368,278	34,073	402,351	3,922	19,612
Deferred outflows on OPEB - experience	8,035	755	8,790	109	546
Total deferred outflows of resources	3,232,356	364,583	3,596,939	23,165	112,924
Liabilities					
Accounts payable and contracts payable	1,397,215	618,434	2,015,649	83,712	32,181
Accrued liabilities	694,490	156,667	851,157	-	33,078
Accrued interest	296,182	59,293	355,475	6,016	11,484
Due to primary government	-	-	-	-	1,993,142
Due to component unit	-	672,238	672,238	-	-
Deposits	398,377	1,260,852	1,659,229	-	-
Unearned revenue	4,860,074	-	4,860,074	-	-
Noncurrent liabilities:					
Due within one year:					
General obligation bonds	3,630,000	155,000	3,785,000	-	-
Certificates of obligation	80,000	370,000	450,000	-	-
Notes payable	-	-	-	200,000	835,000
Compensated absences	346,087	30,686	376,773	-	-
Capital leases	424,425	-	424,425	-	-
Due in more than one year:					
General obligation bonds	59,538,073	1,054,815	60,592,888	-	-
Certificates of obligation	3,520,000	4,100,000	7,620,000	-	-
Notes payable	-	-	-	1,015,000	2,505,000
Compensated absences	3,114,783	71,602	3,186,385	-	-
Total OPEB liability	2,070,168	192,576	2,262,744	24,072	120,360
Capital leases	1,782,240	-	1,782,240	-	-
Net pension liability	8,946,693	929,713	9,876,406	99,040	461,854
Total liabilities	91,098,807	9,671,876	100,770,683	1,427,840	5,992,099
Deferred Inflows of Resources					
Deferred inflows on pensions - experience	664,745	65,124	729,869	6,945	34,800
Deferred inflows on pensions - difference in earnings	1,933,365	187,579	2,120,944	20,213	102,837
Deferred inflows on OPEB - experience	160,123	12,340	172,463	1,557	7,785
Deferred inflows on OPEB - assumption changes	18,878	4,132	23,010	180	902
Total deferred inflows of resources	2,777,111	269,175	3,046,286	28,895	146,324
Net Position					
Net investment in capital assets	40,362,558	42,577,357	82,939,915	100,378	6,254,632
Restricted for					
Court Security	84,640	-	84,640	-	-
Court Technology	118,312	-	118,312	-	-
Debt service	7,178,670	-	7,178,670	-	-
Public improvement districts	1,681,744	-	1,681,744	-	-
Tourism, convention centers, arts	1,457,365	-	1,457,365	-	-
Law enforcement purposes	1,279,573	-	1,279,573	-	-
Parkland dedication	431,378	-	431,378	-	-
Unrestricted	22,124,021	38,755,582	60,879,603	6,860,474	78,767
Total net position	\$ 74,718,261	\$ 81,332,939	\$ 156,051,200	\$ 6,960,852	\$ 6,333,399

City of Lancaster, Texas
Statement of Activities
For the Year Ended September 30, 2021

Program Revenues					Net (Expense) Revenue and Changes in Net Position				
Functions/Program	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units	
					Governmental Activities	Business-type Activities	Total	Lancaster Economic Development Corporation	Lancaster Recreational Development Corporation
Primary Government									
Governmental activities									
General government	\$ 6,205,691	\$ 1,902,060	\$ -	\$ -	\$ (4,303,631)	\$ -	\$ (4,303,631)	\$ -	\$ -
Public safety	22,602,069	2,781,229	-	-	(19,820,840)	-	(19,820,840)	-	-
Public works	5,034,667	5,060,021	-	-	25,354	-	25,354	-	-
Community development and recreation	2,625,974	-	2,546,121	-	(79,853)	-	(79,853)	-	-
Interest and fiscal charges	2,331,002	-	-	-	(2,331,002)	-	(2,331,002)	-	-
Total governmental activities	38,799,403	9,743,310	2,546,121	-	(26,509,972)	-	(26,509,972)	-	-
Business-type activities									
Water and sewer	15,673,559	17,668,813	-	-	-	1,995,254	1,995,254	-	-
Refuse	1,702,400	2,749,275	-	-	-	1,046,875	1,046,875	-	-
Airport	891,042	711,252	-	-	-	(179,790)	(179,790)	-	-
Golf course	1,033,880	290,251	-	-	-	(743,629)	(743,629)	-	-
Total business-type activities	19,300,881	21,419,591	-	-	-	2,118,710	2,118,710	-	-
Total primary government	\$ 58,100,284	\$ 31,162,901	\$ 2,546,121	\$ -	\$ (26,509,972)	\$ 2,118,710	\$ (24,391,262)	\$ -	\$ -
Component units									
Lancaster Economic Development Corporation	\$ 818,598	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (818,598)	\$ -
Lancaster Recreational Development Corporation	2,719,065	488,707	-	-	-	-	-	-	(2,230,358)
Total component units	\$ 3,537,663	\$ 488,707	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (818,598)	\$ (2,230,358)
General Revenues									
Taxes									
Property taxes					\$ 27,233,924	\$ -	\$ 27,233,924	\$ -	\$ -
Sales taxes					7,817,596	-	7,817,596	1,563,519	3,127,039
Franchise taxes					2,310,260	-	2,310,260	-	-
Other local taxes					22,745	-	22,745	-	-
Interest on investments					32,465	26,682	59,147	4,721	1,311
Miscellaneous					620,488	2,082,758	2,703,246	-	6,903
Transfers					1,798,669	(1,798,669)	-	-	-
Total general revenues and transfers					39,836,147	310,771	40,146,918	1,568,240	3,135,253
Change in Net Position					13,326,175	2,429,481	15,755,656	749,642	904,895
Net Position, Beginning of Year					61,392,086	78,903,458	140,295,544	6,211,210	5,428,504
Net Position, End of Year					\$ 74,718,261	\$ 81,332,939	\$ 156,051,200	\$ 6,960,852	\$ 6,333,399

City of Lancaster, Texas

Balance Sheet

Governmental Funds

September 30, 2021

	General Fund	Capital Projects Fund	General Obligation Debt Service Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Cash and cash equivalents	\$ 18,188,447	\$ 8,125,317	\$ 7,140,363	\$ 4,860,074	\$ 9,329,064	\$ 47,643,265
Receivables (net of allowance for uncollectibles)						
Notes	-	-	4,555,000	-	-	4,555,000
Delinquent taxes	682,384	-	271,154	-	9,486	963,024
Accounts	1,620,606	-	-	-	361,388	1,981,994
Sales tax	1,631,553	-	-	-	-	1,631,553
Fines	558,979	-	-	-	-	558,979
Due from:						
Component unit	627,352	1,365,790	-	-	-	1,993,142
Other governments	13,978	731,728	-	-	-	745,706
Other funds	3,035,429	18,468	-	-	-	3,053,897
Inventory, at cost	70,146	-	-	-	-	70,146
Prepaid items	50,778	-	-	-	-	50,778
Total assets	\$ 26,479,652	\$ 10,241,303	\$ 11,966,517	\$ 4,860,074	\$ 9,699,938	\$ 63,247,484
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts and contracts payable	\$ 773,486	\$ 249,759	\$ -	\$ -	\$ 373,970	\$ 1,397,215
Accrued liabilities	570,966	-	-	-	123,524	694,490
Deposits	398,377	-	-	-	-	398,377
Unearned revenue	-	-	-	4,860,074	-	4,860,074
Due to other funds	-	-	-	-	252,660	252,660
Total liabilities	1,742,829	249,759	-	4,860,074	750,154	7,602,816
Deferred inflows of resources - unavailable revenue	1,376,200	-	4,787,847	-	12,303	6,176,350
Fund balances						
Nonspendable for inventory and prepaid items	120,924	-	-	-	-	120,924
Restricted for						
Court security	84,640	-	-	-	-	84,640
Court technology	118,312	-	-	-	-	118,312
Capital projects	-	9,991,544	-	-	-	9,991,544
Debt service	-	-	7,178,670	-	-	7,178,670
Public works	-	-	-	-	4,340,081	4,340,081
Public improvement districts	-	-	-	-	1,681,744	1,681,744
Police grants	-	-	-	-	39,343	39,343
Tourism, convention centers, arts	-	-	-	-	1,457,365	1,457,365
Law enforcement purposes	-	-	-	-	1,240,230	1,240,230
Parkland dedication	-	-	-	-	431,378	431,378
Unassigned	23,036,747	-	-	-	(252,660)	22,784,087
Total fund balances	23,360,623	9,991,544	7,178,670	-	8,937,481	49,468,318
Total liabilities, deferred inflows of resources and fund balances	\$ 26,479,652	\$ 10,241,303	\$ 11,966,517	\$ 4,860,074	\$ 9,699,938	\$ 63,247,484

City of Lancaster, Texas
Reconciliation of the Balance Sheet of
Governmental Funds to the Statement of Net Position
September 30, 2021

Total fund balances – governmental funds	\$	49,468,318
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and therefore are not reported as assets in the governmental funds. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.		102,366,999
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the governmental funds balance sheet.		(296,182)
Revenues earned but not available within 60 days of the year-end are not recognized as revenue on the fund financial statements.		1,621,350
Notes receivable are not measurable and available within 60 days of year-end, and therefore are entirely deferred in the fund financial statements.		4,555,000
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:		
Deferred charges on refunding	\$ 1,007,184	
Employer contributions (GASB 75)	27,223	
Assumption changes (GASB 75)	349,400	
Experience difference (GASB 75)	(152,088)	
Employer contributions (GASB 68)	1,630,549	
Investment return difference (GASB 68)	(1,933,365)	
Assumption changes (GASB 68)	98,363	
Experience difference (GASB 68)	<u>(572,021)</u>	455,245
Long-term liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the fund financial statements. Long-term liabilities at year-end consist of:		
General obligation bonds	\$(58,305,017)	
Certificates of obligation	(3,600,000)	
Premiums on bond debt	(4,863,056)	
Net pension liability	(8,946,693)	
Compensated absences	(3,460,870)	
Total OPEB liability	(2,070,168)	
Capital leases	<u>(2,206,665)</u>	(83,452,469)
Total net position of governmental activities	\$	<u>74,718,261</u>

City of Lancaster, Texas
Statement of Revenues, Expenditures and
Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General Fund	Capital Projects Fund	General Obligation Debt Service Fund	ARPA Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Taxes and fees	\$ 29,838,480	\$ -	\$ 7,385,577	\$ -	\$ 3,722,355	\$ 40,946,412
Licenses and permits	2,977,477	-	-	-	221,711	3,199,188
Intergovernmental	814,155	786,966	945,000	-	-	2,546,121
Charges for services	1,860,833	-	-	-	-	1,860,833
Fines and forfeits	1,194,753	1,559,711	-	-	26,765	2,781,229
Interest	15,878	5,855	4,713	-	6,019	32,465
Miscellaneous	608,287	-	-	-	12,201	620,488
Total revenues	37,309,863	2,352,532	8,335,290	-	3,989,051	51,986,736
Expenditures						
Current						
General government	5,463,126	731,728	-	-	-	6,194,854
Public safety	18,324,118	-	-	-	242,033	18,566,151
Public works	2,736,377	-	-	-	1,781,910	4,518,287
Community development and recreation	1,838,056	-	-	-	442,418	2,280,474
Capital outlay	3,029,880	223,328	-	-	1,854,573	5,107,781
Debt service						
Principal retirement	1,859,583	-	3,962,610	-	30,000	5,852,193
Interest and fiscal charges	155,532	-	2,491,028	-	11,750	2,658,310
Total expenditures	33,406,672	955,056	6,453,638	-	4,362,684	45,178,050
Excess (deficiency) of revenues over expenditures	3,903,191	1,397,476	1,881,652	-	(373,633)	6,808,686
Other financing sources (uses)						
Transfers in	1,876,633	-	-	-	-	1,876,633
Transfers out	-	-	-	-	(77,964)	(77,964)
Capital leases issued	1,674,226	-	-	-	-	1,674,226
Total other financing sources (uses)	3,550,859	-	-	-	(77,964)	3,472,895
Net Change in Fund Balances	7,454,050	1,397,476	1,881,652	-	(451,597)	10,281,581
Fund Balance, Beginning of Year	15,906,573	8,594,068	5,297,018	-	9,389,078	39,186,737
Fund Balances, End of Year	\$ 23,360,623	\$ 9,991,544	\$ 7,178,670	\$ -	\$ 8,937,481	\$ 49,468,318

City of Lancaster, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2021

Net change in fund balances – total governmental funds	\$ 10,281,581
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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 their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period	(460,023)
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Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.

Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements as follows:

General and certificates of obligation bonds	3,685,000	
Notes payable	1,859,583	
Capital leases	307,610	5,852,193

The issuance of long-term debt, such as bonds and capital leases, are shown as “Other Sources” and “Other Uses” in the governmental funds, but are shown on the statement of net assets with related costs amortized over the life of the bonds. Differences consist of the following:	
Capital lease	(1,674,226)

Governmental funds report the effect of premiums, discounts and similar items when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	459,401
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Governmental funds report the effect of losses on refundings when debt is first issued, whereas the amounts are deferred and amortized in the statement of activities.	(152,527)
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Current year pension expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.	884,017
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Current year change in long-term liability for compensated absences and OPEB liability do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	(224,848)
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Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	20,434
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Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds. This is the net change in these revenues for the year.	(1,659,827)
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Change in net position of governmental activities	\$ 13,326,175
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City of Lancaster, Texas
Statement of Net Position
Proprietary Funds
September 30, 2021

	Water and Sewer Fund	Airport Fund	Non-major Enterprise Funds	Total Proprietary Funds
Assets and Deferred Outflows of Resources				
Current Assets				
Cash and cash equivalents	\$ 38,825,183	\$ 33,063	\$ 4,278,025	\$ 43,136,271
Receivables (net of allowance for uncollectibles):				
Accounts	1,004,450	-	168,363	1,172,813
Unbilled	1,096,423	-	157,433	1,253,856
Inventory	-	31,725	-	31,725
Total current assets	40,926,056	64,788	4,603,821	45,594,665
Capital Assets				
Nondepreciable	1,371,934	6,110,526	349,554	7,832,014
Depreciable (net of accumulated depreciation)	33,596,566	4,964,413	1,722,986	40,283,965
Total non-current assets	34,968,500	11,074,939	2,072,540	48,115,979
Total assets	75,894,556	11,139,727	6,676,361	93,710,644
Deferred Outflows of Resources				
Deferred charges on refunding	139,246	1,947	-	141,193
Deferred outflows on pensions - contributions	147,669	19,535	-	167,204
Deferred outflows on pensions - assumption changes	8,483	1,153	-	9,636
Deferred outflows on pensions - experience	8,096	1,095	-	9,191
Deferred outflows on OPEB - contributions	2,216	315	-	2,531
Deferred outflows on OPEB - assumption changes	29,813	4,260	-	34,073
Deferred outflows on OPEB - experience	661	94	-	755
Total deferred outflows of resources	336,184	28,399	-	364,583
Liabilities, Deferred Inflows or Resources and Net Position				
Current Liabilities				
Accounts and contracts payable	383,662	49,000	185,772	618,434
Accrued liabilities	114,533	5,790	36,344	156,667
Accrued interest	58,777	516	-	59,293
Deposits	1,260,852	-	-	1,260,852
Due to:				
Other funds	674,036	847,261	1,279,940	2,801,237
Component units	-	672,238	-	672,238
General obligation bonds	145,000	10,000	-	155,000
Certificates of obligation	370,000	-	-	370,000
Compensated absences	19,598	10,870	218	30,686
Total current liabilities	3,026,458	1,595,675	1,502,274	6,124,407
Non-current Liabilities				
General obligation bonds	1,034,354	20,461	-	1,054,815
Certificates of obligation	4,100,000	-	-	4,100,000
Compensated absences	70,948	-	654	71,602
Net pension liability	817,813	111,900	-	929,713
Total OPEB liability	168,504	24,072	-	192,576
Total non-current liabilities	6,191,619	156,433	654	6,348,706
Total liabilities	9,218,077	1,752,108	1,502,928	12,473,113
Deferred Inflows of Resources				
Deferred inflows on pensions - experience	57,331	7,793	-	65,124
Deferred inflows on pensions - difference in earnings	165,114	22,465	-	187,579
Deferred inflows on OPEB - assumption changes	3,616	516	-	4,132
Deferred inflows on OPEB - experience	10,798	1,542	-	12,340
Total deferred inflows of resources	236,859	32,316	-	269,175
Net Position				
Net investment in capital assets	29,458,392	11,046,425	2,072,540	42,577,357
Unrestricted	37,317,412	(1,662,723)	3,100,893	38,755,582
Total net position	\$ 66,775,804	\$ 9,383,702	\$ 5,173,433	\$ 81,332,939

City of Lancaster, Texas
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Water and Sewer Fund	Airport Fund	Non-major Enterprise Funds	Total Proprietary Funds
Operating Revenues				
Charges for services	\$ 17,668,813	\$ 711,252	\$ 3,039,526	\$ 21,419,591
Intergovernmental	-	29,761	-	29,761
Other revenue	911,551	19,814	591,940	1,523,305
Impact fee revenue	529,692	-	-	529,692
Total operating revenues	19,110,056	760,827	3,631,466	23,502,349
Operating Expenses				
Personnel services and benefits	1,749,162	243,310	-	1,992,472
Maintenance	1,255,307	65,687	128,981	1,449,975
Purchase of water	3,361,590	-	-	3,361,590
Materials and supplies	73,113	341,179	-	414,292
Heat, light and power	204,547	67,787	40,896	313,230
Sewage treatment	6,550,420	-	-	6,550,420
Special services	507,203	20,817	2,445,118	2,973,138
Bad debt expense	104,119	-	-	104,119
Equipment rental	10,549	23,859	23,358	57,766
Depreciation	1,660,436	127,198	97,927	1,885,561
Total operating expenses	15,476,446	889,837	2,736,280	19,102,563
Operating Income (Loss)	3,633,610	(129,010)	895,186	4,399,786
Non-operating Revenues (Expenses)				
Interest revenue	24,247	-	2,435	26,682
Interest and fiscal charges	(197,113)	(1,205)	-	(198,318)
Total non-operating revenues (expenses)	(172,866)	(1,205)	2,435	(171,636)
Income (Loss) Before Transfers	3,460,744	(130,215)	897,621	4,228,150
Transfers				
Transfers out	(1,635,624)	-	(163,045)	(1,798,669)
Total transfers	(1,635,624)	-	(163,045)	(1,798,669)
Change in Net Position	1,825,120	(130,215)	734,576	2,429,481
Net Position, Beginning of Year	64,950,684	9,513,917	4,438,857	78,903,458
Net Position, End of Year	\$ 66,775,804	\$ 9,383,702	\$ 5,173,433	\$ 81,332,939

City of Lancaster, Texas
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Water and Sewer Fund	Airport Fund	Non-major Enterprise Funds	Total
Operating Activities				
Receipts from customers and users	\$ 18,900,584	\$ 795,636	\$ 3,616,740	\$ 23,312,960
Utility deposits collected	48,878	-	-	48,878
Payments to employees	(1,833,917)	(251,750)	-	(2,085,667)
Payments to suppliers	(12,116,022)	(503,415)	(2,675,258)	(15,294,695)
Net cash provided by operating activities	4,999,523	40,471	941,482	5,981,476
Noncapital and Related Financing Activities				
Transfers out	(1,635,624)	-	(163,045)	(1,798,669)
Advances from other funds	-	-	80,999	80,999
Net cash used in noncapital financing activities	(1,635,624)	(18,750)	(82,046)	(1,736,420)
Capital and Related Financing Activities				
Acquisition and construction of capital assets	(1,430,096)	(3,894)	-	(1,433,990)
Principal payments on debt	(503,545)	(10,345)	-	(513,890)
Interest payments on debt	(188,261)	(1,205)	-	(189,466)
Net cash used in capital and financing activities	(2,121,902)	(15,444)	-	(2,137,346)
Investing Activities				
Interest on investments	24,247	-	2,434	26,681
Net cash provided by investing activities	24,247	-	2,434	7,931
Increase in Cash and Cash Equivalents	1,266,244	6,277	861,870	2,134,391
Cash and Cash Equivalents, Beginning of Year	37,558,939	26,786	3,416,155	41,001,880
Cash and Cash Equivalents, End of Year	\$ 38,825,183	\$ 33,063	\$ 4,278,025	\$ 43,136,271
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities				
Operating income (loss)	\$ 3,633,610	\$ (129,010)	\$ 895,186	\$ 4,399,786
Item not requiring cash				
Depreciation	1,660,436	127,198	97,927	1,885,561
Changes in				
Accounts receivable	(209,472)	34,809	(45,900)	(220,563)
Inventories	-	(6,871)	-	(6,871)
Deferred outflows of resources	1,847	175	-	2,022
Accounts payable	(23,068)	48,778	34,824	60,534
Accrued expenses	22,772	(25,993)	(40,555)	(43,776)
Net pension liability	(133,639)	(18,166)	-	(151,805)
Total OPEB Liability	14,102	2,014	-	16,116
Deferred inflows of resources	54,907	7,537	-	62,444
Compensated absences	(21,972)	-	-	(21,972)
Net cash provided by operating activities	\$ 4,999,523	\$ 40,471	\$ 941,482	\$ 5,981,476

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 1: Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Lancaster (City) conform to the generally accepted accounting principles (GAAP) applicable to state and local governments. The Governmental Accounting Standards Board (GASB) is the accepted standards setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies.

Reporting Entity

The City was incorporated in 1853. The City operates as a home-rule city, under a Council-manager form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, water and sewer utilities, sanitation, health and social services, parks and recreation, public improvements, airport, golf course, planning and zoning and general administrative services.

The City's basic financial statements include the separate governmental entities that are controlled by or are dependent on the City. The determination to include separate governmental entities is based on the criteria of GASB Statement No. 14, *The Financial Reporting Entity* (GASB 14), as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units* and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*. GASB 14 defines the reporting entity as the primary government and those component units for which the primary government is financially accountable. To be financially accountable, a voting majority of the component unit's board must be appointed by the primary government, and either: (1) the primary government must be able to impose its will or (2) the primary government may potentially benefit financially or be financially responsible for the component unit. The Lancaster Economic Development Corporation (Economic) and the Lancaster Recreational Development Corporation (Recreational) are nonprofit industrial development corporations formed in July and October 1995, respectively, under the *Development Corporation Act of 1979*. Both Economic and Recreational are organized exclusively for the purposes of benefiting and accomplishing public purposes and to act on behalf of the City. This includes the construction and renovation of municipal buildings, the acquisition, improvement and operation of parks, as well as other economic development purposes. The affairs of these corporations are managed by two separate Boards of Directors, which are appointed by the City Council. The City Council approves annual budgets and issuances of debt. Economic and Recreational have been discretely presented in the accompanying financial statements. Separate stand-alone financial statements of the individual component units are not available.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (the statement of net position and the statement of activities) report information on all of the activities of the City. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements. However, interfund services provided and used are not eliminated in the consolidation process. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific program of City government. *Program revenues* include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and (2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items properly not included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Separate statements are presented for Governmental Funds and Proprietary Funds. These statements present each major fund as a separate column on the fund financial statements; all non-major funds are aggregated and presented in a single column.

Governmental Funds are those funds through which most governmental functions typically are financed. The measurement focus of Governmental Funds is on the sources, uses and balances of current financial resources. The City has presented the following major Governmental Funds:

General Fund – The General Fund is the main operating fund of the City. This fund is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Capital Projects Fund – The Capital Projects Fund is utilized to account for financial resources to be used for the acquisition or construction of major capital facilities.

General Obligation Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources and for the payment of general long-term debt principal, interest and related costs, as well as the payment of lease/purchase items. The revenue source is principally ad-valorem taxes levied by the City and transfers in for the payment of lease/purchases.

ARPA Fund – The ARPA Fund is utilized to account for financial resources and related expenditures from the America Rescue Plan Act of 2021.

Proprietary Funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets, deferred outflows and inflows of resources and liabilities are included on the Statement of Net Position. The City has presented the following major Proprietary Funds:

Water and Sewer Fund – The Water and Sewer Fund is used to account for the acquisition, operation and maintenance of a municipal water and sewer utility, supported primarily by user charges to the public.

Airport Fund – The Airport Fund is used to account for the operation of the City's regional airport.

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a Proprietary Fund's principal ongoing operations. Operating expenses for the Proprietary Funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental 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 policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Classification of Fund Equity

Fund balances are classified as nonspendable, restricted, committed, assigned or unassigned in governmental funds. Nonspendable fund balance cannot be spent, either because it is not in spendable form or because of legal or contractual requirements. Restricted fund balances have constraints for specific purposes which are externally imposed by providers, such as creditors, grantors or other governments; or by enabling legislation of the City Council. Committed fund balances can only be used for specific purposes pursuant to constraints imposed by the City Council through an ordinance or resolution. Assigned fund balances are constrained by intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by City management based on Council direction. Unassigned fund balances include residual positive fund balances within the General Fund that had not been classified within the other mentioned categories. Unassigned fund balances may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide and proprietary funds financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus. Revenues are recognized as soon as they are both measurable and available.

Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Property taxes, sales taxes, franchise taxes, fines and forfeits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Licenses and permits, charges for services (except for sanitation services) and rents and concessions are recorded as revenues when received in cash because they are generally not measurable until actually received. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers cash and cash equivalents to be cash and external investment pools.

Investments

Investments in external investment pools are carried at either net asset value or amortized cost, as determined by each pool's individual investment valuation method and whether there is a readily determinable fair value of the pool as of the City's fiscal year end. In instances where pools transact at amortized cost, no readily determinable fair value is deemed available.

Allowance for Uncollectible Accounts

An allowance for uncollectible taxes including penalties and interest and water and sewer billed receivables is provided based on an analysis of historical trends. The allowances at September 30, 2021, were \$731,905 for uncollectible taxes, \$2,222,163 for water and sewer billings, \$300,989 for court fees and fines and \$627,353 for ambulance fees.

Inventory

Inventories, which are recognized as expenditures as they are consumed, are stated at cost (first-in, first-out). Inventories consist of expendable supplies.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Prepaid Items

Prepaid balances, which are recognized as expenditures as they are consumed, are for payments made by the City in the current year for services occurring in the subsequent year.

Interfund Receivables and Payables

Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are recorded as transfers.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for Proprietary Funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized.

All items purchased with a price of \$5,000 or greater and a useful life exceeding one year is placed on the capital asset list. Each department is required to monitor their inventory and is accountable for the location of the asset. Asset tags are issued after payment has been processed. The Purchasing Agent conducts a yearly inventory to verify the inventory.

Assets capitalized have a useful life of over one year. Depreciation is recorded on each class of depreciable property utilizing the straight-line method over the estimated useful lives of the assets. Estimated useful lives of major categories of property are:

Plants and buildings	40 years
Improvements	5 – 50 years
Machinery and equipment	5 – 10 years

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred loss on refunding – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and recognized over the shorter of the life of the refunded or refunding debt.
- Employer Contributions – Pensions and OPEB – These contributions are those made after the measurement date through the fiscal year end (January 1st – September 30th) resulting in a cash outlay not yet recognized in GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* (GASB 68) and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (GASB 75). This amount is deferred and recognized in the following fiscal year.
- Experience difference – Pensions and OPEB – These amounts represent the difference in expected and actual pension and OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Assumption changes – Pensions and OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying total pension liability and total OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

In addition to liabilities, the statement of net position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until then.

City of Lancaster, Texas
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The City has the following items that qualify for reporting in this category.

- Unavailable revenue – This amount represents uncollected property taxes, municipal court fees, ambulance fees and notes receivables. This amount is deferred and recognized once payments are made in the follow fiscal year. This item is only presented in the Balance Sheet – Governmental Funds.
- Experience difference – Pensions and OPEB – These amounts represent the difference in expected and actual OPEB experience. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Investment difference – Pensions – These amounts represent the difference in projected and actual earnings on pension plan assets. These differences are deferred and amortized over a closed five-year period.
- Assumption changes – OPEB – These amounts represent the difference resulting from a change in assumptions used to measure the underlying total pension liability and total OPEB liability. These differences are deferred and recognized over the estimated average remaining lives of all members determined as of the beginning of the measurement period.

Compensated Absences

Sick leave is recorded on governmental activities for the Fire and Police Departments. All other employees are not compensated for unused sick leave. Vacation is earned in varying amounts up to a maximum of 20 days per year for employees with 10 or more years of service. Unused vacation leave carried forward from one year to the next is limited to 260 hours.

The liability for unused vested vacation leave as of September 30, 2021, is shown as a liability for compensated absences in the applicable governmental or business-type activities columns in the government-wide statements and in the fund financial statements for the Proprietary Funds. The amount to be paid from current available financial resources is not considered significant.

Defined Benefit Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS' Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's total pension liability is obtained from TMRS through a report prepared for the City by TMRS' consulting actuary, Gabriel Roeder Smith & Company, in compliance with GASB 68.

Fund allocation of related balances is determined by individual employee assignment. This assignment is uniform with regard to liquidation of the liability.

City of Lancaster, Texas
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Defined Benefit Other Postemployment Benefit Plans

The City has two single-employer defined benefit other postemployment benefit (OPEB) plans. For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Allocation of OPEB related balances to reporting units is determined on the basis of employee payroll funding. The total OPEB liability is generally liquidated in the General Fund.

Unearned Revenue

Governmental funds report a liability, unearned revenue, in connection with resources that have been received, but not yet earned.

Adoption of New Accounting Standards

The GASB Statement No. 84 ("GASB 84"), *Fiduciary Activities*, established criteria for identifying fiduciary activities. It presents separate criteria for evaluating component units, pension and other postemployment benefit arrangements, and other fiduciary activities. The focus is on a government controlling the assets of the fiduciary activity and identification of the beneficiaries of those assets. Fiduciary activities are reported in one of four types of funds: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, or custodial funds. Custodial funds are used to report fiduciary activities that are not held in a trust. The agency fund designation will no longer be used. GASB 84 also provides guidance on fiduciary fund statements and timing of recognition of a liability to beneficiaries. Implementation of GASB 84 had no material impact on the City.

GASB Statement No. 97 ("GASB 97"), *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. This Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. Implementation of GASB 97 had no material impact on the City.

Statement No. 98 ("GASB 98"), *The Annual Comprehensive Financial Report*. This statement establishes the new term annual comprehensive financial report and the acronym ACFR. The adoption had no impact on the City's net position.

City of Lancaster, Texas
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September 30, 2021

New Pronouncements

The GASB has issued the following new statements to be implemented in future years.

GASB Statement No. 87, *Leases* (GASB 87):

This statement provides a new framework for accounting for leases under the principle that leases are financings. No longer will leases be classified between capital and operating. Lessees will recognize an intangible asset and a corresponding liability. The liability will be based on the payments expected to be paid over the lease term, which includes an evaluation of the likelihood of exercising renewal or termination options in the lease. Lessors will recognize a lease receivable and related deferred inflow of resources. Lessors will not derecognize the underlying asset.

An exception to the general model is provided for short-term leases that cannot last more than 12 months. Contracts that contain lease and nonlease components will need to be separated so each component is accounted for accordingly. This standard becomes effective for the City in fiscal year 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94):

This statement addresses issues related to public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs). This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (GASB 96):

This statement provides guidance on subscription-based information technology arrangements (SBITAs) to further report on government's obligations and assets from SBITAs. This statement will be effective for the City in fiscal year 2023. The City will evaluate the potential impact on the City's net position.

