GUIDE TO THE
2005-06 PROGRAM AND FINANCIAL PLAN

At first glance, this document may be a little overwhelming for a non-financial person to attempt to understand. It is designed to give a variety of information about the financial operations of the City that will interest those who have no financial background, while providing insightful information to those with many years of budget experience. Hopefully, this guide will assist you with understanding the majority of this document.

The City Manager’s Message is the cover letter from the City Manager that highlights major aspects of the budget that he feels are most important to point out to the Council and the citizens of Lancaster.

The Budget At a Glance gives you a quick picture of the revenues and expenditures for the upcoming year. It includes a three-year comparison, last year, the year just completed, and our approved budget for the new year. It will give you the ‘big picture’ before delving into the more in-depth detail, history, and projections. READ THIS if you want to know ‘everything’ at a high level and don’t have time for the details.

The Budget Overview and Summary takes you briefly through the four purposes of the budget (policy document, financial guide, operations guide, and communications device), gives you some insight into the economic climate that the City will be facing in the upcoming year (included with a historical perspective), how the budget was developed, and the flexibility molded into it to accommodate relatively minor changes in the upcoming year.

The Budget Process gives an outline form of how the budget is developed from beginning to adoption, along with a graphic representation of the process.

The Financial Policy Guidelines sets forth both the long-term goals and policies, and some of the specific short-term goals that are used in developing the programs and financial plans.

The Community Profile section provides historical data and information about the City. This section assists both residents and non-residents in putting Lancaster’s budget in perspective.
The **Fiscal Summary** shows in summary form the financial status of the General Fund, the Lancaster Redevelopment Agency, and the rest of the Funds (component units) that comprise the comprehensive unit known as the City of Lancaster. These are the same units that are included in the City’s Comprehensive Annual Financial Report, the other main financial reporting document of the City.

The **Debt Service Administration** details the debt policies, the legal debt limit, and the reason for the redevelopment agency to incur debt. It also contains a discussion of Assessment District debt.

The **Narrative** and budget summary provide information on the programs (services, budget trends, and staffing) that make up the General Fund. This section is segregated into departments, and the programs within the departments. Each program is laid out the same way. The components are:

- Program Description or Department Function - mission of the unit;
- Accomplishments for the previous year - progress towards goals;
- Budget Goals for the upcoming year - goals for meeting the overall policies set for the City;
- Performance Objectives - tasks necessary to meet the goals; and
- Resource Allocation Requirements - staffing and dollars allocated for the operation of the program.

The **Other Funds** identifies those funds listed in the summary in more detail.

The **Capital Improvement Projects & Capital Outlay/Replacement** contains all of the capital costs for the budget year. The Capital Improvements infrastructure (“fixed assets that are immovable and of value only to a governmental unit” - this includes roads, drainage channels, etc.) improvement projects that are ongoing or newly approved, the total of the project, and what is left to be spent on it. This identifies the funding source for the project, many of which are funded with dollars that have strings attached; an example of this would be Gas Tax dollars can only be spent on construction and maintenance of the street and highway system. The Capital Outlay includes those “movable” assets, (fixed assets worth more than $5,000) equipment that is used in the day-to-day operations of the departments. The City established a replacement fund to facilitate the replacement of those assets when they reach the end of their life cycle.

The **Redevelopment Agency** is a separate legal entity under the auspices of the City Council, and as such, part of the comprehensive financial operations of the City. The Agency acts as the housing and economic development arm of the City as established by California redevelopment law.

The **Revenue Sources** explains the source of the revenue, how it is determined, the basis for estimating it, and any restrictions placed on its use.
The **Work Force Analysis** presents a recent history of the program staffing by position, and the recent changes.

The **Glossary** helps translate some of the unfamiliar budget jargon into more understandable terms.

To find any of this information, please refer to the **Table of Contents**.

For a copy of this budget document, or for any information not covered here, please call Lancaster’s Department of Finance, Barbara Boswell, Finance Director, at (661) 723-6035.

The city’s web site contains the budget presentation from the public hearing; you can find this at [http://www.cityoflancasterca.org/finance/Finance.htm](http://www.cityoflancasterca.org/finance/Finance.htm) and select the year you wish to peruse.