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 **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 **Budget Summary** 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 proposed 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 **Fund Balance Summary** shows in summary form the financial status of the General Fund, 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 **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 **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 **Performance Management** provides the detailed assumptions and financial projections of the City’s General Fund for the current year and ten years into the future. It also provides information on the City’s new Balanced Scorecard Performance Measurement initiative.

The **Narrative** and budget summary provide information on the programs (services, budget trends, and staffing) that make up the operating budget. 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;
- Budget Goals for the year - goals for meeting the overall policies set for the City;
- Accomplishments for the previous year - progress towards goals;
- Line Item Detail - dollars allocated for the operation of the program; and
- Performance Objectives - tasks necessary to meet the goals.

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

The **Capital Improvement Projects** contains the Ten Year Capital Improvement Program (CIP) for the City. This section includes the CIP policy, summary pages, detail of each capital improvement project with a map, and expenditure plan for the current year and ten years into the future.

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 three year 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 and provides a listing of all object codes, funds and definitions.

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

*City of Lancaster*
California redevelopment law.

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 refer to the City’s website at: [www.cityoflancasterca.org](http://www.cityoflancasterca.org) or call Lancaster’s Department of Finance, Barbara Boswell, Finance Director, at (661) 723-6035.