The City has not yet determined the effect on the City's financial statements or disclosures upon implementation of these new accounting standards.

Note 2: Deposits and Investments

The deposit and investment policies of the City are governed by State Statutes and the adopted City Investment Policy. City policies governing bank deposits require depositories to be FDIC-insured institutions, and depositories must fully collateralize all deposits in excess of FDIC insurance limits.

Statutes authorize the City to invest in obligations of the U.S. Treasury and U.S. agency securities, repurchase agreements and municipal pools.

City of Lancaster, Texas
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The City utilizes a pooled investment concept for all its funds to maximize its investment program. Investment income from this internal pooling is allocated to the respective funds based upon the sources of funds invested.

During the year ended September 30, 2021, the City invested in Texas CLASS, TexPool and LOGIC, which are investment pools authorized by the Texas Legislature.

Texas Cooperative Liquid Assets Securities System (Texas CLASS) was created specifically for the use of Texas local government entities and seeks to provide safety, liquidity, convenience and competitive rates of return. Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. The marketing and operation functions of the portfolio are also performed by Public Trust Advisors, LLC. The pool is subject to the general supervision of the Board of Trustees and its Advisory Board, both of which are elected by the Texas CLASS Participants.

Wells Fargo Bank, N.A. serves as custodian for the pool. The investment objective and strategy of the pool is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The pool offers same day access to investment funds.

Texas CLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. Texas CLASS limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. Texas CLASS is rated AAAM by Standard & Poor's.

The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an Advisory Board composed both of participants in TexPool and of other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAM by Standard & Poor's. TexPool is not registered with the Securities and Exchange Commission (SEC) as an investment company.

LOGIC was established pursuant to an Interlocal Agreement, which was subsequently amended and is now entitled Participation Agreement and Trust Instrument (Agreement) between participating Government Entities. Participation in the Pool is limited to those eligible Government Entities which have become parties to the Agreement (Participants). Participants' assets in the Pool are represented by units of beneficial interest (Units), which are issued in discrete series (each a "Portfolio"), as authorized from time to time by the Board. Assets invested in any Portfolio will be managed separately, and segregated from, the assets of every other Portfolio. Since September 2005, J.P. Morgan Investment Management Inc. (JPMIM) has served as investment adviser to LOGIC. FirstSouthwest, a Division of Hilltop Securities (FirstSouthwest) and JPMIM serve as co-administrators to LOGIC, and FirstSouthwest provides administrative, participant support and marketing services. JPMorgan Chase Bank N.A. provides custodial services. The investment objective and strategy of the pool is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable

City of Lancaster, Texas
Notes to Basic Financial Statements
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securities. The pool offers same day access to investment funds. LOGIC is rated AAAM by Standard & Poor's.

TexPool is carried at amortized cost. Texas CLASS and LOGIC are carried at net asset value. Accordingly, the fair value of the position in the pools is the same as the value of the pools shares.

As of September 30, 2021, the City had cash and cash equivalents as classified below:

Primary Government

Cash	\$ 7,304,398
Cash equivalents	<u>83,475,138</u>
	<u>90,779,536</u>

Component Units

Cash	21,274
Cash equivalents	<u>9,361,873</u>
	<u>9,383,147</u>

Total cash and cash equivalents	<u><u>\$ 100,162,683</u></u>
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City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

As of September 30, 2021, the City held the following investments:

	Carring Value	Weighted- Average Maturity (Days)
Primary Government		
TexPool	\$ 31,373,051	30
LOGIC	27,068,148	34
Texas CLASS	<u>25,033,939</u>	22
Total primary government	<u>83,475,138</u>	
Component Units		
TexPool	3,518,539	30
LOGIC	3,035,737	34
Texas CLASS	<u>2,807,597</u>	22
Total component units	<u>9,361,873</u>	
Total investments	<u><u>\$ 92,837,011</u></u>	

Interest Rate Risk

The strategy of the City is to maintain sufficient liquidity in its portfolio and structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities in the secondary market prior to maturity.

Custodial Credit Risk

Custodial credit risk is the risk that a government will not be able to recover: (a) deposits if the depository financial institution fails or (b) the value of investment or collateral securities that are in the possession of an outside party if the counterparty to the investment or deposit transaction fails. To minimize such risk, the City requires collateralization of most deposits in excess of coverage, utilizes the delivery vs. payment method for investment purchases and contracts with a third-party safekeeping agent.

Credit Risk

It is the City's policy to follow statutes, which authorize the City to invest in obligations of the U.S. Treasury agencies and instrumentalities, obligations of the state of Texas and related agencies, obligations of states, agencies, counties, cities and other political subdivisions of any state rated "A" or above by Standard & Poor's Corporation or Moody's, repurchase agreements and designated investment pools. The City's assets in investment pools meet this requirement as noted above.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 3: Disclosures About Fair Value of Assets

Fair value 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. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

Level 1 Quoted prices in active markets for identical assets or liabilities

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3 Unobservable inputs supported by little or no market activity and are significant to the fair value of the assets or liabilities

Recurring Measurements

The following table presents the fair value measurements of assets recognized in the accompanying financial statements measured at fair value on a recurring basis and the level within the fair value hierarchy in which the fair value measurements fall at September 30, 2021:

September 30, 2021	<u>Fair Value</u>
Investments Measured at Net Asset Value	
LOGIC	\$ 30,103,885
TexCLASS	<u>27,841,536</u>
Subtotal	57,945,421
Investments Measured at Amortized Cost	
TexPool	<u>34,891,590</u>
Total investments	<u><u>\$ 92,837,011</u></u>

Certain investments that are measured using the net asset value per share (or its equivalent) practical expedient have not been classified in the fair value hierarchy. The fair value amounts included above approximate net asset value for all related external investment pool balances.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 4: Property Taxes

Property taxes attach as an enforceable lien on property as of October 1. Taxes are levied on October 1, and are due and payable on or before January 31, of the following year. All unpaid taxes become delinquent February 1, of the following year. Tax collections for the year ended September 30, 2021, were 98.6 percent of the levy. Dallas County bills and collects property taxes for the City. Any uncollected property taxes at September 30, that are collected within 60 days is recognized as revenue and recorded as taxes receivable. Any uncollected property taxes at September 30, which are not expected to be collected within 60 days, are recorded as taxes receivable and deferred inflow of resources in governmental funds. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable, and their validity seems certain.

The statutes of the state of Texas do not prescribe a legal debt limit, nor does the City's charter provide for a debt limit. However, provision of Article XI, Section 5 of the Texas Constitution applicable to cities with populations greater than 5,000 limits the ad-valorem tax rate to \$2.50 per \$100 assessed valuation. However, as a city operating under a Home Rule Charter, the City has a debt limit of \$1.50 per \$100 assessed valuation. For the year ended September 30, 2021, the City had a tax rate of \$.8197 per \$100.00 assessed valuation, of which \$.6052 was allocated for general government and \$.2146 was allocated for the payment of principal and interest on general obligation debt.

In Texas, county-wide central appraisal districts are required to assess all property within the appraisal district on the basis of 100 percent of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values.

The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property.

However, if the effective tax rate, excluding tax rates for bonds and other contractual obligations, adjusted for new improvements, exceeds the tax rate for the previous year by more than eight percent, qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than eight percent above the tax rate of the previous year. This legislation provides that, if approved by the qualified voters in the City, both the appraisal and collection functions may be placed with the appraisal district. In addition, the City may obtain approval from its governing body to place these functions with the appraisal district.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 5: Interfund receivables, payables, and transfers

Due To/Due From

Due to and due from other funds are the short-term portion of the advances to and advances from other funds. For the year ended September 30, 2021, due to due from transactions, excluding discretely presented component units were as follows:

	Due to Other Funds	Due from Other Funds
General Fund	\$ -	\$ 3,035,429
Capital Projects	-	18,468
Street Maintenance	252,660	-
Water and Sewer Fund	674,036	-
Golf Fund	1,279,940	-
Airport Fund	847,261	-
	<u>\$ 3,053,897</u>	<u>\$ 3,053,897</u>
Total due to/due from		

Interfund Transfers

For the year ended September 30, 2021, interfund transactions, excluding discretely presented component units were as follows:

	Transfers In	Transfers Out
General Fund	\$ 1,876,633	\$ -
Non-major Governmental Funds	-	77,964
Water and Sewer Fund	-	1,635,624
Non-major Enterprise Funds	-	163,045
	<u>\$ 1,876,633</u>	<u>\$ 1,876,633</u>
Total interfund transfers		

The interfund transfers to the General Fund from the Non-major Governmental and Enterprise Funds, and Water and Sewer Fund is for indirect services provided by central service departments accounted for in the General Fund.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 6: Capital Assets

Governmental Activities

Capital assets of the Governmental Activities are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets not being depreciated					
Land	\$ 13,262,490	\$ -	\$ -	\$ -	\$ 13,262,490
Construction in progress	10,935,608	843,883	-	-	11,779,491
Total capital assets not being depreciated	24,198,098	843,883	-	-	25,041,981
Capital assets being depreciated					
Buildings	37,183,289	-	-	-	37,183,289
Infrastructure, improvements, equipment and furniture	125,383,141	4,207,147	-	-	129,590,288
Total capital assets being depreciated	162,566,430	4,207,147	-	-	166,773,577
Less accumulated depreciation for:					
Buildings	10,479,589	836,821	-	-	11,316,410
Infrastructure, improvements, equipment and furniture	73,457,917	4,674,232	-	-	78,132,149
Total accumulated depreciation	83,937,506	5,511,053	-	-	89,448,559
Total capital assets being depreciated, net	78,628,924	(1,303,906)	-	-	77,325,018
Governmental activities capital assets, net	\$ 102,827,022	\$ (460,023)	\$ -	\$ -	\$ 102,366,999

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

General and administrative	\$ 613,255
Public safety	4,035,918
Public works	516,380
Community development and recreation	345,500
Total depreciation expense – governmental activities	<u>\$ 5,511,053</u>

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Business-type Activities

Capital assets of the Business-type Activities are as follows:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Business-type Activities					
Capital assets not being depreciated					
Land	\$ 4,971,266	\$ -	\$ -	\$ -	\$ 4,971,266
Construction in progress	1,982,465	878,283	-	-	2,860,748
Total capital assets not being depreciated	6,953,731	878,283	-	-	7,832,014
Capital assets being depreciated					
Plants and buildings	2,808,948	-	-	-	2,808,948
Other improvements	81,450,223	555,708	-	-	82,005,931
Vehicles	301,258	-	-	-	301,258
Machinery and equipment	4,095,062	-	-	-	4,095,062
Total capital assets being depreciated	88,655,491	555,708	-	-	89,211,199
Less accumulated depreciation for:					
Plants and buildings	2,464,504	13,270	-	-	2,477,774
Other improvements	41,409,772	1,691,769	-	-	43,101,541
Machinery and equipment	3,167,397	180,522	-	-	3,347,919
Total accumulated depreciation	47,041,673	1,885,561	-	-	48,927,234
Total capital assets being depreciated, net	41,613,818	(1,329,853)	-	-	40,283,965
Business-type activities capital assets, net	\$ 48,567,549	\$ (451,570)	\$ -	\$ -	\$ 48,115,979

Depreciation expense was charged as a direct expense to programs of the primary government as follows:

Water and Sewer	\$ 1,660,436
Airport	127,198
Golf	44,705
Refuse	53,222
Total depreciation expense – business-type activities	<u>\$ 1,885,561</u>

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Discretely Presented Component Units

Capital assets of the Lancaster Economic Development Corporation are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Lancaster Economic Development Corporation Capital assets not being depreciated Land	\$ 100,378	\$ -	\$ -	\$ 100,378
Total capital assets not being depreciated	<u>\$ 100,378</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100,378</u>

Capital assets of the Lancaster Recreational Development Corporation are as follows:

	Beginning Balance	Increases	Transfers	Ending Balance
Lancaster Recreational Development Corporation Capital assets not being depreciated Land	\$ 989,118	\$ -	\$ -	\$ 989,118
Total capital assets not being depreciated	<u>989,118</u>	<u>-</u>	<u>-</u>	<u>989,118</u>
Capital assets being depreciated				
Buildings	15,797,360	-	-	15,797,360
Other Improvements	3,965,809	-	-	3,965,809
Machinery and Equipment	<u>2,247,657</u>	<u>-</u>	<u>-</u>	<u>2,247,657</u>
Total capital assets being depreciated	22,010,826	-	-	22,010,826
Less accumulated depreciation for:				
Buildings	8,208,052	394,934	-	8,602,986
Other Improvements	3,965,809	-	-	3,965,809
Machinery and Equipment	<u>655,868</u>	<u>180,649</u>	<u>-</u>	<u>836,517</u>
Total accumulated depreciation	<u>12,829,729</u>	<u>575,583</u>	<u>-</u>	<u>13,405,312</u>
Total capital assets being depreciated, net	<u>9,181,097</u>	<u>(575,583)</u>	<u>-</u>	<u>8,605,514</u>
Lancaster Recreational Development Corporation capital assets, net	<u>\$ 10,170,215</u>	<u>\$ (575,583)</u>	<u>\$ -</u>	<u>\$ 9,594,632</u>

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 7: Long-term Liabilities

The following is a summary of changes in long-term liabilities:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bonds	\$ 61,910,017	\$ -	\$ (3,605,000)	58,305,017	\$ 3,630,000
Certificates of obligation	3,680,000	-	(80,000)	3,600,000	80,000
Notes payable	1,859,583	-	(1,859,583)	-	-
Premiums on bond debt	5,322,457	-	(459,401)	4,863,056	-
Compensated absences	3,401,427	59,443	-	3,460,870	346,087
Capital leases	840,049	1,674,226	(307,610)	2,206,665	424,425
Total governmental activities	<u>\$ 77,013,533</u>	<u>\$ 1,733,669</u>	<u>\$ (6,311,594)</u>	<u>\$ 72,435,608</u>	<u>\$ 4,480,512</u>
Business-type Activities					
General obligation bonds	\$ 1,269,983	\$ -	\$ (150,000)	\$ 1,119,983	\$ 155,000
Certificates of obligation	4,825,000	-	(355,000)	4,470,000	370,000
Premiums on bond debt	107,121	-	(17,289)	89,832	-
Compensated absences	124,260	-	(21,972)	102,288	30,686
Total business-type activities	<u>\$ 6,326,364</u>	<u>\$ -</u>	<u>\$ (544,261)</u>	<u>\$ 5,782,103</u>	<u>\$ 555,686</u>
Discretely Presented Component Units					
Notes payable to primary government	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ (945,000)</u>	<u>\$ 4,555,000</u>	<u>\$ 945,000</u>
Total discretely presented component units	<u>\$ 5,500,000</u>	<u>\$ -</u>	<u>\$ (945,000)</u>	<u>\$ 4,555,000</u>	<u>\$ 945,000</u>

General long-term debt consists of the following: capital leases; liabilities for accrued vacation leave; general obligation bonds and certificates of obligation, which are direct obligations; issued on the full faith and credit of the City. Principal and interest payments on the general obligation bonds and certificates of obligation are secured by ad-valorem taxes levied on all taxable property within the City, and surplus revenues of the Water and Sewer Fund and Airport Fund. A portion of the general obligation bonds has been issued on behalf of the Water and Sewer Fund. Although these bonds are secured by the full faith and credit of the City and have no specific claim against Water and Sewer Fund assets, debt service requirements are provided by the Water and Sewer Fund. Accordingly, this debt is reflected as an obligation of the Water and Sewer Fund.

For the governmental activities, compensated absences and net pension liabilities are generally liquidated in the General Fund and Stormwater Fund. The total OPEB liability is generally liquidated in the General Fund.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

General obligation bonds, revenue bonds, certificates of obligation, notes payable and capital leases outstanding at September 30, 2021, consist of the following:

	Governmental Activities	Water and Sewer	Airport	Total Primary Government
<u>General Obligation Bonds</u>				
\$12,240,000, 2012 General Obligation Refunding Bonds, due in annual installments through February 15, 2024, 2.00% – 5.00%	\$ 3,940,000	\$ 100,000	\$ 30,000	\$ 4,070,000
\$22,530,000, 2015 General Obligation Refunding Bonds, due in annual installments through February 15, 2035, 2.00% – 3.75%	19,450,017	839,983	-	20,290,000
\$6,575,000, 2016 General Obligation Refunding Bonds, due in annual installments through February 15, 2032, 2.00% – 4.00%	2,800,000	150,000	-	2,950,000
\$9,050,000, 2018 General Obligation Bonds, due in annual installments through February 15, 2038 3.00% - 3.50%	8,425,000	-	-	8,425,000
\$24,530,000 2020 General Obligation Refunding Bonds, due in annual installments through February 15, 2040 3.00% - 4.00%	23,690,000	-	-	23,690,000
Total general obligation bonds	<u>\$ 58,305,017</u>	<u>\$ 1,089,983</u>	<u>\$ 30,000</u>	<u>\$ 59,425,000</u>
<u>Certificates of Obligation</u>				
\$7,585,000, 2011 Certificate of Obligation Bonds, due in annual installments through August 15, 2031, 2.00% – 3.50%	-	4,470,000	-	4,470,000
\$4,080,000, 2015 Certificate of Obligation Bonds, due in annual installments through February 15, 2035, 2.00% – 3.75%	3,600,000	-	-	3,600,000
Total certificates of obligation	<u>\$ 3,600,000</u>	<u>\$ 4,470,000</u>	<u>\$ -</u>	<u>\$ 8,070,000</u>

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The city has pledged future water customer revenues, net of specified operating expenses, to repay \$7.6 million in water system revenue bonds issued in 2011. The bonds are payable solely from water customer net revenues and are payable through 2032. Annual principal and interest payments on the bonds are expected to require less than 25 percent of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,312,444. Principal and interest paid for the current year was \$510,556. Total water and sewer customer net revenues for the current year were \$3,633,610.

	Governmental Activities	Total Primary Government	Discretely Presented Component Units
<u>Note Payable - Direct Borrowings</u>			
\$11,650,000 note payable, due in annual installments through February 15, 2024; 2.00% – 4.00%	\$ -	\$ -	\$ 3,340,000
\$1,125,000 note payable, due in annual installments through February 15, 2027; 2.00% – 3.75%	-	-	1,215,000
Total notes payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,555,000</u>

Capital Leases - Direct Borrowings

\$1,250,000 Lease Purchase Agreement due in due in monthly installments through January 15, 2024; 2.08%	\$ 270,000	\$ 270,000	\$ -
\$675,623 Lease Purchase Agreement due in bi-annual installments through May 25, 2025; 3.55%	376,980	376,980	-
\$1,674,226 Lease Purchase Agreement due in bi-annual installments through October 2, 2027; 1.32%	<u>1,559,685</u>	<u>1,559,685</u>	<u>-</u>
Total capital leases	<u>\$ 2,206,665</u>	<u>\$ 2,206,665</u>	<u>\$ -</u>

City of Lancaster, Texas
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Capital leases represent the remaining principal amounts payable under lease purchase agreements for the acquisition of equipment through the General Fund. The lease purchase agreements are collateralized by the related financed equipment.

As of September 30, 2021, property and equipment under capital leases is carried at \$3,599,849, with \$1,516,568 in estimated accumulated depreciation, included in fixed assets. Amortization of these assets is included with depreciation expense.

The annual requirements to amortize the long-term debt as of September 30, 2021, are as follows:

General Obligation Bonds						
Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 3,630,000	\$ 2,246,125	\$ 5,876,125	\$ 155,000	\$ 39,225	\$ 194,225
2023	3,950,000	2,074,975	6,024,975	170,000	31,775	201,775
2024	4,060,000	1,913,925	5,973,925	175,000	24,100	199,100
2025	3,210,000	1,775,425	4,985,425	135,000	17,075	152,075
2026	3,330,000	1,648,950	4,978,950	140,000	10,575	150,575
2027-2031	13,960,000	5,181,475	19,141,475	344,983	3,600	348,583
2032-2036	16,330,000	3,412,625	19,742,625	-	-	-
2037-2040	9,835,017	926,875	10,761,892	-	-	-
Total	<u>\$ 58,305,017</u>	<u>\$ 19,180,375</u>	<u>\$ 77,485,392</u>	<u>\$ 1,119,983</u>	<u>\$ 126,350</u>	<u>\$ 1,246,333</u>

Certificates of Obligation						
Fiscal Year	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2022	\$ 80,000	\$ 125,530	\$ 205,530	\$ 370,000	\$ 140,556	\$ 510,556
2023	80,000	123,330	203,330	385,000	129,456	514,456
2024	190,000	120,930	310,930	400,000	117,906	517,906
2025	195,000	118,530	313,530	415,000	105,906	520,906
2026	195,000	114,480	309,480	430,000	93,456	523,456
2027-2031	835,000	480,564	1,315,564	1,930,000	236,263	2,166,263
2032-2036	2,025,000	238,591	2,263,591	540,000	18,900	558,900
Total	<u>\$ 3,600,000</u>	<u>\$ 1,321,955</u>	<u>\$ 4,921,955</u>	<u>\$ 4,470,000</u>	<u>\$ 842,444</u>	<u>\$ 5,312,444</u>

City of Lancaster, Texas
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Note Payable - Direct Borrowing			
Fiscal Year	Discretely Presented Component Units		
	Principal	Interest	Total
2022	\$ 1,000,000	\$ 140,425	\$ 1,140,425
2023	1,040,000	146,250	1,186,250
2024	1,080,000	100,675	1,180,675
2025	190,000	57,500	247,500
2026	200,000	31,475	1,085,325
2027-2031	1,045,000	40,325	-
Total	<u>\$ 4,555,000</u>	<u>\$ 516,650</u>	<u>\$ 4,840,175</u>

Capital Leases - Direct Borrowings			
Fiscal Year	Governmental Activities		
	Principal	Interest	Total
2022	424,425	23,614	448,039
2023	431,177	18,052	449,229
2024	438,103	12,359	450,462
2025	332,123	6,847	338,970
2026	243,856	2,168	246,024
2027-2028	336,981	823	337,804
Total	<u>\$ 2,206,665</u>	<u>\$ 63,863</u>	<u>\$ 2,270,528</u>

City of Lancaster, Texas
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Note 8: Employee Retirement System

Plan Description

The City provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, hybrid defined benefit plan in the state-wide TMRS, an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within options available in the governing state statutes of TMRS. Lancaster Economic Development Corporation and Lancaster Recreational Development Corporation contribute to the plan with a cost share of 0.93 percent and 4.46 percent, respectively. There were no significant changes in the component unit's proportion to the plan during fiscal year 2021.

TMRS issues a publicly available comprehensive financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the system. This report may be obtained by writing to Texas Municipal Retirement System, P.O. Box 149153, Austin, Texas, 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS' website at www.TMRS.com.

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

Deposit rate	7.00%
Matching ratio (City to employee)	2 – 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated service credit	100% Repeating, Transfers
Annuity increase (to retirees)	50% of CPI Repeating

At the December 31, 2020, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	212
Inactive employees entitled to but not yet receiving benefits	261
Active employees	<u>259</u>
Total employees	<u><u>732</u></u>

City of Lancaster, Texas
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Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the entry age normal actuarial cost method beginning with the 2013 valuations. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually; the prior service contribution rate amortizes the unfunded actuarial liability over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as Updated Service Credits and Annuity Increases.

The City's contributions to TMRS for the year ended September 30, 2021, were \$2,467,021, and were equal to the required contributions.

The City contributes to the TMRS plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (*i.e.*, December 31, 2012, valuation is effective for the rates beginning January 1, 2014).

Net Pension Liability

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year
Investment rate of return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109 percent and female rates multiplied by 103 percent with a 3-year set-forward for both males and females. In addition, a three percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the three percent floor.

City of Lancaster, Texas
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Actuarial assumptions used in the December 31, 2020, valuation was based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a *Mortality Experience Investigation Study* covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013, valuation along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments is 6.75 percent. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the actuary focused on the area between: (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Global Equity	30.00%	5.30%
Core Fixed Income	10.00%	1.25%
Non-Core Fixed Income	20.00%	4.14%
Real Return	10.00%	3.85%
Real Estate	10.00%	4.00%
Absolute Return	10.00%	3.48%
Private Equity	10.00%	7.75%
Total	<u>100.00%</u>	

City of Lancaster, Texas
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Discount Rate

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will remain at the current 6.75 percent and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Total Pension Liability (a)	Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances as of October 1, 2020	\$ 91,348,530	\$ 79,112,586	\$ 12,235,944
Changes for the year			
Service cost	2,870,095	-	2,870,095
Interest on total pension liability	6,130,458	-	6,130,458
Effect of difference in expected and actual experience	(1,122,347)	-	(1,122,347)
Benefit payments	(3,923,955)	(3,923,955)	-
Changes in assumptions	-	-	-
Administrative expenses	-	(38,858)	38,858
Member contributions	-	1,270,757	(1,270,757)
Net investment income	-	6,004,800	(6,004,800)
Employer contributions	-	2,441,668	(2,441,668)
Other	-	(1,517)	1,517
Net changes	<u>3,954,251</u>	<u>5,752,895</u>	<u>(1,798,644)</u>
Balances as of September 30, 2021	<u><u>\$ 95,302,781</u></u>	<u><u>\$ 84,865,481</u></u>	<u><u>\$ 10,437,300</u></u>

Proportionate share and net pension liability reported in:

Primary Government	94.63%	\$ 9,876,406
Lancaster Economic Development Corporation	0.95%	99,040
Lancaster Recreational Development Corporation	4.43%	461,854
Total	<u>100.00%</u>	<u>\$ 10,437,300</u>

City of Lancaster, Texas
Notes to Basic Financial Statements
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, by primary government and discretely presented component units, calculated using the discount rate of 6.75 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75 percent) or 1-percentage-point higher (7.75 percent) than the current rate:

	1% Decrease (5.75%)	Current Single Rate Assumption (6.75%)	1% Increase (7.75%)
Primary government	\$ 23,992,572	\$ 9,876,406	\$ (1,484,931)
Lancaster Economic Development Corporation	240,596	99,040	(14,891)
Lancaster Recreational Development Corporation	1,121,973	461,854	(69,440)
Plan's net pension liability	<u>\$ 25,355,142</u>	<u>\$ 10,437,300</u>	<u>\$ (1,569,262)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the primary government recognized pension expense, as measured in accordance with GASB 68, of \$1,444,390.

At September 30, 2021, the primary government reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 101,915	\$ 729,869
Change of assumptions	107,999	-
Net difference between projected and actual investment earnings		
plan investments	-	2,120,944
Contributions subsequent to the measurement date	<u>1,797,753</u>	<u>-</u>
Total	<u>\$ 2,007,667</u>	<u>\$ 2,850,813</u>

City of Lancaster, Texas
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For the year ended September 30, 2021, the primary government reported \$1,797,753 as deferred outflows of resources related to pensions resulting from primary government contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction in the net pension liability at September 30, 2022.

For the year ended September 30, 2021, Lancaster Economic Development Corporation recognized pension expense, as measured in accordance with GASB 68, of \$14,484.

At September 30, 2021, Lancaster Economic Development Corporation reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 963	\$ 6,945
Change of assumptions	1,028	-
Net difference between projected and actual investment earnings		
plan investments	-	20,213
Contributions subsequent to the measurement date	<u>16,828</u>	<u>-</u>
Total	<u><u>\$ 18,819</u></u>	<u><u>\$ 27,158</u></u>

For the year ended September 30, 2021, Lancaster Economic Development Corporation reported \$16,828 as deferred outflows of resources related to pensions resulting from Lancaster Economic Development Corporation contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction in the net pension liability at September 30, 2022.

For the year ended September 30, 2021, Lancaster Recreational Development Corporation recognized pension expense, as measured in accordance with GASB 68, of \$67,545.

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At September 30, 2021, Lancaster Recreational Development Corporation reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,753	\$ 34,800
Change of assumptions	5,149	-
Net difference between projected and actual investment earnings		
plan investments	-	102,837
Contributions subsequent to the measurement date	<u>81,280</u>	<u>-</u>
Total	<u><u>\$ 91,182</u></u>	<u><u>\$ 137,637</u></u>

For the year ended September 30, 2021, Lancaster Recreational Development Corporation reported \$81,280 as deferred outflows of resources related to pensions resulting from Lancaster Recreational Development Corporation contributions subsequent to the measurement date and prior to year-end. This amount will be recognized as a reduction in the net pension liability at September 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the primary government will be recognized in pension expense as follows:

Year Ending September 30,	
2022	\$ (957,457)
2023	(238,803)
2024	(1,321,607)
2025	<u>(123,032)</u>
Total	<u><u>\$ (2,640,899)</u></u>

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Other amounts reported as deferred outflows of resources and deferred inflows of resources related to Lancaster Economic Development Corporation will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	
2022	\$ (9,601)
2023	(2,395)
2024	(13,253)
2025	<u>82</u>
Total	<u>\$ (25,168)</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to Lancaster Recreational Development Corporation will be recognized in pension expense as follows:

<u>Year Ending September 30,</u>	
2022	\$ (44,774)
2023	(11,167)
2024	(61,803)
2025	<u>(9,991)</u>
Total	<u>\$ (127,735)</u>

Note 9: Other Postemployment Benefits

Retiree Health Care Plan

Plan Description

The City provides post-employment medical care (OPEB) for employees through a single-employer defined benefit medical plan. The plan provides medical benefits for eligible retirees, their spouses and dependents through the City's group health insurance plans, which cover both active and retired members. The benefit levels and contribution rates are approved annually by the City management and the City Council as part of the budget process.

Since no assets are accumulated in a trust that meets the criteria of paragraph four of GASB 75, the plan is not accounted for as a trust fund. The plan does not issue a separate financial report.

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Benefits Provided

The City provides post-employment medical and dental care benefits to its retirees. Retirees who elect COBRA cannot later elect retiree coverage. To be eligible for coverage an employee must qualify under all three of the following:

1. The retiree must have been covered for medical benefits under the City Health Plan as an employee immediately prior to termination of employment.
2. Apply for pension benefits from TMRS in accordance with their requirements and deadlines, but in no event later than 90 days from termination of employment; and
3. Enroll for retiree Health coverage within 31 days of the date of termination.

Funding Policy

The plan's premium rates are determined annually by City management and approved by the City Council as part of the annual budget. Members receiving HMO medical benefits contribute \$672 per month for retiree-only coverage, \$1,479 per month for retiree and spouse, and \$2,289 per month for retiree and family. Members receiving PPO medical benefits contribute \$822 per month for retiree-only coverage, \$1,808 per month for retiree and spouse, and \$2,798 per month for retiree and family. By the City not contributing anything toward this plan in advance, the City employs a pay-as-you-go method through ensuring the annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees.

Employees Covered by Benefit Terms

Membership in the Plan by membership class at December 31, 2020, (measurement date), is as follows:

Inactive employees or beneficiaries currently receiving benefits	7
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>252</u>
Total employees	<u><u>259</u></u>

Total OPEB Liability for Retiree Health Care Plan

The City and its component units' total OPEB liability of \$1,399,614 was measured as of December 31, 2020.

City of Lancaster, Texas
Notes to Basic Financial Statements
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Actuarial Assumptions

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	December 31, 2021
Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.00% as of December 31, 2020 (2.75% as of December 31, 2019)
Inflation	2.50%
Salary Increase	3.50% to 11.50%, including inflation
Demographic Assumptions	Based on the experience study covering the four-year period ending December 31, 2018, as conducted for the Texas Municipal Retirement System (TMRS).
Mortality	For healthy retirees, the gender-distinct 2019 Municipal Retirees of Texas Mortality Tables are used. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables to account for future mortality rates.
Health Care Trend Rates	Initial rate of 7.00% declining to an ultimate rate of 4.25% after 13 years
Participation Rates	25% for pre-65 retirees who are at least 50 years old at retirement; 0% for retirees younger than 50 years old at retirement

For plans that do not have a formal trust that meets GASB's requirements, the discount rate equals the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date. The discount rate was based on the daily rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index".

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Changes in Total OPEB Liability for Retiree Health Care Plan

The total OPEB liability and related information are as follows for the City and its component units at September 30, 2021:

	<u>Total OPEB Liability</u>
Balances as of October 1, 2020	\$ 1,358,281
Changes for the year:	
Service cost	78,688
Interest on total OPEB liability	37,706
Difference between expected and actual experience	(124,895)
Effect of assumption changes (discount rate change)	102,810
Benefit payments, age adjusted premiums, net of retiree contributions	<u>(52,976)</u>
Balances as of September 30, 2021	<u>\$ 1,399,614</u>
 City	 <u>\$ 1,315,637</u>
Lancaster Economic Development Corporation	<u>\$ 13,996</u>
Lancaster Recreational Development Corporation	<u>\$ 69,981</u>

City of Lancaster, Texas
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Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The total OPEB liability of the City and its component units has been calculated using a discount rate of 2.00 percent. The following presents the total OPEB liability using a discount rate one percent higher and one percent lower than the current discount rate.

	1% Decrease 1.00%	Current Discount Rate Assumption 2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 1,549,663	\$ 1,399,614	\$ 1,264,265

Sensitivity of Total OPEB Liability to Changes in the Health Care Trend Rates

The total OPEB liability of the City and its component units has been calculated using a health care trend rate of 7.00 percent. The following presents the total OPEB liability using a discount rate one percent higher and one percent lower than the current discount rate.

	1% Decrease	Current Healthcare Cost Trend Rate Assumption	1% Increase
Total OPEB Liability	\$ 1,218,898	\$ 1,399,614	\$ 1,619,060

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2021, the City and its component units recognized OPEB expense of \$133,209. At September 30, 2021, the City and its component units 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
Difference between expected and actual experience	\$ 9,445	\$ 121,604
Changes of assumptions	209,325	-
Benefit payments subsequent to the measurement date	31,653	-
Total	<u>\$ 250,423</u>	<u>\$ 121,604</u>

City of Lancaster, Texas
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Benefit payments subsequent to the measurement date and before fiscal year-end will be recognized as a reduction of the total OPEB liability in the year ending September 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending September 30</u>	<u>Amortization of Deferred Outflows/(Inflows) of Resources</u>
2022	\$ 16,815
2023	16,815
2024	16,815
2025	16,815
2026	16,582
Thereafter	<u>13,324</u>
Total	<u>\$ 97,166</u>

Supplemental Death Benefit Fund

Plan Description

The City also participates in the single-employer defined benefit OPEB plan providing group term life insurance which is operated by TMRS and is known as the Supplemental Death Benefits fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to active and retired members. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1, of any year to be effective the following January 1.

Benefits Provided

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post-employment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. This rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to prefund retiree life insurance during employees' entire careers. No assets are accumulated in a trust that meets the criteria in paragraph four of GASB 75.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Employees Covered by Benefit Terms

The following employees were covered by the benefit terms at December 31, 2020, (measurement date), is as follows:

Inactive employees or beneficiaries currently receiving benefits	128
Inactive employees entitled to but not yet receiving benefits	37
Active employees	<u>259</u>
 Total employees	 <u><u>424</u></u>

Total OPEB Liability for Supplemental Death Benefits

The City and its component units total OPEB liability of \$1,007,562 was measured as of December 31, 2020, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The total OPEB liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

	<u>December 31, 2020</u>
Actuarial Cost Method	Individual Entry-Age
Discount Rate	2.00% as of December 31, 2020 (2.75% as of December 31, 2019)
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Administrative expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4-year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The TMRS SDBF is treated as unfunded OPEB plan because the SDBF trust covers both actives and retirees and the assets are not accumulated in a trust that meets the criteria of paragraph four of GASB 75. Under GASB 75 (paragraph 155), the discount rate for an unfunded OPEB plan should be based on 20-year tax-exempt AA or higher Municipal Bonds. Therefore, a discount rate of 2.00 percent based on the 20-Year Municipal GO AA Index published by bondbuyer.com is used as of the measurement date of December 31, 2020. At transition, GASB 75 also requires that the Total OPEB Liability (TOL) as of the prior fiscal year end be estimated based on the 20-Year Bond GO Index.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Changes in Total OPEB Liability for Supplemental Death Benefits

The total OPEB liability and related information are as follows for the City and its component units at September 30, 2021:

	Total OPEB Liability
Balances as of October 1, 2020	\$ 847,429
Changes for the year	
Service cost	39,938
Interest on total OPEB liability	23,779
Differences between expected and actual experience	(33,785)
Effect of assumption changes (discount rate change)	135,647
Benefit payments and age adjusted premiums, net of retiree contributions	<u>(5,446)</u>
Balances as of September 30, 2021	<u><u>\$ 1,007,562</u></u>
 City	 <u><u>\$ 947,108</u></u>
 Lancaster Economic Development Corporation	 <u><u>\$ 10,076</u></u>
 Lancaster Recreational Development Corporation	 <u><u>\$ 50,378</u></u>

Sensitivity of Total OPEB Liability to Changes in the Discount Rate

The total OPEB liability of the City and its component units has been calculated using a discount rate of 2.00 percent. The following presents the total OPEB liability using a discount rate one percent higher and one percent lower than the current discount rate.

	1% Decrease 1.00%	Current Discount Rate Assumption 2.00%	1% Increase 3.00%
Total OPEB Liability	\$ 1,236,134	\$ 1,007,562	\$ 832,163

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

OPEB Expense and Deferred Outflows of Resources

For the year ended September 30, 2021, the City and its component units recognized OPEB expense of \$99,478. At September 30, 2021, the City and its component units reported deferred outflows of resources related to OPEB from the following sources:

	Outflows of Resources	Inflows of Resources
Differences in expected and actual experience	\$ -	\$ 60,201
Changes of assumptions	216,560	24,092
Total	<u>\$ 216,560</u>	<u>\$ 84,293</u>

Other amounts reported as deferred outflows of resources related to OPEB will be recognized in OPEB expense as follows:

September 30,	Amortization of Deferred Outflows of Resources
2022	\$ 35,761
2023	30,671
2024	30,799
2025	26,969
2026	8,067
Total	<u>\$ 132,267</u>

Note 10: 457(b) Retirement Plan

The City offers all employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The defined contribution plan is a 457(b) plan and is administered by ICMA. The Plan provisions and contribution requirements are established and may be amended by the Plan administrator. Vantage Trust Company is the trustee of the plan. Employees may enroll in the plan and /or change their contribution amounts at any time.

Note 11: Litigation

The City is party to several legal actions arising in the ordinary course of business. In the opinion of the City's legal counsel and management, the City has adequate legal defense and/or insurance coverage regarding each of these actions and does not believe the amount is probable.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 12: Commitments and Contingencies

Risk Management

The City is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City is part of the Texas Municipal League Intergovernmental Risk Pool (Pool). Premiums are paid to the Pool, which retain a limit of loss. Reinsurance companies insure the risks beyond those limits. The City retains, as a risk, only the deductible amount of each policy. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage in any of the past three fiscal years.

Trinity River Authority of Texas

The City contracts with Trinity River Authority of Texas (TRA), a conservation and reclamation district, whereby TRA finances, constructs, operates and maintains sewage transportation and treatment facilities for the benefit of the City. The current contract is extended through the date until which all bonds have been paid. The City makes payments monthly, which are based on an estimate of its share of costs. The City's share of costs for the fiscal year ended September 30, 2021, was \$6,424,809 for the Ten Mile Creek Regional Wastewater System and \$119,612, for the Red Oak Creek Regional Wastewater System. This estimate is calculated by TRA who makes adjustments for over/under charges in the City's next fiscal year. There were no adjustments to the amounts as calculated by the TRA for the year ended September 30, 2021.

Federal and State Programs

The City participates in several federal and state grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that if the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at September 30, 2021, may be impaired.

Other Contingencies

There are other claims and pending actions incidental to normal operations of the City. In the opinion of the City administration, the City's potential liability in these matters will not have a material impact in the accompanying financial statements.

City of Lancaster, Texas
Notes to Basic Financial Statements
September 30, 2021

Note 13: Tax Incentive Rebates

The City of Lancaster has active Commercial Development and Job Related Incentive Rebates that develop or redevelop a particular property attracting business that generates incremental tax revenues. In addition to GASB 77, the agreements are subject Chapter 380 of the Texas Local Government Code that promotes local economic development, commercial activity and business stimulation. City Council approves the agreements via resolution. As part of the agreement, the City agrees to rebate the tax valorem tax increment and the local sales tax after confirmation of payment. If the businesses do not meet the obligations as set forth in the agreement, a clawback provision for default on agreement is included in the agreement and the business agrees to return a percentage of the rebate back to the City. Total rebate of property tax dollars paid out of the general fund for the year ended September 30, 2021 is \$2,390,011.

The City also uses Sales Tax Incentive Programs to spur additional economic development. For FY2021, sales tax rebates paid out of LEDC was \$184,487.

Note 14: Subsequent Events

In November of 2021, the City took advantage of historically low interest rates and refinanced its 2011 Certificate of Obligation and its 2012 General Obligation Bond. The new interest rate of 1.35% on the November 2021 General Obligation Bonds compares favorably to the average outstanding interest rates of 3.36% on the existing debt instruments. The City saved \$547,426 in interest costs. The maturity date remained the same at 9/30/2031.

In December of 2021 the City refinanced two J.P. Morgan Capital Leases for Fire Apparatus totaling \$599,857.58. The combined average interest rate on the outstanding leases of 2.87% was improved to 1.85% and saved the city \$15,322 in interest costs. The maturity date on the new lease remained the same at 5/25/2025.

Required Supplementary Information

City of Lancaster, Texas
Required Supplementary Information
Schedule of Changes in Net Pension Liability and Related Ratios
Texas Municipal Retirement System (Unaudited)

	2014	2015	2016	2017	2018	2019	2020
Total Pension Liability							
Service cost	\$ 1,754,296	\$ 2,193,202	\$ 2,335,235	\$ 2,469,383	\$ 2,640,859	\$ 2,815,735	\$ 2,870,095
Interest (on the Total Pension Liability)	4,600,938	4,801,518	4,963,011	5,149,906	5,442,872	5,772,620	6,130,458
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(470,634)	190,955	(1,104,406)	312,809	311,293	184,748	(1,122,347)
Changes in assumptions	-	961,057	-	-	-	287,170	-
Benefit payments, including refunds of employee contributions	(3,082,997)	(3,394,263)	(3,175,270)	(3,808,922)	(3,546,289)	(3,648,333)	(3,923,955)
Net change in total pension liability	2,801,603	4,752,469	3,018,570	4,123,176	4,848,735	5,411,940	3,954,251
Total pension liability – Beginning	66,392,037	69,193,640	73,946,109	76,964,679	81,087,855	85,936,590	91,348,530
Total pension liability – Ending (a)	<u>\$ 69,193,640</u>	<u>\$ 73,946,109</u>	<u>\$ 76,964,679</u>	<u>\$ 81,087,855</u>	<u>\$ 85,936,590</u>	<u>\$ 91,348,530</u>	<u>\$ 95,302,781</u>
Plan Fiduciary Net Position							
Contributions – employer	\$ 1,950,250	\$ 2,038,833	\$ 1,994,083	\$ 2,199,587	\$ 2,288,860	\$ 2,416,349	\$ 2,441,668
Contributions – employee	943,452	1,019,417	1,049,207	1,110,905	1,190,342	1,263,214	1,270,757
Net investment income	3,212,784	87,279	3,975,648	8,679,960	(2,119,471)	10,594,869	6,004,800
Benefit payments, including refunds of employee contributions	(3,082,997)	(3,394,263)	(3,175,270)	(3,808,922)	(3,546,289)	(3,648,333)	(3,923,955)
Administrative expense	(33,545)	(53,164)	(44,915)	(44,995)	(40,975)	(59,880)	(38,858)
Other	(2,758)	(2,625)	(2,420)	(2,281)	(2,140)	(1,799)	(1,516)
Net change in plan fiduciary net position	2,987,186	(304,523)	3,796,333	8,134,254	(2,229,673)	10,564,420	5,752,896
Plan fiduciary net position – Beginning	56,164,588	59,151,774	58,847,251	62,643,584	70,777,838	68,548,165	79,112,585
Plan fiduciary net position – Ending (b)	<u>\$ 59,151,774</u>	<u>\$ 58,847,251</u>	<u>\$ 62,643,584</u>	<u>\$ 70,777,838</u>	<u>\$ 68,548,165</u>	<u>\$ 79,112,585</u>	<u>\$ 84,865,481</u>
City's net pension liability – Ending (a) – (b)	<u>\$ 10,041,866</u>	<u>\$ 15,098,858</u>	<u>\$ 14,321,095</u>	<u>\$ 10,310,017</u>	<u>\$ 17,388,425</u>	<u>\$ 12,235,945</u>	<u>\$ 10,437,300</u>
Plan fiduciary net position as a percentage of the total pension liability	85.49%	79.58%	81.39%	87.29%	79.77%	86.61%	89.05%
Covered payroll	\$ 13,477,886	\$ 14,563,096	\$ 14,988,669	\$ 15,870,071	\$ 17,004,884	\$ 18,038,022	\$ 18,153,669
City's net pension liability as a percentage of covered payroll	74.51%	103.68%	95.55%	64.97%	102.26%	67.83%	57.49%

Changes in assumptions: In the 2015 valuation the investment rate decreased from 7.0 percent to 6.75 percent; the inflation rate was lowered from 3.0 percent to 2.5 percent; the experience study for retirement age was updated.

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's measurement date (December 31).

City of Lancaster, Texas
Required Supplementary Information
Schedule of Contributions
Texas Municipal Retirement System (Unaudited)

	Fiscal Year						
	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 2,012,259	\$ 2,002,110	\$ 2,134,819	\$ 2,285,017	\$ 2,441,322	\$ 2,451,002	\$ 2,467,021
Contributions in relation to the actuarially determined contribution	<u>2,012,259</u>	<u>2,002,110</u>	<u>2,134,819</u>	<u>2,285,017</u>	<u>2,441,322</u>	<u>2,451,002</u>	<u>2,467,021</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 14,156,179	\$ 14,839,963	\$ 15,572,564	\$ 16,678,121	\$ 18,031,676	\$ 18,060,708	\$ 18,490,118
Contributions as a percentage of covered payroll	14.21%	13.49%	13.71%	13.70%	13.54%	13.57%	13.34%

Notes to Schedule of Contributions

Valuation Date:

Notes

Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 Year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018
Mortality	Post retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality rates, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes

There were no benefit changes during the year

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's most recent fiscal year-end (September 30).

City of Lancaster, Texas
Required Supplementary Information
Schedule of Proportionate Share of Net Pension Liability and Contributions
Texas Municipal Retirement System (Unaudited)

Primary Government							
	2015	2016	2017	2018	2019	2020	2021
Proportionate share of net pension liability	94.63%	94.61%	94.62%	94.63%	94.61%	94.62%	94.63%
Net pension liability	\$ 9,502,407	\$ 14,285,030	\$ 13,550,087	\$ 9,756,009	\$ 16,451,475	\$ 11,577,744	\$ 9,876,406
Actuarially determined contribution	\$ 1,904,158	\$ 1,894,295	\$ 1,894,396	\$ 2,162,232	\$ 2,309,775	\$ 2,319,138	\$ 2,334,445
Covered payroll	\$ 13,395,694	\$ 14,040,821	\$ 14,041,573	\$ 15,781,923	\$ 17,060,067	\$ 17,067,576	\$ 17,178,104
Proportionate share of net pension liability as a percentage of covered payroll	70.94%	101.74%	96.50%	61.82%	96.43%	67.83%	57.49%

Lancaster Economic Development Corporation							
	2015	2016	2017	2018	2019	2020	2021
Proportionate share of net pension liability	0.95%	0.93%	0.93%	0.95%	0.93%	0.94%	0.95%
Net pension liability	\$ 95,378	\$ 140,419	\$ 133,994	\$ 97,894	\$ 161,599	\$ 115,227	\$ 99,040
Actuarially determined contribution	\$ 19,113	\$ 18,696	\$ 18,620	\$ 21,696	\$ 22,688	\$ 23,039	\$ 23,410
Covered payroll	\$ 134,456	\$ 138,576	\$ 138,012	\$ 158,359	\$ 167,577	\$ 169,557	\$ 172,261
Proportionate share of net pension liability as a percentage of covered payroll	70.94%	101.33%	97.09%	61.82%	96.43%	67.96%	57.49%

Lancaster Recreational Development Corporation							
	2015	2016	2017	2018	2019	2020	2021
Proportionate share of net pension liability	4.42%	4.45%	4.45%	4.42%	4.46%	4.44%	4.43%
Net pension liability	\$ 444,082	\$ 671,899	\$ 637,014	\$ 456,114	\$ 775,350	\$ 542,973	\$ 461,853
Actuarially determined contribution	\$ 88,988	\$ 89,119	\$ 89,094	\$ 101,089	\$ 108,859	\$ 108,824	\$ 109,166
Covered payroll	\$ 626,029	\$ 660,566	\$ 660,378	\$ 737,838	\$ 804,033	\$ 800,888	\$ 803,304
Proportionate share of net pension liability as a percentage of covered payroll	70.94%	101.72%	96.46%	61.82%	96.43%	67.80%	57.49%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's most recent fiscal year-end (September 30).

City of Lancaster, Texas
Required Supplementary Information
Retiree Health Care Plan
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
(Unaudited)

	Measurement Year			
	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 51,667	\$ 65,663	\$ 64,079	\$ 78,688
Interest Cost	41,389	39,252	44,458	37,706
Difference Between Expected and Actual Experience of the Total OPEB Liability	(1,641)	(16,374)	12,409	(124,895)
Changes of Assumptions	57,658	2,136	112,094	102,810
Benefit Payments	<u>(40,219)</u>	<u>(72,858)</u>	<u>(82,029)</u>	<u>(52,976)</u>
Net Change in Total OPEB Liability	108,854	17,819	151,011	41,333
Total OPEB Liability (Beginning)	<u>1,080,598</u>	<u>1,189,452</u>	<u>1,207,271</u>	<u>1,358,281</u>
Total OPEB Liability (Ending)	<u>\$ 1,189,452</u>	<u>\$ 1,207,271</u>	<u>\$ 1,509,293</u>	<u>\$ 1,399,614</u>
Covered-Employee Payroll	15,871,627	17,005,491	17,580,142	18,150,111
Total OPEB Liability as a Percentage of Covered-Employee Payroll	7.49%	7.10%	8.59%	7.71%

Changes of assumptions reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period: 2018 - 3.71%, 2019 - 2.75%, 2020 - 2.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's measurement date (December 31).

City of Lancaster, Texas
Required Supplementary Information
TMRs Supplemental Death Benefits Plan
Schedule of Changes in the City's Total OPEB Liability and Related Ratios
(Unaudited)

	Measurement Year			
	2017	2018	2019	2020
Total OPEB Liability				
Service Cost	\$ 22,218	\$ 27,208	\$ 27,057	\$ 39,938
Interest Cost	23,780	24,222	26,296	23,779
Difference Between Expected and Actual Experience of the Total OPEB Liability	-	(16,454)	(39,707)	(33,785)
Changes of Assumptions	59,920	(52,661)	141,242	135,647
Benefit Payments	(6,348)	(5,101)	(5,411)	(5,446)
Net Change in Total OPEB Liability	99,570	(22,786)	149,477	160,133
Total OPEB Liability (Beginning)	621,168	720,738	697,952	847,429
Total OPEB Liability (Ending)	<u>\$ 720,738</u>	<u>\$ 697,952</u>	<u>\$ 847,429</u>	<u>\$ 1,007,562</u>
Covered-Employee Payroll	15,870,071	17,004,884	18,038,022	18,153,669
Total OPEB Liability as a Percentage of Covered-Employee Payroll	4.54%	4.10%	4.70%	5.55%

Changes of assumptions reflect the effect of changes in the discount rate each period. The following are the discount rates used in each period: 2018 - 3.71%, 2019 - 2.75%, 2020 - 2.00%

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the City will present information for only those years for which information is available. Information has been determined as of the City's measurement date (December 31).

City of Lancaster, Texas
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual
General Fund (Unaudited)
For the Year Ended September 30, 2021

	Budgeted Amounts		Actual	Variance with
	Original	Final	GAAP	Final Budget
			Basis	Positive
				(Negative)
Revenues				
Taxes and fees	\$ 25,694,529	\$ 25,694,529	\$ 29,838,480	\$ 4,143,951
Licenses and permits	890,390	890,390	2,977,477	2,087,087
Intergovernmental	15,000	15,000	814,155	799,155
Charges for services	1,049,350	1,049,350	1,860,833	811,483
Fines and forfeits	780,000	780,000	1,194,753	414,753
Interest	55,800	55,800	15,878	(39,922)
Grant and other income	2,500	2,500	-	(2,500)
Miscellaneous	36,042	36,042	608,287	572,245
Total revenues	<u>28,523,611</u>	<u>28,523,611</u>	<u>37,309,863</u>	<u>8,786,252</u>
Expenditures				
Current				
General government	5,493,370	5,493,370	5,463,126	30,244
Public safety	17,776,020	17,776,020	18,324,118	(548,098)
Public works	1,288,286	1,288,286	2,736,377	(1,448,091)
Community development and recreation	1,889,164	1,889,164	1,838,056	51,108
Capital outlay	3,468,482	3,468,482	3,029,880	438,602
Debt service				
Principal retirement	-	-	1,859,583	(1,859,583)
Interest and fiscal charges	-	-	155,532	(155,532)
Total expenditures	<u>29,915,322</u>	<u>29,915,322</u>	<u>33,406,672</u>	<u>(3,491,350)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,391,711)</u>	<u>(1,391,711)</u>	<u>3,903,191</u>	<u>5,294,902</u>
Other financing sources				
Transfers in	<u>2,320,914</u>	<u>2,320,914</u>	<u>1,876,633</u>	<u>(444,281)</u>
Total other financing sources	<u>2,320,914</u>	<u>2,320,914</u>	<u>3,550,859</u>	<u>1,229,945</u>
Net Change in Fund Balances	<u>929,203</u>	<u>929,203</u>	<u>7,454,050</u>	<u>6,524,847</u>
Fund Balance, Beginning of Year	<u>15,906,573</u>	<u>15,906,573</u>	<u>15,906,573</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 16,835,776</u>	<u>\$ 16,835,776</u>	<u>\$ 23,360,623</u>	<u>\$ 6,524,847</u>

City of Lancaster, Texas
Notes to Required Supplementary Information (Unaudited)
September 30, 2021

Budgets and Budgetary Accounting

The City adopts an “appropriated budget” of the General Fund on the modified accrual basis of accounting by department. The City is required to present the adopted and final amended budgeted revenues and expenditures. The City compares the final amended budget to actual revenues and expenditures.

An operating budget for the General Fund is legally adopted each fiscal year.

The budget is adopted on a basis consistent with generally accepted accounting principles (GAAP).

The City generally follows these procedures in establishing the budgetary data reflected in the financial statements:

1. A proposed operating budget including proposed expenditures and the means of financing them is submitted to the City Council by the City Manager.
2. Upon receipt of the budget estimates, the City Council holds a first reading on the Budget Ordinance and Tax Roll Ordinance. Information about the Budget Ordinance is then published in the official newspaper of the City.
3. A public hearing on the budget is held.
4. Prior to October 1 the budget is legally enacted through passage of an ordinance. The legal level of budgetary control is at the fund level. The City Manager is authorized to transfer budgeted amounts between departments within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the City Council. Budgetary control has been established at the detail level by line item activity for management control.

Draft

Combining and Individual Fund Statements and Schedules

City of Lancaster, Texas
Non-major Governmental Funds
September 30, 2021

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Stormwater Drainage Fund – to account for revenues received from a fee charged for the development of the City’s storm sewer drainage system.

Public Improvement Districts Fund – to account for the activities of the public improvement districts of the City.

Police State Seized Fund – to account for the activities of related funds awarded to the City by the Courts.

Police Federal Seized Fund – to account for the activities of related funds awarded to the City by the Courts.

Hotel/Motel Fund – to account for the revenues received from a hotel and motel tax.

Emergency 911 Fund – to account for revenues received from a fee charged for emergency services.

Parkland Dedication Fund – to account for revenues to provide for parks, open spaces and recreational areas.

Capital Projects Fund

Street Maintenance Fund – to account for maintenance of the City’s transportation system.

City of Lancaster, Texas
Combining Balance Sheet
Non-major Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue Funds							Capital Projects Fund	Total Non-major Governmental Funds
	Stormwater Drainage Fund	Public Improvement Districts Fund	Police State Seized Fund	Police Federal Seized Fund	Hotel/ Motel Fund	Emergency 911 Fund	Parkland Dedication Fund	Street Maintenance Fund	
Assets									
Cash and cash equivalents	\$ 4,536,385	\$ 1,700,729	\$ 23,420	\$ 28,070	\$ 1,389,373	\$ 1,219,709	431,378	\$ -	\$ 9,329,064
Receivables (net of allowance for uncollectibles)									
Delinquent taxes	-	9,486	-	-	-	-	-	-	9,486
Accounts receivable	257,592	-	851	-	68,934	21,708	-	12,303	361,388
Total assets	\$ 4,793,977	\$ 1,710,215	\$ 24,271	\$ 28,070	\$ 1,458,307	\$ 1,241,417	\$ 431,378	\$ 12,303	\$ 9,699,938
Liabilities, Deferred Inflows of Resources and Fund Balances									
Liabilities									
Accounts and contracts payable	\$ 343,852	\$ 28,471	\$ -	\$ 323	\$ 942	\$ 382	\$ -	\$ -	\$ 373,970
Accrued liabilities	110,044	-	12,675	-	-	805	-	-	123,524
Due to other funds	-	-	-	-	-	-	-	252,660	252,660
Total liabilities	453,896	28,471	12,675	323	942	1,187	-	252,660	750,154
Deferred inflows of resources - unavailable revenue	-	-	-	-	-	-	-	12,303	12,303
Fund balances									
Restricted for									
Public works	4,340,081	-	-	-	-	-	-	-	4,340,081
Public improvement districts	-	1,681,744	-	-	-	-	-	-	1,681,744
Police grants	-	-	11,596	27,747	-	-	-	-	39,343
Tourism, convention centers, arts	-	-	-	-	1,457,365	-	-	-	1,457,365
Law enforcement purposes	-	-	-	-	-	1,240,230	-	-	1,240,230
Park dedication	-	-	-	-	-	-	431,378	-	431,378
Unassigned	-	-	-	-	-	-	-	(252,660)	(252,660)
Total fund balances	4,340,081	1,681,744	11,596	27,747	1,457,365	1,240,230	431,378	(252,660)	8,937,481
Total liabilities, deferred inflows of resources and fund balances	\$ 4,793,977	\$ 1,710,215	\$ 24,271	\$ 28,070	\$ 1,458,307	\$ 1,241,417	\$ 431,378	\$ 12,303	\$ 9,699,938

City of Lancaster, Texas
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended September 30, 2021

	Special Revenue Funds						Capital Projects Fund	Total Non-major Governmental Funds
	Stormwater Drainage Fund	Public Improvement Districts Fund	Police State Seized Fund	Police Federal Seized Fund	Hotel/ Motel Fund	Emergency 911 Fund	Parkland Dedication Fund	Street Maintenance Fund
Revenues								
Taxes and fees	\$ 1,902,060	\$ 720,720	\$ -	\$ -	\$ 273,191	\$ -	\$ -	826,384
Licenses and permits	-	-	-	-	-	221,711	-	-
Forfeitures	-	-	-	26,765	-	-	-	-
Miscellaneous	-	556	4,110	-	7,535	-	-	-
Interest	2,889	1,146	30	39	818	783	-	314
Total revenues	<u>1,904,949</u>	<u>722,422</u>	<u>4,140</u>	<u>26,804</u>	<u>281,544</u>	<u>222,494</u>	<u>-</u>	<u>826,698</u>
Expenditures								
Current								
Public safety	-	-	4,994	29,627	-	207,412	-	-
Public works	1,781,910	-	-	-	-	-	-	-
Community development and recreation	-	420,657	-	-	21,761	-	-	-
Capital outlay	-	-	24,975	24,975	-	65,859	-	1,738,764
Debt service	-	-	-	-	-	-	-	-
Principal retirement	30,000	-	-	-	-	-	-	-
Interest and fiscal charges	11,750	-	-	-	-	-	-	-
Total expenditures	<u>1,823,660</u>	<u>420,657</u>	<u>29,969</u>	<u>54,602</u>	<u>21,761</u>	<u>273,271</u>	<u>-</u>	<u>1,738,764</u>
Excess (deficiency) of revenues over (under) expenditures	<u>81,289</u>	<u>301,765</u>	<u>(25,829)</u>	<u>(27,798)</u>	<u>259,783</u>	<u>(50,777)</u>	<u>-</u>	<u>(912,066)</u>
Other Financing Sources (Uses)								
Transfers out	<u>(58,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(58,610)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(19,354)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>22,679</u>	<u>301,765</u>	<u>(25,829)</u>	<u>(27,798)</u>	<u>240,429</u>	<u>(50,777)</u>	<u>-</u>	<u>(912,066)</u>
Fund Balances, Beginning of Year	<u>4,317,402</u>	<u>1,379,979</u>	<u>37,425</u>	<u>55,545</u>	<u>1,216,936</u>	<u>1,291,007</u>	<u>431,378</u>	<u>659,406</u>
Fund Balances, End of Year	<u>\$ 4,340,081</u>	<u>\$ 1,681,744</u>	<u>\$ 11,596</u>	<u>\$ 27,747</u>	<u>\$ 1,457,365</u>	<u>\$ 1,240,230</u>	<u>\$ 431,378</u>	<u>\$ (252,660)</u>
								<u>\$ 8,937,481</u>

City of Lancaster, Texas

Non-major Enterprise Funds

September 30, 2021

Enterprise Funds

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the City is that costs of providing the goods or services to the general public on a continuing basis will be financed or recovered through user charges. The City has two Non-major Enterprise Funds, which include the following:

Golf Course Fund – to account for the operation of the City’s golf course.

Refuse Fund – to account for the operation of the City’s refuse services.

City of Lancaster, Texas
Combining Statement of Net Position
Non-major Enterprise Funds
September 30, 2021

	Golf Course Fund	Refuse Fund	Total Non-major Enterprise Funds
Assets			
Current Assets			
Cash and cash equivalents	\$ -	\$ 4,278,025	\$ 4,278,025
Receivables (net of allowance for uncollectibles)			
Accounts	-	168,363	168,363
Unbilled	-	157,433	157,433
	<u>-</u>	<u>4,603,821</u>	<u>4,603,821</u>
Total current assets			
	<u>-</u>	<u>4,603,821</u>	<u>4,603,821</u>
Noncurrent Assets			
Capital assets			
Nondepreciable	349,554	-	349,554
Depreciable (net of accumulated depreciation)	1,413,919	309,067	1,722,986
	<u>1,763,473</u>	<u>309,067</u>	<u>2,072,540</u>
Total noncurrent assets			
	<u>1,763,473</u>	<u>309,067</u>	<u>2,072,540</u>
Total assets	<u>1,763,473</u>	<u>4,912,888</u>	<u>6,676,361</u>
Liabilities			
Current Liabilities			
Accounts and contracts payable	51,230	134,542	185,772
Accrued liabilities	15,382	20,962	36,344
Due to General Fund	1,279,940	-	1,279,940
Compensated absences	-	218	218
	<u>1,346,552</u>	<u>155,722</u>	<u>1,502,274</u>
Total current liabilities			
	<u>1,346,552</u>	<u>155,722</u>	<u>1,502,274</u>
Noncurrent Liabilities			
Compensated absences	-	654	654
	<u>-</u>	<u>654</u>	<u>654</u>
Total noncurrent liabilities			
	<u>-</u>	<u>654</u>	<u>654</u>
Total liabilities	<u>1,346,552</u>	<u>156,376</u>	<u>1,502,928</u>
Net Position			
Net investment in capital assets	1,763,473	309,067	2,072,540
Unrestricted	(1,346,552)	4,447,445	3,100,893
	<u>\$ 416,921</u>	<u>\$ 4,756,512</u>	<u>\$ 5,173,433</u>
Total net position			
	<u>\$ 416,921</u>	<u>\$ 4,756,512</u>	<u>\$ 5,173,433</u>

City of Lancaster, Texas
Combining Statement of Revenues, Expenses and Changes in Net Position
Non-major Enterprise Funds
For the Year Ended September 30, 2021

	Golf Course Fund	Refuse Fund	Total Non-major Enterprise Funds
Operating Revenues			
Charges for services	\$ 290,251	2,749,275	\$ 3,039,526
Miscellaneous	591,940	-	591,940
	<u>882,191</u>	<u>2,749,275</u>	<u>3,631,466</u>
Operating Expenses			
Maintenance	29,235	99,746	128,981
Heat, light and power	40,896	-	40,896
Depreciation	44,705	53,222	97,927
Special services	914,119	1,530,999	2,445,118
Miscellaneous	4,925	18,433	23,358
	<u>1,033,880</u>	<u>1,702,400</u>	<u>2,736,280</u>
Operating Income (Loss)	<u>(151,689)</u>	<u>1,046,875</u>	<u>895,186</u>
Nonoperating Revenues			
Interest revenue	-	2,435	2,435
	<u>-</u>	<u>2,435</u>	<u>2,435</u>
Income (Loss) Before Transfers	(151,689)	1,049,310	897,621
Transfers out	<u>(7,000)</u>	<u>(156,045)</u>	<u>(163,045)</u>
Change in Net Position	(158,689)	893,265	734,576
Net Position, Beginning of Year	<u>575,610</u>	<u>3,863,247</u>	<u>4,438,857</u>
Net Position, End of Year	<u>\$ 416,921</u>	<u>\$ 4,756,512</u>	<u>\$ 5,173,433</u>

City of Lancaster, Texas
Combining Statement of Cash Flows
Non-major Enterprise Funds
For the Year Ended September 30, 2021

	Golf Course Fund	Refuse Fund	Total Non-major Enterprise Fund
Operating Activities			
Receipts from customers and users	\$ 913,365	\$ 2,703,375	\$ 3,616,740
Payments to suppliers	(987,364)	(1,687,894)	(2,675,258)
Net cash provided by (used in) operating activities	(73,999)	1,015,481	941,482
Noncapital and Related Financing Activities			
Transfers out	(7,000)	(156,045)	(163,045)
Advances from other funds	80,999	-	80,999
Net cash used in noncapital financing activities	73,999	(156,045)	(82,046)
Investing Activities			
Interest on investments	-	2,434	2,434
Net cash provided by investing activities	-	2,434	2,434
Increase in Cash and Cash Equivalents	-	861,870	861,870
Cash and Cash Equivalents, Beginning of Year	-	3,416,155	3,416,155
Cash and Cash Equivalents, End of year	\$ -	\$ 4,278,025	\$ 4,278,025
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating income (loss)	\$ (151,689)	\$ 1,046,875	\$ 895,186
Item not requiring cash			
Depreciation	44,705	53,222	97,927
Changes in			
Accounts receivable	-	(45,900)	(45,900)
Accounts payable	31,174	3,650	34,824
Accrued expenses	1,811	(42,366)	(40,555)
Net cash provided by (used in) operating activities	\$ (73,999)	\$ 1,015,481	\$ 941,482

City of Lancaster, Texas
Discretely Presented Component Units
September 30, 2021

Lancaster Economic Development Corporation – to account for revenues from an industrial development sales tax to spur increased economic development activity within the City.

Lancaster Recreational Development Corporation – to account for revenues from a sales and use tax for the development of parks and recreational facilities.

City of Lancaster, Texas
Balance Sheet
Economic Development Corporation
Discretely Presented Component Units
September 30, 2021

Assets

Cash and cash equivalents	\$ 7,295,496
Sales tax receivable	326,310
Due from primary government	<u>672,238</u>
Total assets	<u>8,294,044</u>

Liabilities

Accounts payable	<u>83,712</u>
Total liabilities	<u>83,712</u>

Fund Balances

Unassigned	<u>8,210,332</u>
Total fund balances	<u>8,210,332</u>

Total Liabilities and Fund Balance	<u><u>\$ 8,294,044</u></u>
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City of Lancaster, Texas
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
Economic Development Corporation
Discretely Presented Component Units
September 30, 2021

Total fund balance	\$ 8,210,332
Amounts reported in the statement of net position are different because:	
Interest payable on long-term debt does not require current financial resources; therefore, interest payable is not reported as a liability in the balance sheet.	(6,016)
Capital assets used in governmental activities are not financial resources; therefore, are not reported as assets in fund financial statements. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	100,378
Long-term liabilities, including notes payable, net pension liability, and OPEB are not due and payable in the current period and therefore are not reported in the fund financial statements.	(1,338,112)
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:	
Employer contributions (GASB 75)	315
Assumption changes (GASB 75)	3,742
Experience difference (GASB 75)	(1,448)
Employer contributions (GASB 68)	16,828
Investment return difference (GASB 68)	(20,213)
Assumption changes (GASB 68)	1,028
Experience difference (GASB 68)	(5,982)
Total net position	<u>\$ 6,960,852</u>

City of Lancaster, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Economic Development Corporation
Discretely Presented Component Units
For the Year Ended September 30, 2021

Revenues	
Sales taxes	\$ 1,563,519
Interest	4,721
	<hr/>
Total revenues	1,568,240
	<hr/>
Expenditures	
Cultural and recreation	771,397
Debt service	
Repayment of note payable to primary government	155,000
Repayment of interest to primary government	55,425
	<hr/>
Total expenditures	981,822
	<hr/>
Net Change in Fund Balance	586,418
Fund Balance, Beginning of Year	7,623,914
	<hr/>
Fund Balance, End of Year	\$ 8,210,332
	<hr/>

City of Lancaster, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Economic Development Corporation
Discretely Presented Component Units
For the Year Ended September 30, 2021

Net change in fund balance	\$ 586,418
Amounts reported in the statement of activities are different because:	
Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.	7,312
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements.	155,000
Change in net position	<u>\$ 749,642</u>

City of Lancaster, Texas
Balance Sheet
Recreational Development Corporation
Discretely Presented Component Units
September 30, 2021

Assets

Cash and cash equivalents	\$ 2,087,651
Sales tax receivable	641,163
Accounts receivable	19,745
Prepaid expenses	<u>15,707</u>
Total assets	<u>2,764,266</u>

Liabilities

Accounts payable	32,181
Accrued liabilities	33,078
Due to primary government	<u>1,993,142</u>
Total liabilities	<u>2,058,401</u>

Fund Balance

Nonspendable for prepaid items	15,707
Unassigned	<u>690,158</u>
Total fund balances	<u>705,865</u>

City of Lancaster, Texas
Reconciliation of the Balance Sheet of Governmental Funds to the
Statement of Net Position
Recreational Development Corporation
Discretely Presented Component Units
September 30, 2021

Total fund balance	\$ 705,865
Amounts reported in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in fund financial statements. Capital assets are reported in the government-wide financial statements, net of accumulated depreciation.	9,594,632
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability in the balance sheet.	(11,484)
Long-term liabilities, including notes payable, are not due and payable in the current period and therefore are not reported in the fund financial statements.	(3,922,214)
Deferred outflows of resources and deferred inflows of resources represent flows of resources which relate to future periods and, therefore, are not reported in the fund financial statements. Deferred outflows of resources and deferred inflows of resources at year-end consist of:	
Employer contributions GASB 75)	1,584
Assumption changes (GASB 75)	18,710
Experience difference (GASB 75)	(7,239)
Employer contributions (GASB 68)	81,280
Investment return difference (GASB 68)	(102,837)
Assumption changes (GASB 68)	5,149
Experience difference (GASB 68)	(30,047)
Total net position	<u>\$ 6,333,399</u>

City of Lancaster, Texas
Statement of Revenues, Expenditures and Changes in Fund Balance
Recreational Development Corporation
Discretely Presented Component Units
For the Year Ended September 30, 2021

Revenues	
Sales taxes	\$ 3,127,039
Charges for services	488,707
Other revenues	6,903
Interest	<u>1,311</u>
Total revenues	<u>3,623,960</u>
Expenditures	
Cultural and recreation	2,015,781
Capital outlay	36,938
Debt service	
Repayment of note payable to primary government	790,000
Repayment of interest to primary government	<u>132,500</u>
Total expenditures	<u>2,975,219</u>
Excess of revenues over expenditures	<u>648,741</u>
Net Change in Fund Balance	648,741
Fund Balance, Beginning of Year	<u>57,124</u>
Fund Balance, End of Year	<u><u>\$ 705,865</u></u>

City of Lancaster, Texas
Reconciliation of the Statement of Revenues, Expenditures and Changes in
Fund Balance of Governmental Funds to the Statement of Activities
Recreational Development Corporation
Discretely Presented Component Units
For the Year Ended September 30, 2021

Reconciliation to Statement of Revenues RDC

Net change in fund balance	\$ 648,741
Amounts reported in the statement of activities are different because:	
Depreciation expense on capital assets is reported in the government-wide statement of activities and changes in net position, but they do not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.	(575,583)
Current year principal payments of long-term liabilities are shown as expenditures in the fund financial statements, but shown as reductions in long-term liabilities in the government-wide financial statements.	790,000
Current year pension and OPEB expenditures are reported on the fiscal year basis on the governmental statement of revenues, expenditures and changes in fund balance and as actuarially determined in the government-wide statement of activities. These differences are reflected in deferred outflows of resources and deferred inflow of resources balances.	36,658
Current year changes in accrued interest payable do not require the use of current financial resources; therefore, are not reported as expenditures in governmental funds.	5,079
Change in net position	<u>\$ 904,895</u>

Draft

Statistical Section

The following portion of the City of Lancaster Annual Comprehensive Financial Report presents detailed information as a context for understanding the information in the financial statements, note disclosures, and required supplementary information regarding the City's overall financial health.

Table	Contents
Financial Trends – <i>These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
	Entity-wide information:
A	Net position by component, last ten fiscal years
B	Changes in net position, last ten fiscal years
	Governmental funds information:
C	Fund balances of governmental funds, last ten fiscal years
D	Changes in fund balances of governmental funds, last ten fiscal years
Revenue Capacity – <i>These tables contain information to help the reader assess one of the City's most significant revenue sources, the property tax.</i>	
E	Assessed and estimated actual value of taxable property, last ten fiscal years
F	Direct and overlapping property tax rates, last ten fiscal years
G	Principal taxpayers, current year and nine years ago
H	Ad-valorem tax levies and collections, last ten fiscal years
Debt Capacity – <i>These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.</i>	
I	Ratios of outstanding debt by type, last ten fiscal years
J	Ratios of net general bonded debt outstanding <i>per capita</i> , last ten fiscal years
K	Legal debt margin information
L	Direct and overlapping governmental activities debt, last ten fiscal years
M	Secured revenue coverage – Water Bonds, last ten fiscal years
Demographic and Economic Information – <i>These tables offer demographic and economic indicators to help understand the environment within which the City's financial activities take place and to help make comparisons over time and with other governments.</i>	
N	Demographic and Economic Statistics, last ten calendar years
O	Principal employers, current and six years ago

Table

Contents

Operating Information – *These tables 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 activities it performs.*

- P Full-time equivalent City government employees by function/program, last ten years
- Q Operating indicators by function/program, last ten fiscal years
- R Capital asset statistics by function/program, last ten fiscal years

Sources: Unless otherwise noted, the information in these tables is derived from the Annual Comprehensive Financial Reports for the relevant years.

City of Lancaster, Texas
Table B – Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net investment in capital assets	\$ 55,109,346	\$ 46,231,794	\$ 46,504,601	\$ 43,186,713	\$ 41,406,070	\$ 47,966,710	\$ 37,985,322	\$ 33,701,881	\$ 37,281,365	\$ 40,362,558
Restricted for										
Housing and Urban Development	-	201,618	198,242	-	-	-	-	-	-	-
Court Security	-	-	-	25,509	29,106	38,013	45,457	55,458	70,498	84,640
Court Technology	-	-	-	77,596	82,633	97,869	109,564	108,981	131,656	118,312
Debt service	242,823	352,439	397,888	602,627	808,824	1,749,893	1,949,459	3,245,575	5,297,018	7,178,670
Public improvement districts	-	254,959	324,233	443,707	613,074	829,346	839,635	1,095,705	1,379,979	1,681,744
Tourism, convention centers, arts	-	367,370	433,318	535,168	621,137	717,922	826,544	981,652	1,216,936	1,457,365
Law enforcement purposes	-	616,916	467,206	619,198	834,271	1,009,536	1,138,971	1,176,713	1,383,977	1,279,573
Unrestricted	2,408,817	8,209,270	6,496,829	1,745,271	2,596,403	(5,878,003)	7,779,240	14,184,301	14,630,657	22,555,399
Total governmental activities net asset	\$ 57,760,986	\$ 56,234,366	\$ 54,822,317	\$ 47,235,789	\$ 46,991,518	\$ 46,531,286	\$ 50,674,192	\$ 54,550,266	\$ 61,392,086	\$ 74,718,261
Business-type Activities										
Net investment in capital assets	\$ 37,955,920	\$ 37,933,467	\$ 38,224,476	\$ 33,117,792	\$ 42,684,653	\$ 43,805,254	\$ 40,005,241	\$ 41,354,370	\$ 42,523,889	\$ 42,577,357
Unrestricted	13,121,089	15,798,314	17,260,560	24,342,877	23,659,170	26,965,817	32,720,848	34,682,576	36,379,569	38,755,582
Total business-type activities net asset	\$ 51,077,009	\$ 53,731,781	\$ 55,485,036	\$ 57,460,669	\$ 66,343,823	\$ 70,771,071	\$ 72,726,089	\$ 76,036,946	\$ 78,903,458	\$ 81,332,939
Primary Government										
Net investment in capital assets	\$ 93,065,266	\$ 84,165,261	\$ 84,729,077	\$ 76,304,505	\$ 84,090,723	\$ 91,771,964	\$ 77,990,563	\$ 75,056,251	\$ 79,805,254	\$ 82,939,915
Restricted for										
Housing and Urban Development	-	201,618	198,242	-	-	-	-	-	-	-
Court Security	-	-	-	25,509	29,106	38,013	45,457	55,458	70,498	84,640
Court Technology	-	-	-	77,596	82,633	97,869	109,564	108,981	131,656	118,312
Public improvement districts	-	254,959	324,233	443,707	613,074	829,346	839,635	1,095,705	1,379,979	1,681,744
Tourism, convention centers, arts	-	367,370	433,318	535,168	621,137	717,922	826,544	981,652	1,216,936	1,457,365
Law enforcement purposes	-	616,916	467,206	619,198	834,271	1,009,536	1,138,971	1,176,713	1,383,977	1,279,573
Debt service	242,823	352,439	397,888	602,627	808,824	1,749,893	1,949,459	3,245,575	5,297,018	7,178,670
Impact fees	-	-	-	-	-	-	-	-	-	-
Capital	-	-	-	-	-	-	-	-	-	-
Governmental funded construction costs	-	-	-	-	-	-	-	-	-	-
Unrestricted	15,529,906	24,007,584	23,757,389	26,088,148	26,255,573	21,087,814	40,500,088	48,866,877	51,010,226	61,310,981
Total primary governmental net assets	\$ 108,837,995	\$ 109,966,147	\$ 110,307,353	\$ 104,696,458	\$ 113,335,341	\$ 117,302,357	\$ 123,400,281	\$ 130,587,212	\$ 140,295,544	\$ 156,051,200

Source: Comprehensive Annual Financial Report

City of Lancaster, Texas
Table B – Changes in Net Position
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities										
General government	\$ 3,642,761	\$ 4,171,973	\$ 4,055,911	\$ 3,891,404	\$ 7,337,257	\$ 7,327,188	\$ 6,540,944	\$ 7,542,414	\$ 8,618,415	\$ 6,205,691
Public safety	14,232,681	14,350,239	14,898,549	16,540,660	18,522,908	18,869,618	20,671,196	22,445,886	21,474,236	22,602,069
Public works	5,119,834	4,991,125	4,926,327	5,987,362	3,651,258	3,869,238	3,441,079	3,512,367	3,735,538	5,034,667
Community development and recreation	1,173,498	1,238,745	1,260,500	1,225,730	1,366,830	1,829,003	2,214,694	2,461,161	2,795,968	2,625,974
Social and welfare	8,493,007	2,048,769	3,623	-	-	-	-	-	-	-
Interest and fiscal charges	2,367,927	1,836,254	3,054,899	3,379,380	3,200,431	2,935,851	4,304,629	2,928,389	2,794,842	2,331,002
Total governmental activities expenses	<u>35,029,708</u>	<u>28,637,105</u>	<u>28,199,809</u>	<u>31,024,536</u>	<u>34,078,684</u>	<u>34,830,898</u>	<u>37,172,542</u>	<u>38,890,217</u>	<u>39,418,999</u>	<u>38,799,403</u>
Business-type activities										
Water and sewer	10,085,993	9,945,611	11,215,515	12,185,162	12,960,201	12,635,280	14,113,248	14,151,252	14,573,772	15,673,559
Refuse	2,509,957	2,050,731	2,153,859	2,134,898	1,470,074	1,531,088	1,505,851	1,570,873	1,891,782	1,702,400
Airport	982,868	852,874	886,065	909,428	724,101	842,480	747,317	760,573	780,611	891,042
Golf course	139,621	108,196	86,605	82,234	79,667	116,867	1,038,286	1,093,145	951,759	1,033,880
Total business-type activities expenses	<u>13,718,439</u>	<u>12,957,412</u>	<u>14,342,044</u>	<u>15,311,722</u>	<u>15,234,043</u>	<u>15,125,715</u>	<u>17,404,702</u>	<u>17,575,843</u>	<u>18,197,924</u>	<u>19,300,881</u>
Total primary government expenses	<u>\$ 48,748,147</u>	<u>\$ 41,594,517</u>	<u>\$ 42,541,853</u>	<u>\$ 46,336,258</u>	<u>\$ 49,312,727</u>	<u>\$ 49,956,613</u>	<u>\$ 54,577,244</u>	<u>\$ 56,466,060</u>	<u>\$ 57,616,923</u>	<u>\$ 58,100,284</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,783,188	\$ 1,919,690	\$ 1,902,060
Public safety	1,529,136	787,570	990,079	1,436,765	2,303,526	1,563,791	1,910,595	1,322,261	1,473,204	2,781,229
Public works	682,137	1,863,869	1,856,563	1,838,598	3,346,266	2,931,542	2,892,010	3,508,030	1,753,034	5,060,021
Community development and recreation	-	-	-	-	-	-	-	-	-	-
Social and welfare	-	2,814,031	1,339,640	1,351,379	-	-	-	-	-	-
Operating grants and contributions	8,171,297	-	-	-	894,947	748,338	2,184,968	1,273,543	4,496,757	2,546,121
Capital grants and contributions	1,146,735	-	-	-	-	-	-	236,500	-	-
Total governmental activities program revenues	<u>\$ 11,529,305</u>	<u>\$ 5,465,470</u>	<u>\$ 4,186,282</u>	<u>\$ 4,626,742</u>	<u>\$ 6,544,739</u>	<u>\$ 5,243,671</u>	<u>\$ 6,987,573</u>	<u>\$ 8,123,522</u>	<u>\$ 9,642,685</u>	<u>\$ 12,289,431</u>

City of Lancaster, Texas
Table B – Changes in Net Position (Continued)
Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-type activities										
Charges for services										
Water and sewer	\$ 14,209,081	\$ 14,251,489	\$ 14,291,481	\$ 15,807,876	\$ 15,708,146	\$ 16,072,343	\$ 16,544,138	\$ 16,466,683	\$ 17,413,522	\$ 17,668,813
Refuse	2,077,599	2,171,652	2,190,122	2,281,175	2,374,754	2,695,335	2,549,198	2,681,079	2,720,555	2,749,275
Airport	806,724	750,308	788,602	748,077	775,416	681,037	685,256	688,845	675,621	711,252
Golf course	94,847	85,595	79,845	72,021	69,582	113,629	152,823	191,012	188,457	290,251
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	300,000	-	-	-	3,612,835	-	-	-	-	-
Total business-type activities program revenues	<u>17,488,251</u>	<u>17,259,044</u>	<u>17,350,050</u>	<u>18,909,149</u>	<u>22,540,733</u>	<u>19,562,344</u>	<u>19,931,415</u>	<u>20,027,619</u>	<u>20,998,155</u>	<u>21,419,591</u>
Total primary government program revenues	<u>\$ 29,017,556</u>	<u>\$ 22,724,514</u>	<u>\$ 21,536,332</u>	<u>\$ 23,535,891</u>	<u>\$ 29,085,472</u>	<u>\$ 24,806,015</u>	<u>\$ 26,918,988</u>	<u>\$ 28,151,141</u>	<u>\$ 30,640,840</u>	<u>\$ 33,709,022</u>
Net (Expenses) Revenues										
Governmental activities	\$ (23,500,403)	\$ (23,171,635)	\$ (24,013,527)	\$ (26,397,794)	\$ (27,533,945)	\$ (29,587,227)	\$ (30,184,969)	\$ (30,766,695)	\$ (29,776,314)	\$ (26,509,972)
Business-type activities	<u>3,769,812</u>	<u>4,301,632</u>	<u>3,008,006</u>	<u>3,597,427</u>	<u>7,306,690</u>	<u>4,436,629</u>	<u>2,526,713</u>	<u>2,451,776</u>	<u>2,800,231</u>	<u>2,118,710</u>
Total primary government net expenses	<u>\$ (19,730,591)</u>	<u>\$ (18,870,003)</u>	<u>\$ (21,005,521)</u>	<u>\$ (22,800,367)</u>	<u>\$ (20,227,255)</u>	<u>\$ (25,150,598)</u>	<u>\$ (27,658,256)</u>	<u>\$ (28,314,919)</u>	<u>\$ (26,976,083)</u>	<u>\$ (24,391,262)</u>
General Revenues and Other Changes in Net Assets										
Governmental activities										
Taxes										
Property taxes	\$ 13,255,066	\$ 12,299,191	\$ 12,240,385	\$ 14,047,562	\$ 15,696,270	\$ 18,172,866	\$ 20,117,067	\$ 22,325,257	\$ 25,428,022	\$ 27,233,924
Sales taxes	5,676,841	4,845,324	4,960,391	5,545,413	5,633,760	6,168,242	7,160,171	6,869,083	6,557,347	7,817,596
Franchise taxes	3,526,875	2,969,849	3,337,767	2,127,730	2,041,390	2,138,384	2,272,208	2,305,492	2,057,524	2,310,260
Other local taxes	51,632	-	48,110	2,494,897	2,019,179	1,761,893	1,164,457	34,537	16,208	22,745
Interest on investments	44,197	22,654	10,241	15,923	111,569	270,073	501,786	1,031,549	388,113	32,465
Miscellaneous	484,754	343,709	324,621	489,467	292,911	581,435	788,192	416,070	346,153	620,488
Transfers	1,431,236	1,856,628	1,679,963	1,635,572	(193,511)	1,722,208	2,099,973	1,660,781	1,824,767	1,798,669
Total governmental activities	<u>24,470,601</u>	<u>22,337,355</u>	<u>22,601,478</u>	<u>26,356,564</u>	<u>25,601,568</u>	<u>30,815,101</u>	<u>34,103,854</u>	<u>34,642,769</u>	<u>36,618,134</u>	<u>39,836,147</u>
Business-type activities										
Interest on investments	30,081	26,255	9,682	14,728	89,948	219,076	489,104	830,598	368,113	26,682
Miscellaneous	(696,812)	511,763	415,530	787,542	1,293,005	1,493,751	1,173,073	1,689,264	1,522,935	2,082,758
Transfers	<u>(1,431,236)</u>	<u>(1,856,628)</u>	<u>(1,679,963)</u>	<u>(1,635,572)</u>	<u>193,511</u>	<u>(1,722,208)</u>	<u>(2,099,973)</u>	<u>(1,660,781)</u>	<u>(1,824,767)</u>	<u>(1,798,669)</u>
Total business-type activities	<u>(2,097,967)</u>	<u>(1,318,610)</u>	<u>(1,254,751)</u>	<u>(833,302)</u>	<u>1,576,464</u>	<u>(9,381)</u>	<u>(437,796)</u>	<u>859,081</u>	<u>66,281</u>	<u>310,771</u>
Total primary government	<u>22,372,634</u>	<u>21,018,745</u>	<u>21,346,727</u>	<u>25,523,262</u>	<u>27,178,032</u>	<u>30,805,720</u>	<u>33,666,058</u>	<u>35,501,850</u>	<u>36,684,415</u>	<u>40,146,918</u>
Change in Net Position										
Governmental activities	970,198	(834,280)	(1,412,049)	(41,230)	(1,932,377)	1,227,874	3,918,885	3,876,074	6,841,820	13,326,175
Business-type activities	<u>1,671,845</u>	<u>2,983,022</u>	<u>1,753,255</u>	<u>2,764,125</u>	<u>8,883,154</u>	<u>4,427,248</u>	<u>2,088,917</u>	<u>3,310,857</u>	<u>2,866,512</u>	<u>2,429,481</u>
Total primary government	<u>\$ 2,642,043</u>	<u>\$ 2,148,742</u>	<u>\$ 341,206</u>	<u>\$ 2,722,895</u>	<u>\$ 6,950,777</u>	<u>\$ 5,655,122</u>	<u>\$ 6,007,802</u>	<u>\$ 7,186,931</u>	<u>\$ 9,708,332</u>	<u>\$ 15,755,656</u>

City of Lancaster, Texas
Table C – Fund Balances of Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	\$ -	\$ 50,317	\$ 181,550	\$ 181,224	\$ 16,290	\$ 116,498	\$ 110,373	\$ 125,850	\$ 111,681	\$ 120,924
Court security	-	-	-	25,509	29,106	38,013	45,457	55,458	70,498	84,640
Court technology	-	-	-	77,596	82,633	97,869	109,564	108,981	131,656	118,312
Unassigned	6,793,956	6,447,889	5,676,223	6,383,964	6,846,881	8,815,560	12,029,708	14,025,595	15,592,738	23,036,747
Total general fund	<u>\$ 6,793,956</u>	<u>\$ 6,498,206</u>	<u>\$ 5,857,773</u>	<u>\$ 6,668,293</u>	<u>\$ 6,974,910</u>	<u>\$ 9,067,940</u>	<u>\$ 12,295,102</u>	<u>\$ 14,315,884</u>	<u>\$ 15,906,573</u>	<u>\$ 23,360,623</u>
All Other Governmental Funds										
Nonspendable	\$ -	\$ 3,519	\$ 3,519	\$ 7,553	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted for										
Housing and Urban Development	950,820	201,618	198,242	-	-	-	-	-	-	-
Capital projects	9,723,620	8,742,773	8,177,260	12,782,493	15,924,564	7,134,763	6,127,269	10,598,227	8,594,068	9,991,544
Debt service	242,823	352,439	397,888	602,627	808,824	1,749,893	1,949,459	3,245,575	5,297,018	7,178,670
Public works	832,928	1,085,362	1,395,072	1,704,102	2,067,582	2,497,565	3,085,202	3,659,232	4,317,402	4,340,081
Public improvement districts	189,076	254,959	324,233	443,707	613,074	829,346	839,635	1,095,705	1,379,979	1,681,744
Police grants	7,539	7,299	50,137	34,805	57,184	64,360	87,929	49,468	92,970	39,343
Tourism, convention centers arts	298,965	367,370	433,318	535,168	621,137	717,922	826,544	981,652	1,216,936	1,457,365
Law enforcement purposes	395,610	609,617	417,069	584,393	777,087	945,176	1,051,042	1,127,245	1,291,007	1,240,230
Parkland dedication	-	-	-	-	-	-	-	431,378	431,378	431,378
Street	-	-	-	-	-	-	-	200,000	659,406	(252,660)
Total all other governmental funds	<u>\$ 12,641,381</u>	<u>\$ 11,624,956</u>	<u>\$ 11,396,738</u>	<u>\$ 16,694,848</u>	<u>\$ 20,869,452</u>	<u>\$ 13,939,025</u>	<u>\$ 13,967,080</u>	<u>\$ 21,388,482</u>	<u>\$ 23,280,164</u>	<u>\$ 26,107,695</u>

Source: Comprehensive Annual Financial Report

Notes: The City implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* in fiscal year 2011.

City of Lancaster, Texas
Table D – Changes in Fund Balances of Governmental Funds
Modified Accrual Basis of Accounting
Last Ten Fiscal Years (Unaudited)

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes and fees	\$ 22,746,133	\$ 20,301,610	\$ 21,269,177	\$ 23,577,637	\$ 25,270,016	\$ 28,571,938	\$ 31,820,128	\$ 34,074,520	\$ 36,784,104	\$ 40,946,412
Licenses and permits	857,841	1,148,329	975,217	951,760	1,830,079	1,484,252	1,695,322	1,370,116	1,299,206	3,199,188
Intergovernmental	8,821,297	2,814,031	1,339,640	1,946,379	1,504,947	1,280,288	2,801,908	1,273,543	4,496,757	2,546,121
Charges for services	671,295	715,540	881,346	886,838	1,516,187	1,447,290	1,196,688	2,137,914	453,828	1,860,833
Fines and forfeitures	884,828	787,570	990,079	1,436,765	2,303,526	1,563,791	1,910,595	1,322,261	1,473,204	2,781,229
Interest	44,197	22,654	10,241	15,923	111,569	270,073	501,786	1,031,549	388,113	32,465
Miscellaneous	484,754	343,709	324,621	489,467	292,911	581,435	356,692	391,411	346,153	620,488
Total revenues	<u>34,510,345</u>	<u>26,133,443</u>	<u>25,790,321</u>	<u>29,304,769</u>	<u>32,829,235</u>	<u>35,199,067</u>	<u>40,283,119</u>	<u>41,601,314</u>	<u>45,241,365</u>	<u>51,986,736</u>
Expenditures										
Current										
General government	3,234,973	3,375,903	3,437,170	3,800,206	4,171,215	4,801,896	5,045,895	5,334,851	7,373,944	6,194,854
Public safety	13,191,322	13,336,419	13,652,389	14,978,932	16,114,990	16,252,899	16,150,528	18,193,109	17,055,566	18,566,151
Public works	2,873,078	2,650,764	2,446,367	2,740,264	2,243,874	3,018,500	2,903,095	2,963,218	3,165,128	4,518,287
Community development and recreation	1,028,649	1,087,215	1,093,189	1,044,526	1,134,586	1,576,620	1,865,836	2,090,158	2,410,715	2,280,474
Social and welfare	8,493,007	2,048,769	3,623	-	-	-	-	-	-	-
Capital outlay	11,680,610	2,830,968	1,938,125	2,090,865	1,769,198	9,531,567	5,291,763	7,564,307	6,321,116	5,107,781
Debt Service										
Principal retirement	2,380,747	2,126,748	2,614,905	3,168,011	3,345,838	3,432,256	3,791,760	4,426,571	4,465,820	5,852,193
Interest and fiscal charges	2,392,568	1,895,777	3,102,850	3,248,164	3,454,802	3,144,934	4,510,498	3,038,551	2,789,973	2,658,310
Cost of issuance of bonds	94,871	-	-	294,059	-	95,206	-	100,791	298,874	-
Total expenditures	<u>\$ 45,369,825</u>	<u>\$ 29,352,563</u>	<u>\$ 28,288,618</u>	<u>\$ 31,365,027</u>	<u>\$ 32,234,503</u>	<u>\$ 41,853,878</u>	<u>\$ 39,559,375</u>	<u>\$ 43,711,556</u>	<u>\$ 43,881,136</u>	<u>\$ 45,178,050</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10,859,480)</u>	<u>(3,219,120)</u>	<u>(2,498,297)</u>	<u>(2,060,258)</u>	<u>594,732</u>	<u>(6,654,811)</u>	<u>723,744</u>	<u>(2,110,242)</u>	<u>1,360,229</u>	<u>6,808,686</u>
Other Financing Sources (Uses)										
Bonds issued	\$ 5,690,060	\$ -	\$ -	\$ 4,580,316	\$ 4,080,000	\$ -	\$ -	\$ 9,550,000	\$ -	\$ -
Capital leases issued	366,345	-	-	1,250,000	-	-	-	24,659	-	1,674,226
Payment to refunding escrow agent	(12,972,717)	-	-	(18,399,389)	-	(5,632,042)	-	-	(27,907,758)	-
Premium on issuance of bonds	1,417,588	-	-	2,167,688	-	397,248	-	80,486	3,675,133	-
Proceeds from refunding bonds issued	11,650,000	-	-	16,934,701	-	5,330,000	-	-	24,530,000	-
Proceeds from capital lease	-	-	-	-	-	-	431,500	-	-	-
Capital contributions	-	-	-	-	-	-	-	236,500	-	-
Transfers from other funds	1,535,236	1,960,628	1,807,362	1,992,109	1,729,308	1,786,755	2,164,520	2,059,634	1,886,227	1,876,633
Transfers to other funds	(104,000)	(104,000)	(127,399)	(356,537)	(1,922,819)	(64,547)	(64,547)	(398,853)	(61,460)	(77,964)
Total other financing sources (uses)	<u>7,582,512</u>	<u>1,856,628</u>	<u>1,679,963</u>	<u>8,168,888</u>	<u>3,886,489</u>	<u>1,817,414</u>	<u>2,531,473</u>	<u>11,552,426</u>	<u>2,122,142</u>	<u>3,472,895</u>
Net Change in Fund Balances	<u>\$ (3,276,968)</u>	<u>\$ (1,362,492)</u>	<u>\$ (818,334)</u>	<u>\$ 6,108,630</u>	<u>\$ 4,481,221</u>	<u>\$ (4,837,397)</u>	<u>\$ 3,255,217</u>	<u>\$ 9,442,184</u>	<u>\$ 3,482,371</u>	<u>\$ 10,281,581</u>
Debt service as a percentage of noncapital expenditures	14.2%	15.2%	21.7%	21.9%	22.3%	20.3%	24.2%	20.7%	19.3%	21.2%

Source: Comprehensive Annual Financial Report

City of Lancaster, Texas
Table E – Assessed and Estimated
Actual Value of Taxable Property
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Residential Property	Commercial Property	Business Personal Property	Less Tax Exempt Property	Total Taxable Assessed Value^a	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value^b as a Percentage of Actual Value
2012	\$ 902,594,330	\$ 512,299,820	\$ 304,324,030	\$ 269,367,634	\$1,449,850,546	\$ 0.86750	\$ 1,449,850,546	100.00%
2013	\$ 882,606,250	\$ 540,891,270	\$ 337,042,810	\$ 297,144,885	\$1,463,395,445	\$ 0.86750	\$ 1,463,395,445	100.00%
2014	\$ 937,082,890	\$ 617,747,170	\$ 376,545,200	\$ 316,696,300	\$1,614,678,960	\$ 0.86750	\$ 1,614,678,960	100.00%
2015	\$ 1,044,064,220	\$ 654,954,260	\$ 445,658,700	\$ 372,240,134	\$1,772,437,046	\$ 0.86750	\$ 1,772,437,046	100.00%
2016	\$ 1,207,302,440	\$ 741,208,550	\$ 561,067,510	\$ 463,091,833	\$2,046,486,667	\$ 0.86750	\$ 2,046,486,667	100.00%
2017	\$ 1,327,351,000	\$ 848,479,790	\$ 536,241,530	\$ 457,769,736	\$2,254,302,584	\$ 0.86750	\$ 2,254,302,584	100.00%
2018	\$ 1,581,905,170	\$ 995,032,200	\$ 580,387,360	\$ 583,754,295	\$2,248,120,217	\$ 0.86750	\$ 2,248,120,217	100.00%
2019	\$ 1,809,417,380	\$ 1,214,870,120	\$ 785,887,340	\$ 709,011,720	\$3,101,163,120	\$ 0.84090	\$ 3,101,163,120	100.00%
2020	\$ 2,013,786,870	\$ 1,362,512,500	\$ 784,932,460	\$ 436,378,276	\$3,724,853,554	\$ 0.81974	\$ 3,724,853,554	100.00%
2021	\$ 2,093,899,710	\$ 1,427,452,630	\$ 849,668,200	\$ 798,681,531	\$3,572,339,009	\$ 0.76929	\$ 3,572,339,009	100.00%

Source: City of Lancaster Budget Document
Dallas Central Appraisal District (a username and password is needed to access this info on the DCAD website)

Note: The County assesses property at 100% of its market value. Tax rates are per \$100 of assessed value.

^a Includes adjustments to certified rolls.

^b Excludes tax exempt property.

City of Lancaster, Texas
Table F – Direct and Overlapping
Property Tax Rates
Last Ten Fiscal Years (Unaudited)

Fiscal Year	City Direct Rates			Overlapping Rates			
	Operating/ General Rate	General Obligation Debt Service	Total Direct	Lancaster Independent School District	Lancaster MUD#1	Dallas County	Dallas County Hospital (Parkland)
2012	0.601200	0.266300	0.867500	1.418000	1.060000	0.243100	0.271000
2013	0.601200	0.266300	0.867500	1.418000	1.060000	0.243100	0.271000
2014	0.601200	0.266300	0.867500	1.418000	1.060000	0.243100	0.271000
2015	0.601200	0.266300	0.867500	1.540000	1.060000	0.243100	0.286000
2016	0.601200	0.266300	0.867500	1.418000	1.060000	0.243100	0.276000
2017	0.601200	0.266300	0.867500	1.418000	1.060000	0.243100	0.276000
2018	0.601200	0.266300	0.867500	1.530000	1.000000	0.243100	0.279400
2019	0.595200	0.245725	0.840925	1.530000	1.000000	0.243100	0.269550
2020	0.605167	0.214569	0.819736	1.499900	0.950000	0.239740	0.266100
2021	0.589061	0.180226	0.769287	1.470400	0.920000	0.227946	0.255000

Source: Dallas County Tax Assessor

City of Lancaster, Texas
Table G – Principal Property Taxpayers
Current Year and Nine Years Ago (Unaudited)

Taxpayer	2021			2012		
	Assessed Value	Rank	Percentage of Total City Assessed Value ^a	Assessed Value	Rank	Percentage of Total City Assessed Value ^a
CSHV 20 35 LLC	\$ 193,550,470	1	28.2%			
AT&T Mobility	\$ 78,503,660	2	11.4%			
Oncor Electric Delivery	\$ 72,877,090	3	10.6%			
Ollies Bargain Outlet Inc.	\$ 62,761,960	4	9.1%			
PR I35 Logistics Crossing Building	\$ 60,194,940	5	8.8%			
United Natural Foods Inc.	\$ 47,397,510	6	6.9%			
Southpoint Industrial LLC	\$ 45,124,280	7	6.6%			
Walmart Stores Inc	\$ 43,969,850	8	6.4%			
Duke Secured Financing 2009	\$ 43,094,230	9	6.3%			
Mobis Parts America LLC	\$ 39,271,332	10	5.7%			
Oncor Electric Delivery				\$ 68,523,970	1	27.4%
AT&T				\$ 36,842,505	2	14.8%
Prologics & Argent LP				\$ 33,069,350	3	13.2%
United Natural Foods Inc.				\$ 30,437,436	4	12.2%
Walmart				\$ 21,342,530	5	8.5%
Pleasant Run Joint Venture				\$ 13,953,870	6	5.6%
Brasscraft Manufacturing Co.				\$ 12,435,932	7	5.0%
Tire Centers LLC				\$ 11,707,110	8	4.7%
Mobis Parts America LLC				\$ 10,800,000	9	4.3%
Southwestern Bell				\$ 10,520,840	10	4.2%
Total	<u>\$ 686,745,322</u>		<u>71.82%</u>	<u>\$ 249,633,543</u>		<u>100.00%</u>

Source: Dallas County Tax Office

Note: ^a Taxpayers are assessed on January 1st of each fiscal year.

City of Lancaster, Texas
Table H – Ad-Valorem Tax Levies and Collections
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Outstanding Delinquent Taxes	Total Collections	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	\$ 12,952,021	\$ 12,686,384	97.95%	\$ 52,330	\$ 12,899,691	99.60%
2013	\$ 12,624,467	\$ 12,375,869	98.03%	\$ 53,810	\$ 12,570,657	99.57%
2014	\$ 12,773,462	\$ 12,499,106	97.85%	\$ 59,749	\$ 12,713,713	99.53%
2015	\$ 14,050,021	\$ 13,785,499	98.12%	\$ 69,194	\$ 13,980,827	99.51%
2016	\$ 15,433,729	\$ 15,129,575	98.03%	\$ 80,080	\$ 15,353,649	99.48%
2017	\$ 17,874,074	\$ 17,606,753	98.50%	\$ 94,405	\$ 17,779,669	99.47%
2018	\$ 19,736,863	\$ 19,443,209	98.51%	\$ 128,719	\$ 19,608,144	99.35%
2019	\$ 22,150,576	\$ 22,097,533	99.76%	\$ 189,677	\$ 21,960,899	99.76%
2020	\$ 25,631,903	\$ 25,334,598	98.84%	\$ 588,496	\$ 25,043,407	98.84%
2021	\$ 28,092,618	\$ 27,699,321	98.60%	\$ 393,047	\$ 27,699,570	98.60%

Source: Dallas County Tax Assessor and Collector

City of Lancaster, Texas
Table I – Ratios of Outstanding Debt by Type
Last Ten Fiscal Years (Unaudited)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Certificates of Obligation	Other Obligations	Water and Sewer General Obligation Bonds & Certificates of Obligation	Airport Bonds	Other Obligations			
2012	52,695,925	22,268,525	6,147,351	14,200,793	129,284	56,631	95,498,509	11.96%	2,523
2013	51,233,460	21,536,425	6,075,603	13,001,471	118,511	37,998	92,003,468	11.45%	2,428
2014	49,615,995	20,919,325	5,555,698	11,763,738	107,828	17,703	87,980,287	11.40%	2,311
2015	60,129,226	14,037,329	5,877,687	14,782,527	92,060	-	94,918,829	12.24%	2,481
2016	57,913,267	17,325,229	5,091,849	9,529,799	76,282	-	89,936,426	11.29%	2,284
2017	57,739,077	14,340,000	4,488,159	8,427,451	68,254	-	85,062,941	6.92%	2,217
2018	54,684,104	13,975,000	3,751,399	7,156,505	55,000	-	79,622,008	9.20%	2,022
2019	60,800,425	13,600,000	3,306,328	6,659,435	51,566	-	84,417,754	9.44%	2,138
2020	67,232,474	3,680,000	2,699,632	6,054,983	40,000	-	79,707,089	8.46%	2,042
2021	53,670,000	3,600,000	2,038,457	5,365,000	30,000	-	64,703,457	6.49%	1,568

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^aSee Table N for personal income and population data.

City of Lancaster, Texas
Table J – Ratios of Net General Bonded Debt
Outstanding *per Capita*
Last Ten Fiscal Years (Unaudited)

Fiscal Year	General Bonded Debt Outstanding			Total	Percentage of Actual Taxable Value of Property ^a	Per Capita ^b
	General Obligation Bonds	Certificates of Obligation	Less: Amounts Available in Debt Service Fund			
2012	\$ 57,599,904	\$ 22,269,623	\$ 242,823	\$ 79,626,704	5.49%	2,104
2013	\$ 55,437,371	\$ 21,537,496	\$ 352,439	\$ 76,622,428	5.24%	2,022
2014	\$ 53,096,505	\$ 20,920,381	\$ 397,888	\$ 73,618,998	4.56%	1,934
2015	\$ 63,872,886	\$ 18,118,360	\$ 602,627	\$ 81,388,619	4.59%	2,127
2016	\$ 60,873,448	\$ 17,326,233	\$ 808,824	\$ 77,390,857	3.78%	1,965
2017	\$ 60,420,622	\$ 20,157,414	\$ 2,067,582	\$ 78,510,454	3.48%	2,047
2018	\$ 56,400,609	\$ 19,470,000	\$ 3,085,202	\$ 72,785,407	3.24%	1,848
2019	\$ 62,346,425	\$ 18,765,000	\$ 3,659,232	\$ 77,452,193	2.50%	1,962
2020	\$ 67,232,474	\$ 8,505,000	\$ 4,317,402	\$ 71,420,072	1.92%	1,829
2021	\$ 59,425,000	\$ 8,070,000	\$ 1,379,979	\$ 66,115,021	1.85%	1,602

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

^aSee Table E for property value data.

^bSee Table N for population data.

City of Lancaster, Texas
Table K – Legal Debt Margin Information
Last Ten Fiscal Years (Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Tax rate limit	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000	\$ 2.5000
Current tax rate	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8675</u>	<u>0.8409</u>	<u>0.8197</u>	<u>0.7693</u>
Available tax rate	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6325</u>	<u>\$ 1.6591</u>	<u>\$ 1.6803</u>	<u>\$ 1.7307</u>

Note: The City Charter of the City of Lancaster, Texas, does not provide for a debt limit. Under provisions of state law, the maximum tax rate is limited to \$2.50 per \$100 assessed valuation. No direct bond debt limitation is imposed on the City under current state law or the City's Charter.

City of Lancaster, Texas
Table L – Direct and Overlapping
Governmental Activities Debt
September 30, 2021 (Unaudited)

Governmental Unit	Gross Bonded Debt	Estimated Percentage Applicable	City Share of Overlapping Debt
Lancaster I.S.D.	\$ 190,201,933	87.91%	\$ 167,206,519
Dallas County	116,665,000	1.13%	\$ 1,318,315
Dallas County Hospital District	575,530,000	1.13%	\$ 6,503,489
Dallas County Community College District	115,750,000	1.13%	\$ 1,307,975
Dallas County Schools	16,679,652	1.13%	\$ 188,480
Dallas ISD	3,259,600,000	0.10%	\$ 3,259,600
Ferris ISD	28,998,059	3.00%	\$ 8,699
City of Lancaster (Direct Debt)	<u>67,495,000</u>	<u>100.00%</u>	<u>67,495,000</u>
Total Direct and Overlapping Debt	<u>\$4,370,919,644</u>		<u>\$ 247,288,077</u>

Source: Municipal Advisory Council of Texas

City of Lancaster, Texas
Table M – Secured Revenue Coverage
Last Ten Fiscal Years (Unaudited)

Water and Sewer System General Obligation Bonds and Certificates of Obligation						
Fiscal Year	Total Revenues ^a	Less:		Net Available Revenue	Annual Requirement ^c	Times Coverage
		Operating Expenses ^b				
2012	\$ 14,238,894	\$ 8,548,334	\$	5,690,560	\$ 1,523,532	3.74
2013	\$ 14,905,946	\$ 8,281,266	\$	6,624,680	\$ 1,182,245	5.60
2014	\$ 15,026,427	\$ 9,359,770	\$	5,666,657	\$ 1,648,888	3.44
2015	\$ 17,044,261	\$ 13,552,343	\$	3,491,918	\$ 1,504,088	2.32
2016	\$ 17,721,270	\$ 14,380,758	\$	3,340,512	\$ 1,517,470	2.20
2017	\$ 17,988,887	\$ 12,635,280	\$	5,353,607	\$ 1,484,822	3.61
2018	\$ 17,665,764	\$ 14,640,200	\$	3,025,564	\$ 1,485,106	2.04
2019	\$ 17,801,357	\$ 12,508,268	\$	5,293,089	\$ 1,365,406	3.88
2020	\$ 18,901,027	\$ 14,573,772	\$	4,327,255	\$ 1,202,950	3.60
2021	\$ 19,134,303	\$ 13,816,010	\$	5,318,293	\$ 704,781	7.55

Note: ^a Includes operating and nonoperating revenues.

^b Includes operating expenses minus depreciation.

^c Includes principal and interest.

City of Lancaster, Texas
Table N – Demographic and Economic Statistics
Last Ten Calendar Years (Unaudited)

Year	Estimated Population ^a	Personal Income	Per Capita Personal Income ^b	Median Age ^b	Median Household Income ^b	School Enrollment ^c	Unemployment Rate ^d
2012	37,845	\$ 798,188,895	\$ 21,091	34.1	\$ 51,533	6,160	9.0%
2013	37,893	\$ 803,407,386	\$ 21,202	35.0	\$ 46,254	6,538	8.8%
2014	38,071	\$ 771,661,099	\$ 20,269	32.0	\$ 53,652	6,823	7.0%
2015	38,256	\$ 775,410,864	\$ 22,347	32.0	\$ 53,652	6,910	6.8%
2016	39,380	\$ 796,342,360	\$ 20,222	32.3	\$ 49,590	7,051	5.8%
2017	38,361	\$ 1,228,973,384	\$ 31,144	32.9	\$ 50,137	7,315	6.4%
2018	39,386	\$ 865,901,210	\$ 21,985	33.1	\$ 54,331	7,365	5.9%
2019	39,477	\$ 893,838,234	\$ 22,642	33.1	\$ 55,907	7,365	5.3%
2020	39,040	\$ 942,308,480	\$ 24,137	32.2	\$ 57,259	7,467	11.0%
2021	41,275	\$ 996,254,675	\$ 24,137	32.2	\$ 57,259	7,474	7.5%

Sources:

- ^a Estimated Population – North Central Texas Council of Governments
- ^b Per Capital Income, Median Age, Median Household Income - U.S. Census Bureau 2004-2014, and the 2015-2019 American Community Survey 5-year Estimates
- ^c Texas Academic Performance Report; 2020-21 District Student Information
- ^d Unemployment, Texas Workforce Commission, Texas LMI Database

Note: Personal income is calculated by multiplying estimated population by per capita personal income.

City of Lancaster, Texas
Table O – Principal Employers
Current and Six Years Ago (Unaudited)

Employer	2021			2015		
	Employees	Rank	Percentage of Total City Employment	Employees	Rank	Percentage of Total City Employment
Lancaster ISD	689	1	3.95%	689	1	3.65%
Walmart	453	2	2.59%	450	2	2.38%
Cedar Valley College	370	3	2.12%	220	5	1.16%
City of Lancaster	317	4	1.82%	212	6	1.12%
Oak Creak Homes/American Homestar	280	5	1.60%	280	4	1.48%
Swift Transportation	250	6	1.43%	200	7	1.06%
Consolidated Mail	230	7	1.32%	200	7	1.06%
Brasscraft	211	8	1.21%	380	3	2.01%
AT&T	205	9	1.17%	200	7	1.06%
United National Foods Inc.	200	10	1.15%	200	7	1.06%
Total	<u>3,205</u>		<u>18.36%</u>	<u>3,031</u>		<u>16.04%</u>

Source: City of Lancaster Economic Development Corporation

City of Lancaster, Texas
Table P – Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government Division	15	17	41	44	36	45	61	60	77	86
Public Safety Division	132	133	140	141	139	130	131	147	126	140
Public Works Division	5	5	4	4	4	4	3	2	4	4
Community Development Division	11	10	13	17	17	17	10	7	6	7
Nondepartmental Division	5	5	-	-	-	-	-	-	-	-
Water and Sewer	30	28	22	22	23	20	17	17	20	29
Airport	4	4	5	5	6	5	5	5	4	4
4A LEDC Fund	1	1	1	1	1	2	2	2	2	2
4B LRDC Fund – Library	8	9	8	8	13	13	13	11	10	8
Parks and Recreation Fund	32	32	24	25	34	33	42	34	22	24
Housing	9	4	-	-	-	-	-	-	-	-
Stormwater Fund	11	13	13	13	8	10	10	9	12	13
Total	<u>262</u>	<u>260</u>	<u>271</u>	<u>280</u>	<u>281</u>	<u>279</u>	<u>294</u>	<u>294</u>	<u>283</u>	<u>317</u>

Sources: City of Lancaster Budget Document

City of Lancaster, Texas
Table Q – Operating Indicators by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Police										
Number of police officers	51	51	49	54	52	44	54	55	57	54
Number of violations (citations)	12,269	9,432	8,185	5,808	6,698	8,110	13,014	17,726	10,422	8,748
Municipal Court										
Number of traffic cases	19,434	8,865	4,283	5,101	8,678	6,542	7,326	8,364	6,272	7,603
Number of city ordinance cases	2,298	322	85	1,098	1,085	330	426	438	776	775
Fire										
Number of fire fighters	56	56	62	62	62	63	68	66	66	66
Number of emergency fire responses	1,846	1,792	1,826	1,913	1,773	1,864	2,135	2,566	1,961	2,761
Number of medical emergencies	4,017	4,268	4,353	4,632	4,668	4,662	4,456	4,998	4,132	5,271
Parks and Recreation										
Number of acres	1,070	1,070	1,087	1,087	1,087	1,087	1,087	1,087	1,087	1,087
Number of recreation center participants	4,541	3,690	4,375	6,175	12,852	16,448	20,425	24,970	2,205	2,152
Library										
Volumes in collection	90,972	87,468	77,020	86,411	83,827	86,558	87,716	97,018	79,252	75,158
Number of library cardholders	23,701	27,584	30,011	35,892	10,364	35,305	36,906	12,961	13,363	20,374
Water and Wastewater										
Number of water accounts	12,611	12,613	12,723	12,845	14,242	15,119	15,312	15,587	15,361	16,108
Average daily water consumption (millions of gallons)	4	4	4	4	4	5	6	6	6	7
Average daily effluent (millions of gallons)	4	5	5	5	5	5	5	5	5	5

Sources: City Departments

City of Lancaster, Texas
Table R – Capital Asset Statistics by Function/Program
Last Ten Fiscal Years (Unaudited)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Fire stations	3	3	3	3	3	3	3	3	3	3
Police stations	1	1	1	1	1	1	1	1	1	1
Culture and Recreation										
Parks and Recreation										
Number of parks	25	25	25	25	25	25	25	25	25	25
Number of baseball diamonds	8	8	8	8	8	8	8	8	8	8
Number of soccer/football fields	13	13	13	13	13	13	13	13	13	13
Public swimming pools	1	1	1	1	1	1	1	1	1	1
Community centers	3	3	3	3	3	3	3	3	1	1
Library	1	1	1	1	1	1	1	1	1	1
Water and Wastewater										
Water mains (miles)	187	187	188	190	208	208	209	210	213	213
Sanitary sewer mains (miles)	160	160	161	163	174	205	210	211	212	214
Fire hydrants	1,554	1,554	1,558	1,598	1,638	1,793	1,804	1,845	1,862	1,883

Sources: City Departments

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

2.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Healthy, Safe & Engaged Community
Quality Development

Submitted by: Vicki D. Coleman, Director of Development Services

Agenda Caption:

Receive a presentation from Halff Associates, Inc. regarding the Quality Residential Development planning initiative.

Background:

As part of the City Council's Strategic Planning Goals, the City engaged Halff Associates, Inc. to facilitate a series of discussions for the purpose of identifying key goals and needs to guide quality residential development. In addition to their individual input, the Mayor and City Council participated in two previous work sessions held on April 24 and June 24, 2021.

Operational Considerations:

As a result of the City Council's strategic planning sessions, Halff Associates, Inc has developed a pattern book and blueprint that establishes architectural and urban character standards for residential development for City Council discussion and consideration.

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

3.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Healthy, Safe & Engaged Community

Submitted by: Sam Urbanski, Police Chief

Agenda Caption:

Discuss the 2021 Lancaster Police Department Racial Profiling Analysis Annual Report.

Background:

Effective September 1, 2001, the Texas Legislature enacted the Texas Racial Profiling Law (S.B. No. 1074). The Texas Code of Criminal Procedure requires that law enforcement agencies collect information relating to traffic stops in which a citation is issued and arrests resulting from those traffic stops. The Texas Code of Criminal Procedure further requires that law enforcement agencies compile and analyze this information and submit a report containing the information compiled during the previous calendar year to the governing body of each county or municipality served by the agency.

Attached is the 2021 Lancaster Police Department Racial Profiling Analysis as prepared by representative experts from the Justice Research Consultants, LLC. The Lancaster Police Department had no sustained racial profiling complaints in 2021.

Beginning January 2011, the Texas Commission on Law Enforcement Standards and Education (TCOLE) posts a copy of each police department's racial profiling report on its website.

To further ensure transparency, the annual report will also be available on the city website.

Operational Considerations:

The Lancaster Police Department has adopted a detailed, written policy on racial profiling and currently collects the required information on racial profiling as required by State Law. The Lancaster Police Department contracted with Justice Research Consultants for the examination of contact data.

Legal Considerations:

The Texas Code of Criminal Procedure requires that the Lancaster Police Department 2021 Racial Profiling Analysis Report be submitted to the City of Lancaster governing body.

City Council will receive a presentation regarding the 2021 Racial Profiling Annual Report.

Attachments

Racial Profiling Report

LANCASTER POLICE DEPARTMENT

2021

RACIAL PROFILING ANALYSIS



PREPARED BY:

Eric J. Fritsch, Ph.D.

Chad R. Trulson, Ph.D.

Justice Research Consultants, LLC



Executive Summary

Article 2.132-2.134 of the Texas Code of Criminal Procedure (CCP) requires the annual reporting to the local governing body of data collected on motor vehicle stops in which a ticket, citation, or warning was issued and to arrests made as a result of those stops, in addition to data collection and reporting requirements. Article 2.134 of the CCP directs that “a comparative analysis of the information compiled under 2.133” be conducted, with specific attention to the below areas:

1. evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;
2. examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction;
3. evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered in the course of those searches; and
4. information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

The analysis of material and data from the Lancaster Police Department revealed the following:

- **A COMPREHENSIVE REVIEW OF THE LANCASTER POLICE DEPARTMENT’S BIASED BASED POLICING AND RACIAL PROFILING POLICY SHOWS THAT THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH ARTICLE 2.132 OF THE TEXAS CODE OF CRIMINAL PROCEDURE.**
- **A REVIEW OF THE INFORMATION PRESENTED AND SUPPORTING DOCUMENTATION REVEALS THAT THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH TEXAS LAW ON TRAINING AND EDUCATION REGARDING RACIAL PROFILING.**
- **A REVIEW OF THE DOCUMENTATION PRODUCED BY THE DEPARTMENT IN BOTH PRINT AND ELECTRONIC FORM REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE RACIAL PROFILING COMPLAINT PROCESS AND PUBLIC EDUCATION ABOUT THE COMPLAINT PROCESS.**
- **ANALYSIS OF THE DATA REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE COLLECTION OF RACIAL PROFILING DATA.**
- **THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW CONCERNING THE REPORTING OF INFORMATION TO TCOLE.**
- **THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW REGARDING CCP ARTICLES 2.132-2.134.**

Introduction

This report details an analysis of the Lancaster Police Department's policies, training, and statistical information on racial profiling for the year 2021. This report has been prepared to specifically comply with Article 2.132, 2.133, and 2.134 of the Texas Code of Criminal Procedure (CCP) regarding the compilation and analysis of traffic stop data. Specifically, the analysis will address Articles 2.131 – 2.134 of the CCP and make a determination of the level of compliance with those articles by the Lancaster Police Department in 2021. The full copies of the applicable laws pertaining to this report are contained in Appendix A.

This report is divided into six sections: (1) Lancaster Police Department's policy on racial profiling; (2) Lancaster Police Department's training and education on racial profiling; (3) Lancaster Police Department's complaint process and public education on racial profiling; (4) analysis of Lancaster Police Department's traffic stop data; (5) additional traffic stop data to be reported to TCOLE; and (6) Lancaster Police Department's compliance with applicable laws on racial profiling.

For the purposes of this report and analysis, the following definition of racial profiling is used: racial profiling means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity (Texas CCP Article 3.05).

Lancaster Police Department Policy on Racial Profiling

A review of Lancaster Police Department's "Biased Based Policing and Racial Profiling" policy 2.01.1 revealed that the department has adopted policies in compliance with Article 2.132 of the Texas CCP (see Appendix B). There are seven specific requirements mandated by Article 2.132 that a law enforcement agency must address. All seven are clearly covered in Lancaster's racial profiling policy. Lancaster Police Department policies provide clear direction that any form of racial profiling is prohibited and that officers found engaging in inappropriate profiling may be disciplined up to and including termination. The policies also provide a very clear statement of the agency's philosophy regarding equal treatment of all persons regardless of race, ethnicity, or national origin. Appendix C lists the applicable statute and corresponding Lancaster Police Department regulation.

A COMPREHENSIVE REVIEW OF LANCASTER POLICE DEPARTMENT'S BIASED BASED POLICING AND RACIAL PROFILING POLICY SHOWS THAT THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH ARTICLE 2.132 OF THE TEXAS CODE OF CRIMINAL PROCEDURE.

Lancaster Police Department Training and Education on Racial Profiling

Texas Occupation Code § 1701.253 and § 1701.402 require that curriculum be established and training certificates issued on racial profiling for all Texas peace officers. Information provided by Lancaster Police Department reveals that racial profiling training and certification is current for all officers. Racial profiling training is specifically covered in Lancaster's Biased Based Profiling policy Section 4F.

A REVIEW OF THE INFORMATION PRESENTED AND SUPPORTING DOCUMENTATION REVEALS THAT THE LANCASTER POLICE DEPARTMENT IS FULLY IN COMPLIANCE WITH TEXAS LAW ON TRAINING AND EDUCATION REGARDING RACIAL PROFILING.

Lancaster Police Department Complaint Process and Public Education on Racial Profiling

Article 2.132 §(b)3-4 of the Texas Code of Criminal Procedure requires that law enforcement agencies implement a complaint process on racial profiling and that the agency provide public education on the complaint process. Lancaster Police Department's Biased Based Profiling policy Section 4D covers this requirement. Additionally, the Lancaster Police Department has a website for citizen complaints (<http://lancaster-tx.com/813/Compliment-or-Complaint>) which includes an email contact that goes directly to Internal Affairs. On the website are easily accessible links to a commendation and complaint form, including "A Citizens Guide to the Commendation and Complaint Process." Moreover, information on how to file a complaint is printed directly on each ticket.

A REVIEW OF THE DOCUMENTATION PRODUCED BY THE DEPARTMENT REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE RACIAL PROFILING COMPLAINT PROCESS AND PUBLIC EDUCATION ABOUT THE COMPLAINT PROCESS.

Lancaster Police Department Statistical Data on Racial Profiling

Article 2.132(b) 6 and Article 2.133 requires that law enforcement agencies collect statistical information on motor vehicle stops in which a ticket, citation, or warning was issued and to arrests made as a result of those stops, in addition to other information noted previously. Lancaster Police Department submitted statistical information on all motor vehicle stops in 2021 and accompanying information on the race/ethnicity of the person stopped. Accompanying this data was the relevant information required to be collected and reported by law.

ANALYSIS OF THE DATA REVEALS THAT THE DEPARTMENT IS FULLY IN COMPLIANCE WITH APPLICABLE TEXAS LAW ON THE COLLECTION OF RACIAL PROFILING DATA.

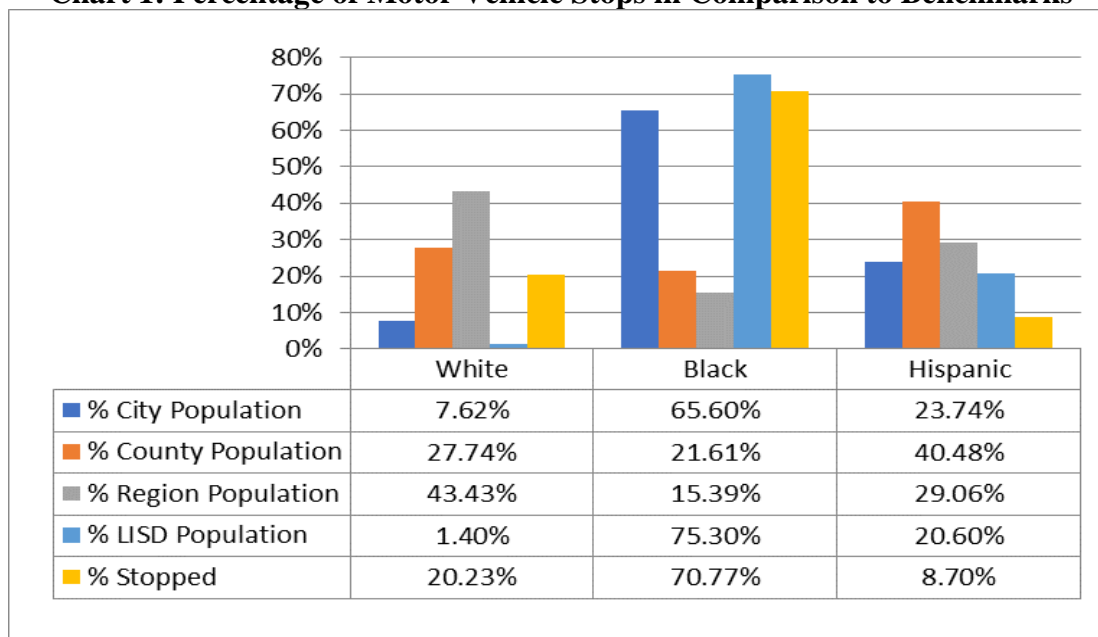
Analysis of the Data

Comparative Analysis #1:

Evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities. Texas Code of Criminal Procedure Article 2.134(c)(1)(A)

The first chart depicts the percentages of people stopped by race/ethnicity among the total 7,401 motor vehicle stops in which a ticket, citation, or warning was issued, including arrests made, in 2021.¹

Chart 1: Percentage of Motor Vehicle Stops in Comparison to Benchmarks



White drivers constituted 20.23 percent of all drivers stopped, whereas Whites constitute 7.62 percent of the city population, 27.74 percent of the county population, 43.43 percent of the region population, and 1.40 percent of the Lancaster Independent School District (LISD) population.²

Black drivers constituted 70.77 percent of all drivers stopped, whereas Blacks constitute 65.60 percent of the city population, 21.61 percent of the county population, 15.39 percent of the region population, and 75.30 percent of the LISD population.

Hispanic drivers constituted 8.70 percent of all drivers stopped, whereas Hispanics constitute 23.74 percent of the city population, 40.48 percent of the county population, 29.06 percent of the region population, and 20.60 percent of the LISD population.³

¹City and County and Regional populations were derived from 2020 Decennial Census Redistricting Data (DEC) of the U.S. Census Bureau. Region is defined as the 16 county Dallas-Ft. Worth Area including the following counties: Collin, Dallas, Denton, Ellis, Erath, Hood, Hunt, Johnson, Kaufman, Navarro, Palo Pinto, Parker, Rockwall, Somervell, Tarrant, and Wise. City and County populations by gender noted later in this report are based on the most recent 2019 American Community Survey estimates, as the 2020 Decennial Census Redistricting Data (DEC) does not include population counts by gender.

² Data on the racial make-up of LISD were obtained from the most recent information from the Texas Tribune: <https://schools.texastribune.org/districts/lanaster-isd/>.

³ There were a total of 18 stops of drivers of Asian/Pacific Islander descent and 4 stops of drivers of Alaska Native/American Indian descent. These motor vehicle stops were not charted due to the small number of stops relative to the population in Lancaster and relative to the total number of motor vehicle stops among all drivers (7,401).

The chart shows that White drivers are stopped at rates lower than the percentage of Whites found in the county and regional populations, but higher than the percentage of Whites in the city and LISD populations. Black drivers are stopped at rates higher than the percentage of Blacks found in the city, county, and regional populations, but lower than the percentage of Blacks in the LISD population. Hispanic drivers are stopped at rates lower than the percentage of Hispanics found in the city, county, regional, and LISD populations.

Methodological Issues

Upon examination of the data, it is important to note that differences in overall stop rates of a particular racial or ethnic group, compared to that racial or ethnic group's proportion of the population, cannot be used to make determinations that officers have or have not racially profiled any given individual motorist. Claims asserting racial profiling of an individual motorist from the aggregate data utilized in this report are erroneous.

For example, concluding that a particular driver of a specific race/ethnicity was racially profiled simply because members of that particular racial/ethnic group as a whole were stopped at a higher rate than their proportion of the population—are as erroneous as claims that a particular driver of a specific race/ethnicity could NOT have been racially profiled simply because the percentage of stops among members of a particular racial/ethnic group as a whole were stopped at a lower frequency than that group's proportion of the particular population base (e.g., city or county population). In short, aggregate data as required by law and presented in this report cannot be used to prove or disprove that a member of a particular racial/ethnic group was racially profiled. Next, we discuss the reasons why using aggregate data—as currently required by the state racial profiling law—are inappropriate to use in making claims that any individual motorist was racially profiled.

Issue #1: Using Group-Level Data to Explain Individual Officer Decisions

The law dictates that police agencies compile aggregate-level data regarding the *rates* at which agencies *collectively* stop motorists in terms of their race/ethnicity. These aggregated data are to be subsequently analyzed in order to determine whether or not *individual* officers are “racially profiling” motorists. This methodological error, commonly referred to as the “ecological fallacy,” defines the dangers involved in making assertions about individual officer decisions based on the examination of aggregate stop data. **In short, one cannot prove that an individual officer has racially profiled any individual motorist based on the rate at which a department stops any given group of motorists.** In sum, aggregate level data cannot be used to assess individual officer decisions, but the state racial profiling law requires this assessment.

Issue #2: Problems Associated with Population Base-Rates

There has been considerable debate as to what the most appropriate population “base-rate” is in determining whether or not racial/ethnic disparities exist. The base-rate serves as the benchmark for comparison purposes. The outcome of analyses designed to determine whether or not disparities exist is dependent on which base-rate is used. While this report utilized the most recent 2020 Census as a population base-rate for the city, county, and region, this population measure can become quickly outdated, can be inaccurate, and may not keep pace with changes experienced in city and county and regional population measures. Utilizing a different base rate

can make differences regarding whether disproportionality exists or not. Even then, as noted above, disproportionality in the rate of stops among different racial/ethnic groups does not automatically equate to a finding of racial profiling.

In addition, the validity of the benchmark base-rate becomes even more problematic if analyses fail to distinguish between residents and non-residents who are stopped. This is because the existence of significant proportions of non-resident stops will lead to invalid conclusions if racial/ethnic comparisons are made exclusively to resident population figures. **In sum, a valid measure of the driving population does not exist. As a proxy, census data is used which is problematic as an indicator of the driving population.** In addition, stopped motorists who are not residents of the city, county, or region where the motor vehicle stop occurred are not included in the benchmark base-rate.

Issue #3: Officers Do Not Know the Race/Ethnicity of the Motorist Prior to the Stop

As illustrated in Table 3 near the end of this report, of the 7,401 motor vehicle stops in 2021, the officer knew the race/ethnicity of the motorist prior to the stop in 1.88% of the stops (139/7,401). This percentage is consistent across law enforcement agencies throughout Texas. An analysis of all annual racial profiling reports submitted to the Texas Commission on Law Enforcement, as required by the Texas racial profiling law, found that in 2.9% of the traffic stops in Texas, the officer knew the race/ethnicity of the motorist prior to the stop.⁴ The analysis included 1,186 Texas law enforcement agencies and more than 3.25 million traffic stops.

As noted, the legal definition of racial profiling in the Texas Code of Criminal Procedure Article 3.05 is “a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.”

Almost always, Lancaster PD officers do not know the race/ethnicity of the motorist prior to the stop. This factor further invalidates any conclusions drawn from the stop data presented in Chart 1. If an officer does not know the race/ethnicity of the motorist prior to the stop, then the officer cannot, by legal definition, be racial profiling. Racial profiling is a law-enforcement action based on the race/ethnicity of an individual. If the officer does not know the person's race/ethnicity before the action (in this case, stopping a vehicle), then racial profiling cannot occur.

Based on this factor, post-stop outcomes are more relevant for a racial profiling assessment, as presented later in this report, in comparison to initial motor vehicle stop data disaggregated by race/ethnicity. Once the officer has contacted the motorist after the stop, the officer has identified the person's race/ethnicity and all subsequent actions are more relevant to a racial profiling assessment than the initial stop data.

In short, the methodological problems outlined above point to the limited utility of using aggregate level comparisons of the rates at which different racial/ethnic groups are stopped in order to determine whether or not racial profiling exists within a given jurisdiction.

⁴ Winkler, Jordan M. (2016). *Racial Disparity in Traffic Stops: An Analysis of Racial Profiling Data in Texas*. Master's Thesis. University of North Texas.

Table 1 reports the summaries for the total number of motor vehicle stops in which a ticket, citation, or warning was issued, and to arrests made as a result of those stops, by the Lancaster Police Department in 2021. Table 1 and associated analyses are utilized to satisfy the comparative analyses as required by Texas law, and in specific, Article 2.134 of the CCP.

Comparative Analysis #2:

Examine the disposition of motor vehicle stops made by officers employed by the agency, categorized according to the race or ethnicity of affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction. Texas Code of Criminal Procedure Article 2.134(c)(1)(B)

As shown in Table 1, there were a total of 7,401 motor vehicle stops in 2021 in which a ticket, citation, or warning was issued. The table also shows arrests made as a result of those stops. Roughly 72 percent of stops resulted in a verbal warning (5,331/7,401) and roughly 23 percent resulted in a citation (1,710/7,401). These two actions accounted for roughly 95 percent of all result of stops actions and will be discussed in more detail below.

Specific to **verbal warnings**, White motorists received a verbal warning in roughly 75 percent of stops involving White motorists (1,130/1,497), Black motorists received a verbal warning in roughly 73 percent of stops of Black motorists, and Hispanic motorists received a verbal warning in roughly 60 percent of stops of Hispanic motorists.

Specific to **citations**, White motorists received a citation in roughly 19 percent of stops involving White motorists (287/1,497), Black motorists received a citation in roughly 23 percent of stops of Black motorists, and Hispanic motorists received a citation in roughly 37 percent of stops of Hispanic motorists.

Finally, of the 7,401 total stops, 338 **arrests** were made [written warning and arrest (0), citation and arrest (64), and arrest only (274)], and this accounts for roughly 5 percent of all stops. White motorists were arrested in roughly 5 percent of stops involving White motorists (75/1,497), Black motorists were arrested in roughly 5 percent of stops involving Black motorists, and Hispanic motorists were arrested in roughly 3 percent of stops involving Hispanic motorists. As illustrated in Table 1, most arrests were based on an **outstanding warrant** (59.2%; 200/338) or a **violation of the penal code** (37.3%; 126/338).

Finally, as presented in Table 1, **physical force resulting in bodily injury** did not occur in 2021. Of the 7,401 total stops, none involved physical force resulting in bodily injury.

Table 1: Traffic Stops and Outcomes by Race/Ethnicity

Stop Table	White	Black	Hispanic /Latino	Asian /Pacific Islander	Alaska Native /American Indian	Total
Number of Stops	1,497	5,238	644	18	4	7,401
Gender						
Female	488	2,165	211	6	1	2,871
Male	1,009	3,073	433	12	3	4,530
Reason for Stop						
Violation of Law	284	737	82	1	0	1,104
Preexisting Knowledge	24	130	13	0	0	167
Moving Traffic Violation	677	2,367	341	13	2	3,400
Vehicle Traffic Violation	512	2,004	208	4	2	2,730
Result of Stop						
Verbal Warning	1,130	3,799	386	13	3	5,331
Written Warning	5	14	2	1	0	22
Citation	287	1,181	237	4	1	1,710
Written Warning and Arrest	0	0	0	0	0	0
Citation and Arrest	11	49	4	0	0	64
Arrest	64	195	15	0	0	274
Arrest Based On						
Violation of Penal Code	37	80	9	0	0	126
Violation of Traffic Law	3	9	0	0	0	12
Violation of City Ordinance	0	0	0	0	0	0
Outstanding Warrant	35	155	10	0	0	200
Physical Force Resulting in Bodily Injury Used?						
No	1,497	5,238	644	18	4	7,401
Yes	0	0	0	0	0	0

Comparative Analysis #3:

Evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered in the course of those searches. Texas Code of Criminal Procedure Article 2.134(c)(1)(C)

In 2021, a total of 563 **searches** of motorists were conducted, or roughly 8 percent of all stops resulted in a search (563/7,401). Among searches within each racial/ethnic group, White motorists were searched in roughly 8 percent of all stops of White motorists (115/1,497), Black motorists were searched in roughly 8 percent of all stops of Black motorists, and Hispanic motorists were searched in roughly 9 percent of all stops of Hispanic motorists.

As illustrated in Table 2, the most common reason for a search was probable cause (41.0%; 231/563). Among **probable cause searches** within each racial/ethnic group, White motorists were searched based on probable cause in roughly 38 percent of all searches of White motorists (44/115), Black motorists were searched based on probable cause in roughly 44 percent of all searches of Black motorists, and Hispanic motorists were searched based on probable cause in roughly 29 percent of all searches of Hispanic motorists.

Regarding searches, it should be further noted that only 39 out of 563 searches (see Table 2), or roughly 7 percent of all searches, were based on consent, which are regarded as discretionary as opposed to non-discretionary searches. Relative to the total number of stops (7,401), discretionary **consent searches** occurred in 0.53 percent of stops.

Among **consent searches** within each racial/ethnic group, White motorists were searched based on consent in roughly 18 percent of all searches of White motorists (21/115), Black motorists were searched based on consent in roughly 4 percent of all searches of Black motorists, and Hispanic motorists were searched based on consent in roughly 7 percent of all searches of Hispanic motorists (4 consent searches out of 55 total searches of Hispanic motorists).

Of the searches that occurred in 2021, and as shown in Table 2, **contraband** was discovered in 197 or roughly 35 percent of all searches (197/563 total searches). The majority of the time contraband was found during a search, it was drugs. Finally, as illustrated in Table 2, when contraband was discovered, motorists were arrested roughly 45% of the time (89/197).

Table 2: Search Outcomes by Race/Ethnicity

Search Table	White	Black	Hispanic /Latino	Asian /Pacific Islander	Alaska Native /American Indian	Total
Search Conducted						
Yes	115	393	55	0	0	563
No	1,382	4,845	589	18	4	6,838
Reason for Search						
Consent	21	14	4	0	0	39
Contraband in Plain View	6	26	2	0	0	34
Probable Cause	44	171	16	0	0	231
Inventory	24	112	26	0	0	162
Incident to Arrest	20	70	7	0	0	97
Was Contraband Discovered						
Yes	48	135	14	0	0	197
No	67	258	41	0	0	366
Description of Contraband						
Drugs	38	106	10	0	0	154
Weapons	3	13	2	0	0	18
Currency	0	0	0	0	0	0
Alcohol	2	6	2	0	0	10
Stolen Property	2	2	0	0	0	4
Other	3	8	0	0	0	11
Did Discovery of Contraband Result in Arrest?						
Yes	29	54	6	0	0	89
No	19	81	8	0	0	108

Comparative Analysis #4:

Information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling. Texas Code of Criminal Procedure Article 2.134(c)(2)

In 2021, internal records indicate that the Lancaster Police Department received 2 complaints alleging that a peace officer employed by the agency engaged in racial profiling. Upon investigation, both complaints were unfounded and therefore did not result in disciplinary action.

Additional Analysis:

Statistical analysis of motor vehicle stops relative to the gender population of the agency's reporting area. This analysis is presented in the report based on a December 2020 email sent from TCOLE to law enforcement executives in Texas.

In 2021, 7,401 motor vehicle stops were made by the Lancaster Police Department. Of these stops, 2,871 or roughly 39 percent were female drivers (2,871/7,401), and roughly 61 percent were male drivers (see Table 1).

According to 2019 American Community Survey (ACS) city and county population estimates of the U.S. Census Bureau, the City of Lancaster was composed of 53.7 percent females and 46.3 percent males. County population 2019 ACS estimates indicate that females accounted for 50.7 percent of the county population and males accounted for 49.3 percent of the county population.

Overall, in 2021, males were stopped at rates higher than their proportion of the city and county populations.

Additional Information Required to be Reported to TCOLE

Table 3 below provides additional information relative to motor vehicle stops in 2021 by the Lancaster Police Department. The data are required to be collected by the Lancaster Police Department under the Texas Code of Criminal Procedure Article 2.133.

As previously noted, the Lancaster Police Department received 2 complaints alleging that a peace officer employed by the agency engaged in racial profiling. Upon investigation, both complaints were unfounded and therefore did not result in disciplinary action. Furthermore, as previously discussed, of the 7,401 motor vehicle stops in 2021, the officer knew the race/ethnicity of the motorist prior to the stop in 1.88% of the stops (139/7,401).

Table 3: Additional Information

Additional Information	Total
Was Race/Ethnicity Known Prior to Stop	
Yes	139
No	7,262
Approximate Location of Stop	
City Street	5,931
US Highway	709
County Road	0
State Highway	714
Private Property/Other	47
Number of Complaints of Racial Profiling	2
Resulted in Disciplinary Action	0
Did Not Result in Disciplinary Action	2

Analysis of Racial Profiling Compliance by Lancaster Police Department

The foregoing analysis shows that the Lancaster Police Department is fully in compliance with all relevant Texas laws concerning racial profiling, including the existence of a formal policy prohibiting racial profiling by its officers, officer training and educational programs, a formalized complaint process, and the collection of data in compliance with the law.

In addition to providing summary reports and analysis of the data collected by the Lancaster Police Department in 2021, this report also included an extensive presentation of some of the limitations involved in the level of data collection currently required by law and the methodological problems associated with analyzing such data for the Lancaster Police Department as well as police agencies across Texas.

Appendix A

Racial Profiling Statutes and Laws

Texas Racial Profiling Statutes

Art. 3.05. RACIAL PROFILING.

In this code, "racial profiling" means a law enforcement-initiated action based on an individual's race, ethnicity, or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 2, eff. Sept. 1, 2001.

Art. 2.131. RACIAL PROFILING PROHIBITED.

A peace officer may not engage in racial profiling.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.132. LAW ENFORCEMENT POLICY ON RACIAL PROFILING.

(a) In this article:

(1) "Law enforcement agency" means an agency of the state, or of a county, municipality, or other political subdivision of the state, that employs peace officers who make motor vehicle stops in the routine performance of the officers' official duties.

(2) "Motor vehicle stop" means an occasion in which a peace officer stops a motor vehicle for an alleged violation of a law or ordinance.

(3) "Race or ethnicity" means the following categories:

- (A) Alaska native or American Indian;
- (B) Asian or Pacific Islander;
- (C) black;
- (D) white; and
- (E) Hispanic or Latino.

(b) Each law enforcement agency in this state shall adopt a detailed written policy on racial profiling. The policy must:

- (1) clearly define acts constituting racial profiling;
- (2) strictly prohibit peace officers employed by the agency from engaging in racial profiling;

(3) implement a process by which an individual may file a complaint with the agency if the individual believes that a peace officer employed by the agency has engaged in racial profiling with respect to the individual;

(4) provide public education relating to the agency's compliment and complaint process, including providing the telephone number, mailing address, and e-mail address to make a compliment or complaint with respect to each ticket, citation, or warning issued by a peace officer;

(5) require appropriate corrective action to be taken against a peace officer employed by the agency who, after an investigation, is shown to have engaged in racial profiling in violation of the agency's policy adopted under this article;

(6) require collection of information relating to motor vehicle stops in which a ticket, citation, or warning is issued and to arrests made as a result of those stops, including information relating to:

(A) the race or ethnicity of the individual detained;

(B) whether a search was conducted and, if so, whether the individual detained consented to the search;

(C) whether the peace officer knew the race or ethnicity of the individual detained before detaining that individual;

(D) whether the peace officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop;

(E) the location of the stop; and

(F) the reason for the stop; and

(7) require the chief administrator of the agency, regardless of whether the administrator is elected, employed, or appointed, to submit an annual report of the information collected under Subdivision (6) to:

(A) the Texas Commission on Law Enforcement; and

(B) the governing body of each county or municipality served by the agency, if the agency is an agency of a county, municipality, or other political subdivision of the state.

(c) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

(d) On adoption of a policy under Subsection (b), a law enforcement agency shall examine the feasibility of installing video camera and transmitter-activated equipment in each agency law enforcement motor vehicle regularly used to make motor vehicle stops and transmitter-activated equipment in each agency law enforcement motorcycle regularly used to make motor vehicle stops. The agency also shall examine the feasibility of equipping each peace officer who regularly detains or stops motor vehicles with a body worn camera, as that term is defined by Section 1701.651, Occupations Code. If a law enforcement agency installs video or audio equipment or equips peace officers with body worn cameras as provided by this subsection, the policy adopted by the agency under Subsection (b) must include standards for reviewing video and audio documentation.

(e) A report required under Subsection (b)(7) may not include identifying information about a peace officer who makes a motor vehicle stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the collection of information as required by a policy under Subsection (b)(6).

(f) On the commencement of an investigation by a law enforcement agency of a complaint described by Subsection (b)(3) in which a video or audio recording of the occurrence on which the complaint is based was made, the agency shall promptly provide a copy of the recording to the peace officer who is the subject of the complaint on written request by the officer.

(g) On a finding by the Texas Commission on Law Enforcement that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b)(7), the commission shall begin disciplinary procedures against the chief administrator.

(h) A law enforcement agency shall review the data collected under Subsection (b)(6) to identify any improvements the agency could make in its practices and policies regarding motor vehicle stops.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1172 (H.B. 3389), Sec. 25, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 93 (S.B. 686), Sec. 2.05, eff. May 18, 2013.

Acts 2017, 85th Leg., R.S., Ch. 173 (H.B. 3051), Sec. 1, eff. September 1, 2017.

Acts 2017, 85th Leg., R.S., Ch. 950 (S.B. 1849), Sec. 5.01, eff. September 1, 2017.

Art. 2.133. REPORTS REQUIRED FOR MOTOR VEHICLE STOPS.

(a) In this article, "race or ethnicity" has the meaning assigned by Article 2.132(a).

(b) A peace officer who stops a motor vehicle for an alleged violation of a law or ordinance shall report to the law enforcement agency that employs the officer information relating to the stop, including:

(1) a physical description of any person operating the motor vehicle who is detained as a result of the stop, including:

(A) the person's gender; and

(B) the person's race or ethnicity, as stated by the person or, if the person does not state the person's race or ethnicity, as determined by the officer to the best of the officer's ability;

(2) the initial reason for the stop;

(3) whether the officer conducted a search as a result of the stop and, if so, whether the person detained consented to the search;

(4) whether any contraband or other evidence was discovered in the course of the search and a description of the contraband or evidence;

(5) the reason for the search, including whether:

(A) any contraband or other evidence was in plain view;

(B) any probable cause or reasonable suspicion existed to perform the search; or

(C) the search was performed as a result of the towing of the motor vehicle or the arrest of any person in the motor vehicle;

(6) whether the officer made an arrest as a result of the stop or the search, including a statement of whether the arrest was based on a violation of the Penal Code, a violation of a traffic law or ordinance, or an outstanding warrant and a statement of the offense charged;

(7) the street address or approximate location of the stop;

(8) whether the officer issued a verbal or written warning or a ticket or citation as a result of the stop; and

(9) whether the officer used physical force that resulted in bodily injury, as that term is defined by Section 1.07, Penal Code, during the stop.

(c) The chief administrator of a law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, is responsible for auditing reports under Subsection (b) to ensure that the race or ethnicity of the person operating the motor vehicle is being reported.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1172 (H.B. 3389), Sec. 26, eff. September 1, 2009.

Acts 2017, 85th Leg., R.S., Ch. 950 (S.B. 1849), Sec. 5.02, eff. September 1, 2017.

Art. 2.134. COMPILATION AND ANALYSIS OF INFORMATION COLLECTED.

(a) In this article:

(1) "Motor vehicle stop" has the meaning assigned by Article 2.132(a).

(2) "Race or ethnicity" has the meaning assigned by Article 2.132(a).

(b) A law enforcement agency shall compile and analyze the information contained in each report received by the agency under Article 2.133. Not later than March 1 of each year, each law enforcement agency shall submit a report containing the incident-based data compiled during the previous calendar year to the Texas Commission on Law Enforcement and, if the law enforcement agency is a local law enforcement agency, to the governing body of each county or municipality served by the agency.

(c) A report required under Subsection (b) must be submitted by the chief administrator of the law enforcement agency, regardless of whether the administrator is elected, employed, or appointed, and must include:

(1) a comparative analysis of the information compiled under Article 2.133 to:

(A) evaluate and compare the number of motor vehicle stops, within the applicable jurisdiction, of persons who are recognized as racial or ethnic minorities and persons who are not recognized as racial or ethnic minorities;

(B) examine the disposition of motor vehicle stops made by officers employed by the agency,

categorized according to the race or ethnicity of the affected persons, as appropriate, including any searches resulting from stops within the applicable jurisdiction; and

(C) evaluate and compare the number of searches resulting from motor vehicle stops within the applicable jurisdiction and whether contraband or other evidence was discovered in the course of those searches; and

(2) information relating to each complaint filed with the agency alleging that a peace officer employed by the agency has engaged in racial profiling.

(d) A report required under Subsection (b) may not include identifying information about a peace officer who makes a motor vehicle stop or about an individual who is stopped or arrested by a peace officer. This subsection does not affect the reporting of information required under Article 2.133(b)(1).

(e) The Texas Commission on Law Enforcement, in accordance with Section 1701.162, Occupations Code, shall develop guidelines for compiling and reporting information as required by this article.

(f) The data collected as a result of the reporting requirements of this article shall not constitute prima facie evidence of racial profiling.

(g) On a finding by the Texas Commission on Law Enforcement that the chief administrator of a law enforcement agency intentionally failed to submit a report required under Subsection (b), the commission shall begin disciplinary procedures against the chief administrator.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2009, 81st Leg., R.S., Ch. 1172 (H.B. 3389), Sec. 27, eff. September 1, 2009.

Acts 2013, 83rd Leg., R.S., Ch. 93 (S.B. 686), Sec. 2.06, eff. May 18, 2013.

Acts 2017, 85th Leg., R.S., Ch. 950 (S.B. 1849), Sec. 5.03, eff. September 1, 2017.

Art. 2.136. LIABILITY.

A peace officer is not liable for damages arising from an act relating to the collection or reporting of information as required by Article 2.133 or under a policy adopted under Article 2.132.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.137. PROVISION OF FUNDING OR EQUIPMENT.

(a) The Department of Public Safety shall adopt rules for providing funds or video and audio equipment to law enforcement agencies for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras, including specifying criteria to prioritize funding or equipment provided to law enforcement agencies. The criteria may include consideration of tax effort, financial hardship, available revenue, and budget surpluses. The criteria must give priority to:

- (1) law enforcement agencies that employ peace officers whose primary duty is traffic enforcement;
- (2) smaller jurisdictions; and
- (3) municipal and county law enforcement agencies.

(b) The Department of Public Safety shall collaborate with an institution of higher education to identify law enforcement agencies that need funds or video and audio equipment for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras. The collaboration may include the use of a survey to assist in developing criteria to prioritize funding or equipment provided to law enforcement agencies.

(c) To receive funds or video and audio equipment from the state for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras, the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency needs funds or video and audio equipment for that purpose.

(d) On receipt of funds or video and audio equipment from the state for the purpose of installing video and audio equipment in law enforcement motor vehicles and motorcycles or equipping peace officers with body worn cameras, the governing body of a county or municipality, in conjunction with the law enforcement agency serving the county or municipality, shall certify to the Department of Public Safety that the law enforcement agency has taken the necessary actions to use and is using video and audio equipment and body worn cameras for those purposes.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Amended by:

Acts 2017, 85th Leg., R.S., Ch. 950 (S.B. 1849), Sec. 5.04, eff. September 1, 2017.

Art. 2.138. RULES.

The Department of Public Safety may adopt rules to implement Articles 2.131-2.137.

Added by Acts 2001, 77th Leg., ch. 947, Sec. 1, eff. Sept. 1, 2001.

Art. 2.1385. CIVIL PENALTY.

(a) If the chief administrator of a local law enforcement agency intentionally fails to submit the incident-based data as required by Article 2.134, the agency is liable to the state for a civil penalty in an amount not to exceed \$5,000 for each violation. The attorney general may sue to collect a civil penalty under this subsection.

(b) From money appropriated to the agency for the administration of the agency, the executive director of a state law enforcement agency that intentionally fails to submit the incident-based data as required by Article 2.134 shall remit to the comptroller the amount of \$1,000 for each violation.

(c) Money collected under this article shall be deposited in the state treasury to the credit of the general revenue fund.

Added by Acts 2009, 81st Leg., R.S., Ch. 1172 (H.B. 3389), Sec. 29, eff. September 1, 2009.

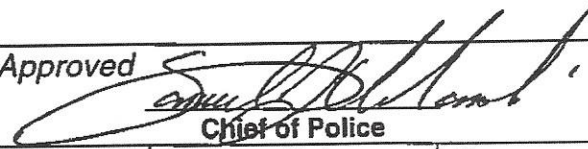
Amended by:

Acts 2017, 85th Leg., R.S., Ch. 950 (S.B. 1849), Sec. 5.05, eff. September 1, 2017.

Appendix B

Agency Policy

LANCASTER, POLICE DEPARTMENT GENERAL ORDERS MANUAL

Effective Date August 26, 2015		Amended Date April 3, 2019		Directive 2.01.1	
Subject Biased Based Policing and Racial Profiling					
Reference			Approved  <div style="text-align: center;">Chief of Police</div>		
Distribution All Personnel City Manager City Attorney		TPCA Best Practices Recognition Program Reference 2.01		Review Date April 3, 2019	
				Pages 8	

This Operations Directive is for internal use only and does not enhance an officer's civil or criminal liability in any way. It should not be construed as a creation of a higher standard of safety or care in an evidentiary sense, with respect to third party claims. Violations of this Operations Directive, if proven, may only form the basis for a complaint by this Department, and only in a non-judicial administrative setting.

SECTION 1 PURPOSE

The purpose of this policy is to reaffirm the Lancaster Police Department's commitment to unbiased policing in all of its encounters between officers and any person; to reinforce procedurally just ways that serve to ensure public confidence and mutual trust through the provision of services in a fair and equitable fashion; and to protect our officers from unwarranted accusations of misconduct when they act within the dictate of departmental policy and the law.

SECTION 2 POLICY

- A. It is the policy of the department to protect the constitutional rights of all persons. Allegations of racial profiling or discriminatory practices, real or perceived, are detrimental to the relationship between police and the communities they protect and serve because they strike at the basic foundation of public trust. This trust is essential to effective community-based policing. Racial profiling is considered misuse of valuable police resources; such improper methods violate the civil rights of members of the public and may lead to increased exposure to liability for the officer and the department. The department does not endorse, train, teach, support, or condone any type of bias, stereotyping, or racial profiling by its officers. While recognizing that most officers perform their duties in a professional, ethical, and impartial manner, the department is committed to identifying and eliminating any instances of racial profiling.
- B. It is the policy of the department to:
 1. provide all people within the community fair and impartial police services consistent with procedural justice, constitutional and statutory mandates;
 2. assure the highest standard of integrity and ethics among all our members;
 3. respect the diversity and the lawful cultural practices of all people;
 4. take positive steps to identify, prevent, and eliminate any instances of racial profiling by our members; and

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5. continue our commitment to community based policing and problem solving, including vigorous, lawful and nondiscriminatory traffic enforcement that promotes public safety and strengthens public trust, confidence, and awareness
- C. It is the policy of the department to police in a proactive manner and to aggressively investigate suspected violations of law. Officers shall actively enforce local, state and federal laws in a responsible and professional manner without regard to race, gender, ethnicity, or national origin. Officers are strictly prohibited from engaging in racial profiling as defined in this policy. This policy shall be applicable to all persons, whether drivers, passengers, or pedestrians.
- D. Officers, when dealing with the community shall conduct themselves in procedurally just ways, procedurally just behavior is based on four central principles: (1) treating people with dignity and respect, (2) giving individuals "voices" during encounters, (3) being neutral and transparent in decision making and (4) conveying trustworthy motives. These principles lead to relationships in which the community trusts that officers are honest, unbiased, benevolent, and lawful. The community therefore feels obligated to follow the law and the dictates of legal authorities and is more willing to cooperate with and engage those authorities because it believes that it shares a common set of interest and values with the community.

SECTION 3 DEFINITIONS

- A. **Bias:** prejudice or partiality based on preconceived ideas, a person's upbringing, culture, experience, or education.
- B. **Biased Policing:** stopping, detaining, searching, or attempting to search, or using force against a person based upon his or her race, ethnic background, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group.
- C. **Ethnicity:** a cluster of characteristics that may include race but also cultural characteristics or traits that are shared by a group with a common experience or history.
- D. **Frisk:** a limited search or patting down of a suspect's outer clothing for the purpose of officer safety. A frisk must be based on reasonable suspicion that the suspect is armed with a deadly weapon, and that if he is not searched and disarmed, harm will come to the officer or another person. A limited search or frisk of an automobile after a valid stop is permissible if the officer has reasonable suspicion the suspect is dangerous and might gain immediate control of a weapon. The search is limited to the areas in which a weapon may be placed or hidden.
- E. **Gender:** unlike sex, a psychological classification based on cultural characteristics or traits.
- F. **Gender Profiling:** is defined as a law enforcement-initiated action based on an individual's gender rather than on the individual's behavior or involvement in criminal activity.
- G. **Procedural Justice:** the way officers and other legal authorities interact with the public and how the characteristics of those interactions shape the public's trust of the police
- H. **Probable Cause:** is defined as more than bare suspicion; it exists when the facts and circumstances within the officer's knowledge and of which they have reasonably trustworthy information are sufficient

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in themselves to warrant a person of reasonable caution to believe that an offense has been or is being committed.

- I. **Race:** a category of people of a particular decent, including Caucasian, African, Hispanic, Asian, Middle Eastern, or Native American descent. As distinct from ethnicity, race refers only to physical characteristics sufficiently distinctive to group people under a classification.
- J. **Racial Profiling:** a law enforcement-initiated action based on an individual's race, ethnicity or national origin rather than on the individual's behavior or on information identifying the individual as having engaged in criminal activity. The term is not relevant as it pertains to witnesses, complainants, persons needing assistance, or other citizen contacts.
 1. Examples of racial profiling include, but are not limited to, the following:
 - a. Citing a driver because of the cited driver's race, ethnicity, or national origin; or
 - b. detaining the driver of a vehicle based on the determination that a person of that race, ethnicity, or national origin is unlikely to own or possesses that specific make or model of vehicle; or
 - c. detaining an individual based upon the determination that a person of that race, ethnicity, or national origin does not belong in a specific part of town or a specific place
- K. **Reasonable Suspicion** is defined as specific, articulable facts leading a reasonable police officer to believe that a person has committed, is committing, or may be about to commit a crime. Reasonable suspicion is less than probable cause, but more than a mere hunch. Reasonable grounds for suspicion depend on the circumstances in each case. There must be an objective basis for that suspicion based on facts, information, and/or intelligence.
- L. **Sex:** a biological classification, male or female, based on physical and genetic characteristics.
- M. **Search:** an examination or exploration of an individual's house, premises, vehicle or person to discover stolen property, contraband or other items that may be evidence of a crime.
- N. **Search incident to arrest:** a full search of an arrested person and of the vicinity around him or her. The search is conducted for officer safety and to prevent the destruction of evidence.
- O. **Consent search:** a search permitted by a person with apparent authority to allow the search. To be valid, consent must be voluntary and intelligent, based on a totality of circumstances. Voluntary means that the consent was not forced or coerced. Intelligent means the person giving consent must know what he or she is doing.
- P. **Inventory:** an administrative process by which items of property in an impounded vehicle are listed and secured. An inventory is not a search and should not be used as a substitute for a search. The specific objectives of an inventory are to protect the property of the defendant, to protect the police against any claim of lost property, and to protect police personnel and others from any dangerous instruments.

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- Q. **Pedestrian Stop**: an interaction between a peace officer and an individual traveling on foot who is being detained for the purpose of a criminal investigation in which the individual is not under arrest.
- R. **Traffic Stop**: vehicle stops whereas a peace officer stops a motor vehicle for an alleged violation of law or ordinance regulating traffic.

SECTION 4 PROCEDURES

A. GENERAL RESPONSIBILITIES

1. Officers are prohibited from engaging in racial or bias-based profiling or stopping, detaining, searching, arresting, or taking any enforcement action including seizure or forfeiture activities, against any person based solely on the person's race, ethnic background, gender, sexual orientation, religion, economic status, age, cultural group, or any other identifiable group. These characteristics, however, may form part of reasonable suspicion or probable cause when officers are seeking a suspect with one or more of these attributes.
2. Investigative detentions, traffic stops, arrests, searches, and property seizures by officers will be based on a standard of reasonable suspicion or probable cause in accordance with the Fourth Amendment of the U.S. Constitution. Officers must be able to articulate specific facts and circumstances that support reasonable suspicion or probable cause for investigative detentions, traffic stops, pedestrian stops, arrests, nonconsensual searches, and property seizures. Except as provided in number three (3) below, officers shall not consider race/ethnicity in establishing either reasonable suspicion or probable cause. Similarly, except as provided below, officers shall not consider race/ethnicity in deciding to initiate even those nonconsensual encounters that do not amount to legal detentions or to request consent to search.
3. Officers may take into account the reported race or ethnicity of a specific suspect or suspects based on trustworthy, locally relevant information that links a person or persons of a specific race/ethnicity to a particular unlawful incident(s). Race/ethnicity can never be used as the sole basis for probable cause or reasonable suspicion. Reasonable suspicion or probable cause shall form the basis for any enforcement actions or decisions. Individuals shall be subjected to stops, seizures, or detentions only upon reasonable suspicion that they have committed, are committing, or are about to commit an offense. Officers shall document the elements of reasonable suspicion and probable cause in appropriate reports.
4. Officers shall observe all constitutional safeguards and shall respect the constitutional rights of all persons.
 - a. As traffic stops furnish a primary source of bias-related complaints, officers shall have a firm understanding of the warrantless searches allowed by law, particularly the use of consent. How the officer disengages from a traffic stop may be crucial to a person's perception of fairness or discrimination.
 - b. Officers shall not use the refusal or lack of cooperation to justify a search of the person or vehicle or a prolonged detention once reasonable suspicion has been dispelled.

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5. All personnel shall treat everyone with the same courtesy and respect that they would have others observe to department personnel. To this end, personnel are reminded that the exercise of courtesy and respect engenders a future willingness to cooperate with law enforcement.
 - a. Personnel shall facilitate an individual's access to other governmental services whenever possible, and shall actively provide referrals to other appropriate agencies.
 - b. All personnel shall courteously accept, document, and forward to the Chief of Police any complaints made by an individual against the department. Further, officers shall provide information on the complaint's process and shall give copies of "How to Make a Complaint" when appropriate.
6. When feasible, personnel shall offer explanations of the reasons for enforcement actions or other decisions that bear on the individual's well-being unless the explanation would undermine an investigation or jeopardize an officer's safety.
7. When concluding an encounter, personnel shall thank him or her for cooperating.
8. When feasible, all personnel shall identify themselves by name. When a person requests the information, personnel shall give their departmental identification number, name of the immediate supervisor, or any other reasonable information.
9. All personnel are accountable for their actions. Personnel shall justify their actions when required.

B. SUPERVISORY RESPONSIBILITIES

1. Supervisors shall be held accountable for the observance of constitutional safeguards during the performance of their duties. Supervisors shall identify and correct instances of bias in the work of their subordinates.
2. Supervisors shall use the disciplinary mechanisms of the department to ensure compliance with this order and the constitutional requirements of law enforcement.
3. Supervisors shall be mindful that in accounting for the actions and performance of subordinates, supervisors are key to maintaining community trust in law enforcement. Supervisors shall continually reinforce the ethic of impartial enforcement of the laws, and shall ensure that personnel, by their actions, maintain the community's trust in law enforcement.
4. Supervisors are reminded that biased enforcement of the laws engenders not only mistrust of law enforcement, but increases safety risks to personnel. Lack of control over bias also exposes the department to liability consequences.
5. Supervisors shall be held accountable for repeated instances of biased enforcement of their subordinates.
6. Supervisors shall ensure that all enforcement actions are duly documented per departmental policy. Supervisors shall ensure that all reports show adequate documentation of reasonable suspicion and probable cause, if applicable.

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7. Supervisors shall facilitate the filing of any complaints about law- enforcement service.

C. DISCIPLINARY CONSEQUENCES

1. Failure to report any observed or known violations of this policy by any police department employee shall result in corrective action being taken against the employee.
2. Officers found in violation of this policy or who have a sustained racial profiling complaint shall be subject to corrective action which may include, diversity, sensitivity, or other appropriate training, counseling, a written reprimand, suspension from duty with or without pay, indefinite suspension, or other appropriate action as determined by the Chief of Police.

D. COMPLAINTS

1. Any person may file a complaint with the department if they believe they have been stopped or searched on the basis of their race, ethnicity, national origin, sexual orientation, religion, economic status, age cultural group, gender or any other identifiable group. No person shall be discouraged, intimidated, or coerced from filing such a complaint, or discriminated against because they have filed such a complaint.
2. A complaint from a citizen regarding racial profiling may be made to any police department supervisor or, if available, to the Office of Professional Responsibility. A complaint from a citizen can be made by writing a letter, calling the police department and requesting a police supervisor to their location (inside the city limits) or by coming to the police station. If, after discussing the complaint with a supervisor the citizen wishes to file a formal complaint they must complete and sign a formal written complaint. All complaints received shall be forwarded in writing through the chain of command to the Chief of Police.
3. In addition to the formal written complaint, the supervisor receiving the complaint shall complete a memo and obtain the digital video from the officer's vehicle. The supervisor shall label the digital video, indicating the unit number and date and time the video was pulled from the unit. The video will be forwarded with the written formal complaint and the supervisor's memo through the chain of command to the Chief of Police by the end of the supervisor's tour of duty. All videos of incidents alleging racial or gender profiling shall be retained with the investigative file.
4. The Chief of Police will then assign the complaint to an appropriate department supervisor or the Office of Professional Responsibility to investigate the complaint.
5. The department shall provide education to the public concerning the complaint process. Written information regarding how a citizen may file a complaint or issue a commendation for an officer shall be made available to the public at a variety of locations, including public meetings, in the lobby of the public safety building and City Hall. This information shall also be available on the department's website (www.lancaster-tx.com).

E. CITATION, DATA COLLECTION AND REPORTING

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1. Each officer shall be required to collect information relating to all motor vehicle traffic stops by documenting the required information on a traffic citation or a written warning. All self-initiated traffic stops made whether or not a citation or written warning is issued, the officer shall complete a racial profiling incident report in the Racial Profiling Module. The racial profiling incident report can be completed through the use of the in car computer program Visual MCT, a computer at the Lancaster Police station with the computer program MOBLAN or RMS or at the jail through Visual MCT, MOBLAND or RMS.
2. The officer will document the following information in the Racial Profiling Module following a motor vehicle stop:
 - a. the date and time of the stop;
 - b. the duration of the stop;
 - c. whether the stop was video recorded;
 - d. the location of the stop;
 - e. the stopped subject's gender;
 - f. the stopped subject's race or ethnicity;
 - g. if the stopped subject's race or ethnicity was known prior to the stop;
 - h. the residency status of the stopped subject;
 - i. the type of stop;
 - j. the reason for the stop;
 - k. if a search was conducted;
 - l. the authority of the search;
 - m. if any type of illegal contraband was located during the search;
 - n. the result of the stop; and
 - o. any charges filed
 - p. If physical force resulted in bodily injury used during stop;
3. Once an officer has completed the racial profiling incident report it should be submitted into the Records Management System. Officers should complete and submit all required racial profiling incident report(s) by the end of their duty shift unless the officer receive permission to turn the report(s) in the following day from their direct supervisor. If permission is granted by the officer's

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direct supervisor, the officer should complete and submit the report(s) by the end of their next duty shift.

4. By March of each year, the department shall submit a written report to the City Council that includes the information gathered from the traffic stops in the preceding calendar year. The report will include:
 - a. a breakdown of traffic stops by race and ethnicity;
 - b. the number of traffic stops that resulted in a search and the basis for the searches;
 - c. the number of searches that resulted in contraband being discovered and, if so, the type of contraband; and
 - d. the number of traffic stops that resulted in custodial arrests
5. The Operations Division Assistant Chief of Police shall be responsible for providing a report to the Chief of Police that contains this information.

F. RACIAL PROFILING TRAINING

1. Officers are responsible to adhere to all Texas Commission on Law Enforcement training and the Law Enforcement Management Institute of Texas (LEMIT) requirements as mandated by law.
2. All officers shall complete Texas Commission on Law Enforcement training and education program on racial profiling not later than the second anniversary of the date the officer is licensed under Chapter 1701, Texas Occupation Code, or the date the officer applies for an intermediate proficiency certificate, whichever date is earlier. At the discretion of the Chief of Police, additional diversity and sensitivity training may be required for officers with sustained racial profiling or other discrimination complaints filed against them.
3. The Chief of Police, as part of the initial training and continued education for such appointment, will be required to attend the Law Enforcement Management Institute of Texas program on racial profiling.
4. Supervisors shall conduct periodic roll call training regarding racial profiling issues, including implementation and enforcement of this policy.

G. SCOPE OF RESPONSIBILITY

1. All members of the department shall know and comply with all aspects of this directive.
2. All Division Commanders and supervisory personnel are responsible for ensuring compliance with the provisions and intent of this directive.



A Citizens Guide to the Commendation & Complaint Process



What Happens When I Complain About a Police Department Employee?

The **Lancaster Police Department** requires that all of its police officers and employees maintain the highest standard of conduct and service.

Who Investigates the Complaint?

All complaints are investigated thoroughly by the Internal Affairs Department. If a complaint is found to be valid, the Chief of Police will take steps to insure that any deficiencies are corrected.

How Do I File a Complaint?

You may call, write a letter, or come to the police department and talk to one of the police department supervisors. If, after discussing your complaint with a supervisor, you wish to have a formal investigation, you will need to complete and sign a formal complaint form. The form may be turned in to any supervisor 24 hours a day or may be turned in to the Records counter at the Lancaster Police Department, Monday through Friday from 8am to 5pm. Contact may be made with Internal Affairs at 972-218-2700 or lpd@lancaster-tx.com

Can People Under 18 Years of Age File a Complaint?

Yes. However, we require that one of your parents or guardians accompany you.

What Will Happen to the Officer or Employee?

It will depend on what the employee did or did not do. If the employee's actions were criminal, he or she could face the same consequences as any other citizen. If the actions were improper but not criminal, the Chief of Police may discipline the employee. The discipline can range from additional training, counseling, oral reprimand, written reprimand, suspension from duty or termination from employment. When administering discipline, the Chief of Police considers the severity of the complaint and the past performance of the employee.

What Happens After the Complaint is Filed?

You will receive a letter, an e-mail, or a phone call from the Investigator assigned to your complaint as soon as possible, advising you of the disposition of your complaint.

Are There Any Complaints That Will Not Be Investigated?

The Lancaster Police Department will not investigate the lawfulness of any arrest or citation. The guilt or innocence of any criminal charge or traffic citation is determined only in court. If your complaint alleges that you were not advised of your Miranda Rights, this issue is also advised in court. The Lancaster Police Department will not investigate any complaint received 45 days after the incident that gave rise to the complaint

REMEMBER!

- ☑ You may complain about an employee in the following ways:
 - ★ Call
 - ★ Write
 - ★ Speak personally to a supervisor
- ☑ If you wish to have a formal investigation conducted, you must complete and sign a complaint form.
- ☑ If you are under the age of 18, you must have a parent or guardian with you.
- ☑ False complaints against a Police Officer may be punishable both criminally and civilly.



The members of the Lancaster Police Department adhere to a set of positive values and a Code of Ethics.





CITIZEN COMMENDATION / COMPLAINT FORM

☐ Commendation

☐ Complaint

(Assigned CIC #)

☐ Wish to remain anonymous (Anonymous complaints will be looked into)

Citizen's Name: _____ Daytime Tele # (____) _____
(Print)

Address: _____ Email: _____
(Print Street Address) (City) (State, Zip) (Print)

Witness Name: _____ Daytime Tele # (____) _____
(List add'l in narrative) (Print)

Address: _____
(Street) (Print Street Address) (City) (State, zip)

Preferred Contact Method: ☐ Phone (Listed above) ☐ Email (Listed Above)

Officer(s) Involved: (Print)

1. _____ 2. _____

Nature of Incident: (Traffic Stop, Arrest, Call for Service, etc.) _____

Date, time and location of incident: Date: _____ Time: _____

Location: _____

PLEASE READ BEFORE SIGNING ON PAGE 2:

In compliance with the Texas Government Code Sec. 614.022 referencing Complaints against law enforcement officers, to be considered by the head of a state agency or by the head of a fire or police department, the complaint must be: (1) in writing, and (2) signed by the person making the complaint.

Supervisor taking Complaint: _____ Date/Time: _____

Complete Narrative on Next Page

Complete Narrative on Next Page



Narrative: (May be continued by attaching additional pages)

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(Date)

Appendix C

Racial Profiling Laws and Corresponding Department Policies

Texas CCP Article	LANCASTER POLICE DEPARTMENT Racial Profiling Policy
2.132(b)1	Section 3
2.132(b)2	Section 1-2
2.132(b)3	Section 4D
2.132(b)4	Section 4D
2.132(b)5	Section 4C
2.132(b)6	Section 4E
2.132(b)7	Section 4E

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

4.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government

Submitted by: Mike Delmore, Director of Finance

Agenda Caption:

Discuss and receive a presentation regarding the Quarterly Financial Report for the first quarter of Fiscal Year (FY) 2021/2022 for the period beginning October 1, 2021, and ending December 31, 2021.

Background:

The broad purpose of the City's Financial and Investment policy statements is to enable the City to achieve and maintain a long-term stable and positive financial position, and provide guidelines for the day-to day planning and operations of the City's financial affairs. The following information is representative of the 1st quarter of fiscal year 2021/2022; October 1, 2021, through December 31, 2021. All figures are preliminary/unaudited and may change as the Comprehensive Annual Financial Report is finalized.

Attachments

1st Qtr Financials



**City of Lancaster
Quarterly
Investment and Financial
Reports
First Quarter FY2022**



City of Lancaster

Investment Portfolio Summary - As of December 31, 2021

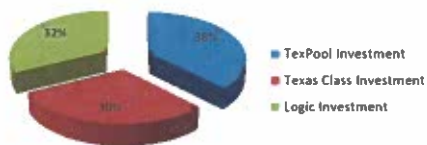
Investment Types	% of Total Investments	End of Quarter Balance
TexPool Investment		
TexPool	37.58%	\$ 34,893,736
Texpool Total	37.58%	\$ 34,893,736
Texas Class Investment		
Texas Class	29.99%	\$ 27,843,933
Texas Class Total	29.99%	\$ 27,843,933
Logic Investment		
Logic -01	29.59%	\$ 27,471,693
Logic -02	0.00%	\$ 495
Logic -04	1.52%	\$ 1,408,289
Logic -06	1.32%	\$ 1,225,641
Logic Total	32.43%	\$ 30,106,118
Total Investment	100.00%	\$ 92,843,787

Investment Interest Types	% of Total Interest	Quarter Interest Earned
TexPool Interest		
TexPool	29.77%	\$ 3,252
TexPool Qtr. Interest Total	29.77%	\$ 3,252
Texas Class Interest		
Texas Class	35.71%	\$ 3,900
Texas Class Qtr. Interest Total	35.71%	\$ 3,900
Logic Interest		
Logic -01	31.49%	\$ 3,440
Logic -02	0.00%	\$ -
Logic -04	1.61%	\$ 176
Logic -06	1.41%	\$ 153
Logic Quarterly Interest Total	34.51%	\$ 3,769
Total Quarterly Interest	100.00%	\$ 10,922

Investment Types	% of Total Investments	End of Quarter Balance
TexPool Investment	37.58%	\$ 34,893,736
Texas Class Investment	29.99%	\$ 27,843,933
Logic Investment	32.43%	\$ 30,106,118
Total Investment	100.00%	\$ 92,843,787

Investment Interest Types	% of Total Interest	Quarter Interest Earned
TexPool Interest	29.77%	\$ 3,252
Texas Class Interest	35.71%	\$ 3,900
Logic Interest	34.51%	\$ 3,769
Total Interest	100.00%	\$ 10,922

*Investment Portfolio as of
December 31, 2021*



*Investment Interest as of
December 31, 2021*



COMPLIANCE STATEMENT

The investment portfolio presented in these reports conforms in all respects to the investment policies of the City of Lancaster, Texas; and is being managed under the investment strategy developed and approved by the Lancaster City Council.


Mike Delmore - Finance Director


Date 2/17/2022


Opal Mauldin-Jones, City Manager


Date 2/17/2022

Authorization Statement

**This is to acknowledge that I have reviewed and approved the City of
Lancaster's Quarterly Financial Report
for the First Quarter FY2022 ending December 31, 2021**

Reviewed By: Christie Harris
Assistant Director of Finance

Date: 2/17/2022

Approved By: Mehdi J. J. J.
Director of Finance

Date: 2/17/2022

Approved and Authorized to Present to City Council:

Opelmauldin Jones
City Manager

Date: 2/17/2022



CITY-WIDE OPERATING FUND TOTALS

Unaudited Revenues and Expenditures

First Quarter FY2022

October 2021 thru December 2021

25% Optimal Expenditure Rate



						
TOTAL REVENUES		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	
1	General Fund	12,259,412	12,259,412	12,697,340	12,697,340	37%
2	G.O. Debt Service	3,629,522	3,629,522	3,260,333	3,260,333	50%
4	Street Maintenance	303,030	303,030	449,792	449,792	50%
5	WaterWastewater	4,603,057	4,603,057	4,954,679	4,954,679	26%
9	Airport	117,998	117,998	100,909	100,909	23%
14	HotelMotel	354	354	4,878	4,878	3%
16	LEDC/4A	115,446	115,446	148,587	148,587	11%
17	LRDC/4B	284,910	284,910	341,210	341,210	11%
18	Golf Course	194,015	194,015	239,970	239,970	27%
19	Sanitation	643,868	643,868	646,723	646,723	24%
21	E911	42,523	42,523	47,333	47,333	18%
50	Park Dedication	-	-	121,800	121,800	0%
53	Stormwater	476,114	476,114	478,652	478,652	29%
Total		\$ 22,670,249	\$ 22,670,249	\$ 23,492,206	\$ 23,492,206	33%

TOTAL EXPENDITURES		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	Used
1	General Fund	6,404,552	6,404,552	7,878,465	7,878,465	22%
2	G.O. Debt Service	60,347	60,347	59,597	59,597	1%
4	Street Maintenance	708,447	708,447	-	-	0%
5	WaterWastewater	2,272,594	2,272,594	4,869,330	4,869,330	28%
9	Airport	94,293	94,293	101,961	101,961	18%
14	HotelMotel	9,742	9,742	15,755	15,755	30%
16	LEDC/4A	168,515	168,515	458,316	458,316	33%
17	LRDC/4B	409,339	409,339	461,409	461,409	13%
18	Golf Course	222,749	222,749	253,598	253,598	24%
19	Sanitation	301,217	301,217	179,563	179,563	9%
21	E911	221,116	221,116	154,512	154,512	70%
53	Stormwater	278,419	278,419	406,254	406,254	18%
Total		\$ 11,151,329	\$ 11,151,329	\$ 14,838,760	\$ 14,838,760	21%



GENERAL FUND
Unaudited Revenues and Expenditures
First Quarter FY2022
October 2021 thru December 2021
 25% Optimal Expenditure Rate



	REVENUES	2021	2021	2022	2022	2022	2022	
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget	
	PROPERTY TAX	9,924,067	9,924,067	10,177,757	10,177,757	19,937,167	51%	
	SALES TAX	543,279	543,279	715,532	715,532	6,500,000	11%	
	FRANCHISE TAX	71,247	71,247	75,022	75,022	1,880,000	4%	
	LICENSES AND PERMITS	541,460	541,460	514,225	514,225	1,611,000	32%	
	INTERGOVERNMENTAL	3,750	3,750	3,760	3,760	15,000	25%	
	CHARGES FOR SERVICES	363,137	363,137	342,699	342,699	1,129,600	30%	
	FINES AND FORFEITURES	145,749	145,749	181,428	181,428	797,000	23%	
	INTEREST	5,331	5,331	2,967	2,967	30,000	10%	
	MISCELLANEOUS	71,302	71,302	11,571	11,571	65,665	18%	
	OPERATING TRANSFERS IN	580,266	580,266	644,307	644,307	2,577,228	25%	
	GRANT & Other Income	9,825	9,825	22,404	22,404	2,500	896%	
	Total	\$ 12,259,412	\$ 12,259,412	\$ 12,697,340	\$ 12,697,340	\$ 34,559,160	37%	

	EXPENDITURES	2021	2021	2022	2022	2022	2022	
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget Used	
1	City Council	9,503	9,503	12,006	12,006	145,442	8%	
2	City Manager's Office	185,498	185,498	243,377	243,377	1,019,074	24%	
5	Legal	19,805	19,805	28,898	28,898	238,900	12%	
6	Building Services	286,914	286,914	640,891	640,891	1,322,683	48%	
8	Municipal Court	74,331	74,331	79,854	79,854	428,026	19%	
9	Building Inspections	60,926	60,926	67,088	67,088	328,652	20%	
10	Fleet Maintenance	153,678	153,678	144,764	144,764	654,341	22%	
12	Streets Operations	262,337	262,337	412,706	412,706	2,616,624	16%	
13	Parks	144,835	144,835	160,687	160,687	802,960	20%	
14	Police	1,522,976	1,522,976	1,974,756	1,974,756	8,100,854	24%	
15	Fire	1,823,328	1,823,328	1,956,771	1,956,771	8,384,881	23%	
16	Non-Departmental	609,259	609,259	577,942	577,942	4,169,263	14%	
17	Planning	183,848	183,848	194,930	194,930	691,910	28%	
18	City Secretary	39,693	39,693	61,024	61,024	268,120	23%	
19	Finance	213,774	213,774	337,008	337,008	942,346	36%	
20	Emergency Management	21,830	21,830	19,457	19,457	104,458	19%	
24	Animal Services	25,246	25,246	52,670	52,670	282,892	19%	
29	Purchasing	36,017	36,017	24,824	24,824	138,734	18%	
31	Human Resources	136,107	136,107	164,138	164,138	702,580	23%	
32	Civil Service	375	375	850	850	7,550	11%	
34	Emergency Communications	195,032	195,032	206,540	206,540	1,216,207	17%	
35	Code Compliance	115,921	115,921	124,502	124,502	637,952	20%	
37	Information Technology	167,307	167,307	200,174	200,174	692,739	29%	
38	Fire Marshal	43,347	43,347	42,438	42,438	234,449	18%	
39	City Marshal	37,892	37,892	37,755	37,755	210,746	18%	
40	Records	33,611	33,611	38,872	38,872	184,226	21%	
52	Vending Contracts	-	-	226	226	-	0%	
55	Public Relations	1,163	1,163	33,765	33,765	174,408	19%	
	Total	\$ 6,404,552	\$ 6,404,552	\$ 7,878,465	\$ 7,878,465	\$ 35,221,791	22%	



WATER AND SEWER FUND
Unaudited Revenues and Expenditures
First Quarter FY2022
October 2021 thru December 2021

25% Optimal Expenditure Rate



REVENUES		2021	2021	2022	2022	2022	2022
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget
	Water	2,220,714	2,220,714	2,347,527	2,347,527	8,533,401	28%
	Wastewater	2,073,598	2,073,598	2,352,702	2,352,702	9,430,864	25%
	Fees	213,038	213,038	177,237	177,237	257,108	69%
	Impact Fees	83,432	83,432	72,232	72,232	210,600	34%
	Other Revenue	1,295	1,295	1,120	1,120	342,810	0%
	Interest	10,980	10,980	3,861	3,861	18,236	21%
Total		\$ 4,603,057	\$ 4,603,057	\$ 4,954,679	\$ 4,954,679	\$ 18,793,019	26%

EXPENDITURES		2021	2021	2022	2022	2022	2022
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget Used
2	Public Works Administration	138,975	138,975	144,276	144,276	857,400	17%
20	Utility Billing	99,150	99,150	162,483	162,483	640,045	25%
21	Water Operations	269,217	269,217	928,645	928,645	1,682,800	55%
22	Non-Departmental	8,751	8,751	6,711	6,711	82,095	8%
27	Meter Reading	26,466	26,466	105,922	105,922	704,014	15%
30	Wastewater Operations	417,044	417,044	251,289	251,289	947,501	27%
42	Wholesale Costs	902,586	902,586	2,829,028	2,829,028	10,025,609	28%
50	Debt Service	1,500	1,500	750	750	695,731	0%
80	Transfers Out	408,906	408,906	440,225	440,225	1,760,901	25%
Total		\$ 2,272,594	\$ 2,272,594	\$ 4,869,330	\$ 4,869,330	\$ 17,396,096	28%



SALES TAX 4A-ECONOMIC DEVELOPMENT

Unaudited Revenues and Expenditures

First Quarter FY2022

October 2021 thru December 2021

25% Optimal Expenditure Rate



REVENUE		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	
	SALES TAXES	108,656	108,656	143,106	143,106	11%
	INTEREST	2,103	2,103	793	793	22%
	TRANSFERS IN	4,688	4,688	4,688	4,688	25%
	Total	\$ 115,446	\$ 115,446	\$ 148,587	\$ 148,587	11%

EXPENDITURES		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	Used
2	ECONOMIC DEV/ADMINISTRATION	98,111	98,111	90,213	90,213	23%
50	4A DEBT SERVICE	-	-	-	-	0%
60	MARKETING AND ADVERTISING	25,714	25,714	61,888	61,888	58%
63	INCENTIVE PROGRAMS	30,000	30,000	265,756	265,756	54%
80	TRANSFERS OUT	14,689	14,689	40,460	40,460	25%
	Total	\$ 168,515	\$ 168,515	\$ 458,316	\$ 458,316	33%



4B - LRDC FUND
Unaudited Revenues and Expenditures
First Quarter FY2022
October 2021 thru December 2021
 25% Optimal Expenditure Rate




TOTAL REVENUE		2021	2021	2022	2022	2022	2022
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget
0	REVENUE	217,892	217,892	286,549	286,549	2,600,807	11%
7	LIBRARY	3,055	3,055	2,341	2,341	28,377	8%
54	SENIOR LIFE CENTER	56,521	56,521	12,073	12,073	128,200	9%
56	RECREATION CENTER	7,443	7,443	40,246	40,246	402,691	10%
Total		\$ 284,910	\$ 284,910	\$ 341,210	\$ 341,210	\$ 3,160,075	11%

TOTAL EXPENDITURES		2021	2021	2022	2022	2022	2022
		Qtr. Ending 12/2020	Actual To Date	Qtr. Ending 12/2021	Actual To Date	Adopted Budget	% of Budget Used
2	REC ADMINISTRATION	38,609	38,609	52,236	52,236	240,434	22%
4	DAY CAMP	-	-	-	-	-	-
7	LIBRARY	81,931	81,931	95,909	95,909	520,885	18%
16	NON-DEPARTMENTAL	10,154	10,154	11,932	11,932	62,000	19%
50	4B DEBT SERVICE	-	-	-	-	926,875	0%
54	SENIOR LIFE CENTER	29,451	29,451	53,556	53,556	300,722	18%
56	RECREATION CENTER	158,930	158,930	147,901	147,901	1,156,209	13%
80	TRANSFERS OUT	90,264	90,264	98,611	98,611	394,442	25%
Total		\$ 409,339	\$ 409,339	461,409	461,409	\$ 3,601,567	13%



GOLF COURSE FUND
 Unaudited Revenues and Expenditures
 First Quarter FY2022
 October 2021 thru December 2021
 25% Optimal Expenditure Rate



						
		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	Budget
TOTAL REVENUE						
	GOLF COURSE REVENUE	194,015	194,015	239,970	239,970	27%
Total		\$ 194,015	\$ 194,015	\$ 239,970	\$ 239,970	27%

		2021	2021	2022	2022	2022
		Qtr. Ending	Actual	Qtr. Ending	Actual	% of Budget
		12/2020	To Date	12/2021	To Date	Used
TOTAL EXPENDITURES						
39	GOLF COURSE	220,999	220,999	251,848	251,848	24%
80	TRANSFERS OUT	1,750	1,750	1,750	1,750	25%
Total		222,749	222,749	253,598	253,598	24%

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

5.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community

Submitted by: Carey Neal, Assistant City Manager

Agenda Caption:

Discuss and receive an update on the first quarter of Fiscal Year (FY) 2021/2022 on the operations and management of Country View Golf Course.

Background:

On January 29, 2018, the City Council approved the extended management agreement with Touchstone Golf, LLC and directed staff to provide an update on golf course operations quarterly.

This is the requested quarterly update for the first quarter of FY 2021/2022 for the period of October 1, 2021, through December 31, 2021.

Attachments

Quarterly Update

Country View Golf Club

First Quarter Update

October 1, 2021 – December 31, 2021

SUMMARY

- As we continue to actively focus on customer engagement through email/social media campaigns, Country View Golf Club continued to grow in golfers this quarter. The online store has been introduced with success as this makes it easier for golfers to pay for tournaments and those booking events.

COVID-19 Impact

- Constant cleaning and sanitizing are still an ongoing practice. Mask are recommended by all that enter the clubhouse.

The Golf Course

- Course surveys are being sent out to all golfers that play the course. These surveys help our team improve to meet the needs of our guests. Golf course staff continue to improve course conditions throughout the golf course making Country View a leading contender in the golf industry.
- Course Restrooms were renovated and are all now in working order. Golfer surveys indicate this has been noticed and appreciated by golfers.

Golf Operations

- Rounds of golf recorded were 7,532 this quarter compared to 7,067 last year. An increase of 465 rounds driven by customer engagement on social media, new members, and improved course conditions.
- Green Fee & Cart Fee revenues for the quarter ended at \$153,837.88 compared to \$134,174.13 in First Quarter FY2020/2021. An increase of \$19,663.75.
- We have an active membership of 116 golfers. Member dues for this quarter were \$20,245.48 compared to last year at \$11,292.69. This is an increase of \$8,952.79. Course conditions are a credit to the increase in membership.
- Monthly hosted tournaments have resumed.
- Gift card sales this quarter were \$4,173.07 compared to \$2,742.00 last year. The online store has made gift cards easier to access for the patrons.

Food & Beverage

- Food & Beverage revenue for this quarter is at \$23,635.65 compared to last year at \$9,534.59. This is an increase of \$14,101.06. This is driven by restaurant, private event, and tournament food sales.
- Room rentals this quarter is \$2,590.00 compared to last year at \$400.00. This is an increase of \$2,190.00.

CITY OF LANCASTER CITY COUNCIL

City Council Work Session

6.

Meeting Date: 02/21/2022

Policy Statement: This request supports the City Council 2021-2022 Policy Agenda

Goal(s): Financially Sound Government
Healthy, Safe & Engaged Community
Sound Infrastructure
Quality Development
Professional and Committed City Workforce

Submitted by: Opal Mauldin-Jones, City Manager

Agenda Caption:

Discuss and receive a presentation regarding the City Council's Five-Year Goals and Objectives established during the annual City Council Strategic Planning Session held on June 25th and 26th, 2021, for the first quarter of the Fiscal Year 2021/2022.

Background:

City Council conducted an annual Strategic Planning Session on June 25th and 26th, 2021. This report represents activity for the first quarter of the Fiscal Year 2021/2022 (October 1, 2021, through December 31, 2021). This is a review of the implementation and progress of the goals and objectives outlined in the Fiscal Year 2021/2022 strategic plan, and how said goals and objectives connect to continued progress toward the realization of the Vision.

Attachments

First Quarter Update

Financially Sound Government

The City has a long-range financial plan and prudent fiscal policies and processes. Appropriate reserve levels and a competitive tax rate ensure that the City has funds available to address the needs of the community and responsibly manage its debt.

Goal: 1. Begin planning for future bond election

1. Prudent fiscal policies and processes:
 - A. The City took advantage of historically low interest rates and refinanced its 2011 Certificates of Obligation and its 2012 General Obligation Bonds. The new interest rate of 1.35% on the November 2021 General Obligation Bonds compares favorably to the average outstanding interest rate of 3.36% on the existing debt instruments. The City saved \$547,426 in interest costs. The maturity date remained the same at 9/30/2031.
 - B. In December of 2021 the City refinanced two J.P. Morgan Capital Leases for Fire Apparatus totaling \$599,857.58. The combined average interest rate on the outstanding leases of 2.87% was improved to 1.85% and saved the city \$15,322 in interest costs. The maturity date on the new lease remained the same at 5/25/2025.
2. Maintain appropriate reserve levels:
 - A. City policy stipulates a reserve fund balance at year end at a minimum of 12%, target of 18% and maximum of 25%. As of September 30, 2020, the General Fund -Unassigned Fund Balance was at our target level.
3. Competitive tax rate:
 - A. The City reduced the tax rate from \$.840925 FY2020/2021 to \$.819736 in FY2021/2022.

Healthy, Safe, & Engaged Community

Lancaster is a place where we embrace public safety and proactive code enforcement in our neighborhoods to sustain vibrant residential and business communities. The community celebrates unity and participates in City-wide events, recreational and cultural activities. Residents have opportunities for involvement in civic life through boards and commissions, youth and parent volunteer opportunities in recreation, sports teams, City elections, and Civic Academies, Schools and City-wide celebrations.

Goal: 1. Explore funding options for a small business assistance initiative

Goal: 2. Develop proactive code compliance strategy

Staff met with the Small Business Development Center (SBDC) (<https://americassbdc.org/>) regarding opening a satellite location in Lancaster. SBDC funding sources are low for the program to physically expand. However, they shared marketing materials and expressed that they would come to Lancaster upon request from any business for a visit. The outreach to SBDC now allows Lancaster business access upon request.

Staff (along with the Inland Port Chamber of Commerce) handed out the marketing/information pieces to every company along Pleasant Run Road. The initiative will continue down all major business thoroughfares in Lancaster.

Code Compliance

Commercial Code Compliance Cases

HERNANDEZ CRISTINO D & SANDRA E HERRERA	123 E COLONIAL Dr.	No building permit	NOTICE ISSUED 10/4/2021	ABATED BY OWNER
BELL RONNIE WAYNE SR & LINDA	480 SUNNYSIDE Dr.	No building permit	NOTICE ISSUED 10/5/2021	ABATED BY OWNER
HART FRED	1650 S I-35E	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 10/7/2021	ABATED BY OWNER
LEWIS DAVID ATTN DAVID LEWIS Gator Pit BBQ	2555 N DALLAS Ave.	No building permit	NOTICE ISSUED 10/11/2021	CITATION ISSUED
AKIN TED	3228 N I-35E	16 - Graffiti - Defacement of Property	NOTICE ISSUED 10/12/2021	ABATED BY OWNER
LANCASTER MUSIC INC	910 N I-35E	No building permit	NOTICE ISSUED 10/19/2021	ABATED BY OWNER
LANCASTER MUSIC INC	910 N I-35E	Certificate of Occupancy Violation	NOTICE ISSUED 10/19/2021	ABATED BY OWNER
LOWE C & S PROPERTIES LLC	124 E FIFTH St.	No building permit	NOTICE ISSUED 10/20/2021	CITATION ISSUED
BUSINESS CASH OFFER LLC	440 JEFFERSON St.	Certificate of Occupancy Violation	NOTICE ISSUED 10/21/2021	ABATED BY OWNER
BUSINESS CASH OFFER LLC	440 JEFFERSON St.	Minor Auto Repair - Outside Storage	NOTICE ISSUED 10/21/2021	ABATED BY OWNER
BUSINESS CASH OFFER LLC	440 JEFFERSON St.	Minor Auto Repair	NOTICE ISSUED 10/21/2021	ABATED BY OWNER
ANDERSON JAMES R	429 JEFFERSON St.	Minor Auto Repair	NOTICE ISSUED 10/21/2021	ABATED BY OWNER
ELBAWWAB HUDA	716 W PLEASANT RUN Rd.	Minor Auto Repair	NOTICE ISSUED 10/21/2021	ABATED BY OWNER
MARTINEZ NICEFORO	2647 PARKERVILLE Rd.	Certificate of Occupancy Violation	NOTICE ISSUED 10/22/2021	ABATED BY OWNER
HERNANDEZ ABEL FERNANDEZ & BARRIOS SUSANA	2015 N HOUSTON SCHOOL Rd.	No building permit	NOTICE ISSUED 10/29/2021	ABATED BY OWNER
CREEKWOOD PLACE LTD	485 ROLLING HILLS PI. Suite # 916	Illegal Banner	NOTICE ISSUED 11/3/2021	ABATED BY OWNER
EPSI INC	1305 N BLUEGROVE Rd. Suite # 102	No Sign Permit	NOTICE ISSUED 11/3/2021	ABATED BY OWNER
RHP202 LLC	500 ROLLING HILLS PI. Suite # 1204	No Sign Permit	NOTICE ISSUED 11/3/2021	ABATED BY OWNER
RHP202 LLC	400 ROLLING HILLS PI. Suite # 920	No Sign Permit	NOTICE ISSUED 11/3/2021	ABATED BY OWNER
LTX PROPERTIES LLC	2141 BEAR CREEK Rd.	No Sign Permit	NOTICE ISSUED 11/3/2021	ABATED BY OWNER
VELAZQUEZ DANIEL	3250 SHASTA Dr.	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 11/4/2021	ABATED BY OWNER
HANAN JOHN A & ANDREA LYNN KDC ENTERPRISES, LLC	121 HISTORIC TOWN Sq.	No building permit	NOTICE ISSUED 11/2/2021	ABATED BY OWNER
VP FUEL MART INC	1458 W PLEASANT RUN Rd.	No Sign Permit	NOTICE ISSUED 11/11/2021	ABATED BY OWNER
BLUE GROVE PLAZA LP	1450 W PLEASANT RUN Rd. Suite # 104	No Sign Permit	NOTICE ISSUED 11/11/2021	ABATED BY OWNER
BIG DIAMOND INC BLDG D	903 N DALLAS Ave.	Commercial Dumpster Violation	NOTICE ISSUED 11/11/2021	ABATED BY OWNER
KLALIB ABDUL	1095 W PLEASANT RUN Rd.	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 11/12/2021	ABATED BY CONTRACTOR
WHITE TRACT LLC	3701 N DALLAS Ave.	Maintenance of Signs	NOTICE ISSUED 11/15/2021	CITATION ISSUED
WEAVER SUSAN RAWLINS	195 HISTORIC TOWN Sq.	No Sign Permit	NOTICE ISSUED 11/16/2021	ABATED BY OWNER
RODRIGUEZ RODRIGO RITA CAZARES	3311 DANIELDALE Rd.	Certificate of Occupancy Violation	NOTICE ISSUED 11/16/2021	CITATION ISSUED

RODRIGUEZ RODRIGO RITA CAZARES	3311 DANIELDALE Rd.	Illegal Commercial Parking	NOTICE ISSUED 11/16/2021	CITATION ISSUED
GUTIERREZ GRACIELA	1132 N DALLAS Ave. Suite # C	Certificate of Occupancy Violation	NOTICE ISSUED 11/15/2021	ABATED BY OWNER
GUTIERREZ GRACIELA	1132 N DALLAS Ave. Suite # C	No Sign Permit	NOTICE ISSUED 11/15/2021	ABATED BY OWNER
WP LEGACY LTD	912 N DALLAS Ave.	Certificate of Occupancy Violation	NOTICE ISSUED 11/15/2021	ABATED BY OWNER
WP LEGACY LTD	910 N DALLAS Ave.	Certificate of Occupancy Violation	NOTICE ISSUED 11/18/2021	ABATED BY OWNER
SHOWALTER MICHAEL	906 N DALLAS Ave.	Maintenance of Signs	NOTICE ISSUED 11/15/2021	ABATED BY OWNER
GIANCARLO214 PROPERTIES	3335 SPRINGFIELD Ave.	No building permit	NOTICE ISSUED 11/18/2021	ABATED BY OWNER
IMPERIUM GLOBAL MANAGEMENT LLC	1301 N ELM St.	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 11/19/2021	ABATED BY CONTRACTOR
MAGNIFY REAL ESTATE BORROW SPV I LLC	844 POTOMAC Dr.	Temporary Occasional Sale	NOTICE ISSUED 11/22/2021	ABATED BY OWNER
RODRIGUEZ J GUADALUPE & MA LEONOR	3112 SPRINGFIELD Ave.	No building permit	NOTICE ISSUED 11/23/2021	ABATED BY OWNER
DELRIO JUAN FRANCISCO	3621 WATERS St.	No building permit	NOTICE ISSUED 12/1/2021	CITATION ISSUED
GARCIA MERCEDES	2514 SHERWOOD Ave.	Illegal Commercial Parking	NOTICE ISSUED 12/1/2021	ABATED BY OWNER
GARCIA MERCEDES	2514 SHERWOOD Ave.	Certificate of Occupancy Violation	NOTICE ISSUED 12/1/2021	CITATION ISSUED
COUNTS WILLIAM R & SHARON L COUNTS BRYAN	222 E COLONIAL Dr.	Minor Auto Repair - Outside Storage	NOTICE ISSUED 12/3/2021	ABATED BY OWNER
MCCLUNG INVESTMENT PROPERTIES LLC	210 W PARK PLACE Dr.	Illegal Banner	NOTICE ISSUED 12/6/2021	ABATED BY OWNER
ZION CHAPEL PRIMITIVE BAPTIST CHURCH	1004 JEFFERSON St.	Maintenance of Signs	NOTICE ISSUED 12/6/2021	ABATED BY OWNER
MACK ROY & GLORIA	1122 N DALLAS Ave.	Illegal Banner	NOTICE ISSUED 12/6/2021	ABATED BY OWNER
CONTRERAS VICTOR & ORTIZ FABIOLA	1900 N HOUSTON SCHOOL Rd.	Illegal Commercial Parking	NOTICE ISSUED 12/6/2021	ABATED BY OWNER
CONTRERAS VICTOR & ORTIZ FABIOLA	1900 N HOUSTON SCHOOL Rd.	Certificate of Occupancy Violation	NOTICE ISSUED 12/6/2021	ABATED BY OWNER
JRUSS MANAGEMENT LLC	724 SEWELL Dr.	16 - Graffiti - Defacement of Property	NOTICE ISSUED 12/6/2021	CITATION ISSUED
WILLIAMS DERICK V	631 W PLEASANT RUN Rd.	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 12/7/2021	ABATED BY CONTRACTOR
MIRANDA SANTANA RUIZ	3120 SHERWOOD Ave.	Certificate of Occupancy Violation	NOTICE ISSUED 12/7/2021	CITATION ISSUED
SNOWDEN KENNETH & LINDA SNOWDEN LINDA SNOWDEN	1514 N DALLAS Ave.	Maintenance of Signs	NOTICE ISSUED 12/8/2021	CITATION ISSUED
DAVIS CODY & SHANNA	1720 S HOUSTON SCHOOL Rd.	No building permit	NOTICE ISSUED 12/8/2021	ABATED BY OWNER
MARISCOS LANCASTER LLC	920 N I-35E	Certificate of Occupancy Violation	NOTICE ISSUED 12/9/2021	ABATED BY OWNER
MARISCOS LANCASTER LLC	920 N I-35E	No Sign Permit	NOTICE ISSUED 12/9/2021	CITATION ISSUED
NELSON CARRIE JEAN	621 EDGEWOOD Dr.	No building permit	NOTICE ISSUED 12/15/2021	ABATED BY OWNER
WARD VICTOR F	511 QUAIL HOLLOW Dr.	No building permit	NOTICE ISSUED 12/16/2021	CITATION ISSUED
SHOWALTER MICHAEL	906 N DALLAS Ave.	Certificate of Occupancy Violation	NOTICE ISSUED 12/17/2021	ABATED BY OWNER
BISHARA FIRAS	525 W PLEASANT RUN Rd. Suite # 100	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 12/22/2021	ABATED BY OWNER

PATTERSON MARY LU	1464 N I-35E	01.3 - High grass and weeds - Commercial	NOTICE ISSUED 12/23/2021	ABATED BY OWNER
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Animal Shelter Update

Animal Services responded to 360 animal complaints that include but not limited to loose stray animals, aggressive animals, police and fire assist, deceased animal pick up, animal neglect and animal cruelty.

Animal Services recorded a total of 171 rescues, 47 adoptions, 28 euthanized and 24 redemptions.

Police Department Update

Need Summary Statement

OFFENSES			
	1Q 2021	1Q 2022	UP/DOWN
Assault	120	120	0
Burglary Building	8	9	1
Burglary Habitation	18	18	0
Burglary Vehicle	49	41	-8
Criminal Mischief	61	68	7
Drug Crimes	34	41	7
DWI	10	15	5
Financial Crimes	34	22	-12
Information Report	376	385	9
Mental Evaluations	40	38	-2
Murder	0	0	0
Robbery	17	11	-6
Runaways	20	19	-1
Sex Assault	7	4	-3
Theft	131	140	9
UUMV	44	64	20

ARREST			
	1Q 2021	1Q 2022	UP/DOWN
Arrest	293	375	82

CALLS FOR SERVICE			
	1Q 2021	1Q 2022	UP/DOWN
Total Calls	16596	17037	441
Close Patrols	9274	10110	836
House Check Request Form	15	11	-4
House Checks	58	34	-24

PATROL			
	1Q 2021	1Q 2022	UP/DOWN
Traffic Stops	1457	2737	1280
Field Contacts	95	59	-36

WARRANTS			
	1Q 2021	1Q 2022	UP/DOWN
New Felony	49	39	-10
New Misdemeanor	24	41	17
New Warrants Total	73	80	7
Warrants Served	9	20	11

ACCIDENTS			
	1Q 2021	1Q 2022	UP/DOWN
Total Accidents	219	156	-63

Fire Department Update

The Fire Department participated in the following community events:

1. St. Francis Fall Festival at the St. Francis Church.
2. International Leadership of Texas Charter School presented a Show & Tell regarding fire prevention and safety.
3. A fire truck and the Fire Marshal were requested for the In-N-Out Burger Friends & Family event.
4. Houston School Elementary presented information about fire safety.
5. Yummy Puddin' & More Ribbon Cutting Ceremony on Town Square.
6. Lancaster High School Homecoming Parade.
7. Boo Bash Spooky Trail.
8. Nine (9) smoke detector installs and/or battery replacements for residents.

Municipal Court Update

The first quarter of FY2021-2022 the Municipal Court collected revenues of \$294,404.00. This is an increase of \$47,649.00 from the same period of last year, \$246,755.00. 1,995 warrants were issued for the first quarter, and 1,228 were served/recalled during the same period. The number of cases filed totaled 1,950; 1,783 Trial/Hearings held, and 1,391 dispositions for the 1st Quarter of FY2021-2022.

Municipal Court FY 2021-2022 Report

	Cases Filed						Trials/Hearings				Dispositions			
	Traffic	Penal	City Ord	Parking	Other	Total	Jury	Bench	Appeals	Total	Paid	Time Served	Dismissed	Total
October	674	34	35	26	9	778	3	700	0	703	163	11	236	410
November	531	55	33	21	6	646	0	487	0	487	211	30	307	548
December	377	81	42	20	6	526	0	593	0	593	170	15	248	433
January	0	0	0	0	0	0	0	0	0	0	0	0	0	0
February	0	0	0	0	0	0	0	0	0	0	0	0	0	0
March	0	0	0	0	0	0	0	0	0	0	0	0	0	0
April	0	0	0	0	0	0	0	0	0	0	0	0	0	0
May	0	0	0	0	0	0	0	0	0	0	0	0	0	0
June	0	0	0	0	0	0	0	0	0	0	0	0	0	0
July	0	0	0	0	0	0	0	0	0	0	0	0	0	0
August	0	0	0	0	0	0	0	0	0	0	0	0	0	0
September	0	0	0	0	0	0	0	0	0	0	0	0	0	0
						0				0				0
2021-2022	1582	170	110	67	21	1950	3	1780	0	1783	544	56	791	1391

Parks and Recreation Update

The Recreation Center is currently open Monday through Thursday from 8:00 a.m. to 1:00 p.m. and 5:00 p.m. to 8:00 p.m.; Friday 8:00 a.m. to 5:00 p.m. and Saturday 8:00 a.m. to 12:00 p.m.

Digital Media Platforms

In an effort to improve community engagement on social media platforms including Instagram and Facebook; 113 posts were shared highlighting upcoming events, and programs.

Recreation Division

The Lancaster Recreation Center (LRC) received 6,522 membership scans in the first quarter.

During the 1st quarter the following programs were offered by the Lancaster Recreation Center (LRC):

Fitness Swim

Water Aerobics

Aqua Babies

Semi-Private Swim Lessons

Family Swim Night

Adult Sports Leagues - Soccer

Youth Mini Camps (Thanksgiving and Christmas)

Date	Event	Number of Participants
October 1, 2021	Salsa In The Park	20
October 2, 2021	Health and Wellness Open House	66
October 30, 2021	Boo Bash (including Halloween Movie Week)	500
November 18, 2021	Thanksgiving Luncheon (Senior Life Center)	86
November 20, 2021	Turkey Bowl Trotters 5k Fun Run	58
November 16, 2021	Cooking Demonstration	18
November 23, 2021	Identity Theft Class (Senior Life Center)	11
Thanksgiving Week	Thanksgiving Mini Camp	5
December 9, 2021	Lancaster Police Department BINGO (Senior Life Center)	9
December 8, 2021	Chef Eboni Cooking Demo	8
December 11, 2021	Christmas Festival	250
December 17, 2021	Legacy Ball	92

Aquatics and Athletics

Aquatics Participation in the 1st Quarter

Fitness Swim	1804
Water Aerobics	417
Aqua Babies	23
Semi-Private Lessons	12
Semi-Private Lessons	48

Adult Sports Leagues

4 Soccer Teams (Oak Cliff Wolves, Score-Gasm, Tigers and Lions)

Each team consisted of 15 players. The games were played on Saturdays at the soccer fields at Community Park. 4 games were played during the month of December 2021.

Senior Life Center

During the first quarter, the Senior Life Center was open to the public from 8:00 a.m. - 11:00 a.m. and 2:00 p.m. - 4:00 p.m.

1,982 membership scans in the first quarter.

Wellness Calls to seniors	2152
Meals Delivered to seniors	5265

The SLC offered multiple programs during this quarter including: BINGO, cards, coffee – conversation and coloring, card making, croquet, dominoes, fitness room, knitting and crochet, line dancing, pool and word and number search.

Dominos	415
Pool	254
Card making	60
Word Search	80
Line Dancing	97

Library Services Division Update

Lancaster Veterans Memorial Library offered virtual Toddler story-time on Tuesdays and Virtual Family Story-time on Wednesdays. The Teen club was available the first Thursday of the month. Two new programs were implemented, “*Knitting with June*” offered the second Tuesday of each month from 11:30 to 12:30 PM and “*Coffee and Conversation*” offered the second Wednesday of each month from 10:30 to 11:30 AM.

October 2021

During the month of October, the Library continued celebrating Hispanic Heritage Month with dedicated displays located around the library up until October 15.

November 2021

Election Day was held on November 2nd at the library. November 8th to 12th represented International games week in which the library hosted a Family Game Day on November 11th. Genealogy assistance was available every Monday for patrons that wanted to research their family History. Knitting with June started on November 9th and was held the second Tuesday of each month. The Friends of the Library held their annual meeting at the library on November 23rd to discuss the annual book sale and ways to assist the library in promotion and programming needs.

December 2021

The Friends of the library participated in the annual Christmas Parade held on December 11th and entered a float. The “12 Days of Holiday Reading” was introduced at the parade to participants with flyers and candy as members of the Friends walked alongside the float.

Sound Infrastructure

The City supports an adequate and well-maintained municipal Infrastructure to meet both current demands and future expansion needs.

Goal: 1. Begin planning for Fire Station #4 site selection and funding

Goal: 2. Initiate planning for broadband community network

Goal: 3. Update the facility needs assessment

Professional & Committed City Workforce

Lancaster City Government is an employer of choice with competitive pay that attracts an engaged, responsive, customer- oriented, innovative, and effective workforce. Some employees live in the City and all have a sense of ownership for the community. City employees feel needed and appreciated by elected officials, residents, and businesses. Employees are respectful and appreciative of their customers and the City's governing body. The City Council and City's executive staff are engaged with residents and attends community events, upholds strong customer service, and uses technology to aid them in working smarter.

Goal: 1. Complete a salary compression analysis

A Request For Proposals (RFP) released on December 15, 2021 and staff received seven responses. The firm selected to complete the service was Whitney Smith Company. The analysis is set to be completed by the end of the 2nd quarter of FY 2021/2022.

Quality Development

The City encourages high quality, diverse housing, commercial and retail development and public facilities. Policies encourage sustainable building practices, conservation and the use of alternative energy sources.

Goal: 1. Continue implementation of the Comprehensive Plan

Goal: 2. Create new TIF districts including downtown, hospital, and campus areas

Goal: 3. Review and revise development codes/overlay districts

Complete Loop 9/ I35E Corridor Studies:

Halff Associates made a presentation to the Planning and Zoning Commission and recommended approval of the study. City Council will receive a presentation for consideration in second (2nd) quarter of fiscal year (FY) 2021/2022.

Comprehensive Plan Implementation:

The Parks, Recreation & Open Space, Hike & Bike Trails, Streetscape, Master Thoroughfare, Water, Wastewater Master Plans have all been updated. The Storm Water Master Plan is in progress and completion is expected in the 2nd quarter of FY 2021/2022. Council has provided direction for staff to evaluate the overlay districts and provide a report regarding alignment with the Comprehensive Plan. City Council discussed the Historic District Overlay and there was no consensus to further review.

Quality Residential:

The City engaged Halff Associates to define quality residential and create a pattern book and standards. A presentation is scheduled for February 2022 to evaluate recommendations. The City has actively engaged the code compliance team to have a broader vision regarding codes. The team has historically had a limited focus; however, training continues regarding enforcement of all international and City codes. The City Attorney updated the City Code of Ordinance Chapter 6 "Building Regulations" specifically amending article 6.12 Single Family, Duplex and Short-Term Rental Property Regulations in order to better track the Lancaster Development Code (LDC) definitions and provide increased code enforcement tools for problem properties that generate repeated complaints or citations.

The City Attorney and Municipal Court Prosecutor are renewing the code of ordinances to ensure the opportunity exists to enforce codes to encourage community pride and enhance aesthetics and appearance.