

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2017



City of
Lincoln CALIFORNIA



PREPARED BY FINANCE DIVISION

CITY OF LINCOLN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION:	
Transmittal Letter	i - iii
Government Finance Officer's Association Certificate of Achievement	iv
List of Officials	v
Organizational Chart	vi
FINANCIAL SECTION:	
Independent Auditor's Report on Basic Financial Statements	1 - 2
Management's Discussion and Analysis	3 - 13
Basic Financial Statements:	
Government-wide Financial Statements	
Statement of Net Position	14
Statement of Activities	15
Fund Financial Statements	
Balance Sheet - Governmental Funds	16 - 17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	19 - 20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities - Governmental Funds	21
Statement of Net Position - Proprietary Funds	22 - 23
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	24 - 25
Statement of Cash Flows - Proprietary Funds	26 - 27
Statement of Fiduciary Net Position - Fiduciary Funds	28
Statement of Changes in Fiduciary Net Position - Fiduciary Funds	29
Notes to Basic Financial Statements	30 - 69
Required Supplemental Information:	
Schedule of the City's Proportionate Share of the Net Pension Liability	70
Schedule of Pension Contributions	71
Schedule of Funding Progress for Other Post Employment Benefits (OPEB)	72
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	73 - 74
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Public Facility Element	75

CITY OF LINCOLN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page
Required Supplemental Information (Continued)	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Water Connections	76
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Special Assessment Districts	77
Notes to Required Supplemental Information	78
Combining Financial Schedules and Other Supplemental Information	
Non-Major Governmental Funds:	
Description of Non-major Funds	79 - 82
Combining Balance Sheets	83 - 88
Combining Schedules of Revenues, Expenditures and Changes in Fund Balances	89 - 94
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	
Park In-Lieu Fund	95
Gas Tax Fund	96
Street Fund	97
Supplemental Fees Fund	98
Parks and Recreation Tax Fund	99
Development Services Fund	100
State Grants Fund	101
Police Grants Fund	102
Revitalization and Rehabilitation Loans Fund	103
Community Development Block Grant Fund	104
HOME Investment Partnership Program Fund	105
CalHOME Grants Fund	106
Low/Moderate Income Housing Fund	107
Oak Tree Mitigation Fund	108
Federal Grants Fund	109
Internal Service Funds	
Description of Internal Service Funds	110
Combining Schedule of Net Position	111
Combining Schedule of Revenues, Expenses, and Changes in Net Position	112

CITY OF LINCOLN
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2017

TABLE OF CONTENTS

	Page
Combining Financial Schedules and Other Supplemental Information (continued)	
Internal Service Funds (continued)	
Combining Schedule of Cash Flows	113
Agency Funds	
Description of Agency Funds	114 - 115
Combining Schedule of Net Position	116 - 117
Schedule of Changes in Assets and Liabilities	118 - 120
STATISTICAL SECTION:	
Description of Statistical Section	121
Financial Trends	
Net Position by Component	122
Changes in Net Position	123 - 124
Fund Balances - Governmental Funds	125
Changes in Fund Balances - Governmental Funds	126
Revenue Capacity	
Assessed Value and Estimated Actual Value of Taxable Property	127
Property Tax Rates - Direct and Overlapping Governments	128
Principal Property Taxpayers	129
Property Tax Levies and Collections	130
Debt Capacity	
Ratios of Outstanding Debt by Type	131
Direct and Overlapping Governmental Debt	132
Computation of Legal Bonded Debt Margin	133
Economic and Demographic Information	
Demographic and Economic Statistics	134
Principal Employers	135
Sales Tax Producers - Top 25	136
Operating Information	
Full-time Equivalent City Government Employees	137
Operating Indicators	138

INTRODUCTORY SECTION





April 23, 2018

To the Honorable Mayor and Members of the City Council of the City of Lincoln:

I am pleased to present the Comprehensive Annual Financial Report (CAFR) of the City of Lincoln (City) for the fiscal year ended June 30, 2017 in accordance with the Lincoln Municipal Code Section 2.20.030(C). The basic financial statements and supporting schedules have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) for local governments as established by the Governmental Accounting Standards Board (GASB).

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. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. The City contracted with Smith & Newell CPAs, a firm of Certified Public Accountants, to perform the annual independent audit. The independent auditor's report is included in the Financial Section of this report. Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

Profile of the Government

The City of Lincoln was incorporated in 1890 and is located 27 miles northeast of Sacramento in the northernmost region of South Placer County. The City occupies 22 square miles and serves a population of more than 47,030 people. The City of Lincoln was named the 2006 winner of the coveted All-America Cities Award given by the National Civic League – the nation's longest running and most prestigious civic recognition program. Lincoln is a General Law City, formed under the State legislative process and structured under the provisions of the California constitution. The Mayor and City Council is the governing body of the City and is comprised of five elected officials, who serve "at large" rather than by district, each for four-year terms. City voters also elect a City Treasurer who serves a four-year term.

Lincoln is operated under the Council-Manager form of government. The City Council hires the City Manager, who is then responsible for all management functions of the City, including development of the budget, delivery of services, hiring of personnel and implementation of capital projects. The City provides a full range of services including public safety (police and fire), sanitation, water and sewer service, library, recreational and cultural activities, public improvements, planning, zoning and general administrative services. The City also operates a municipal airport and transit system.

Residents of the City may actively participate in the local government process by serving on a City commission, committee or board. The commissions, committees and boards act in an advisory

capacity to the City Council in the development and implementation of government policy. They are Planning Commission, Economic Development Committee, Fiscal and Investment Oversight Committee, Airport Committee, Parks and Recreation Committee, and Library Board.

The City Council adopts an annual budget prior to the beginning of each fiscal year (July 1). This annual budget serves as the foundation for the City of Lincoln's financial planning and control. The City's budget is a detailed operating plan that identifies estimated costs in relation to estimated revenues. Ultimate budgetary control resides at the fund level. However, the City has adopted a number of budgetary appropriation and transfer procedures to provide strong internal controls while encouraging improved accountability and administrative responsiveness. All transfers between funds require City Council review and approval.

Local Economy

The City of Lincoln's continues to recover from the economic recession. The seen a resurgence of development activity as well as an end to declining property and sales tax revenue which is a positive indication that the City is moving toward stronger economic health.

The City's annualized unemployment rate rose from 7.8 percent in 2006 to a high of 20.2 percent in 2010 and has dropped to 4.5 percent in 2017. According to the California Department of Housing and Community Development (HCD), the 2016 median income for a four-person household in Placer County was \$76,900. The median household income in Lincoln was \$76,400, almost equal to Placer County's median income for the same period.

During Fiscal Year 2016-17, the City Council continued its efforts to return the City to fiscal stability by adopting a balanced operating budget with sufficient revenues to cover anticipated expenditures. The City Council approved funding for a comprehensive effort to continue efforts to evaluate economic development opportunities which would encourage additional business activities within the City.

Long-term Financial Planning

Committed and Unassigned fund balance (the balance after non-spendable, restricted, and assigned components of fund balance) in the General Fund at year end was \$12.7 million or 80.6 percent of total General Fund expenditures, including transfer-outs. This is consistent with the General Fund Reserves Policy approved by the City Council in 2011, which provides for a minimum of \$2 million or 15 percent of General Fund expenditures (whichever is greater) to be set aside in a Catastrophic Reserve to meet operational needs during times of a declared emergency or major catastrophe and an additional Economic Reserve funded at a minimum or 15 percent of General Fund expenditures to maintain the City's economic vitality and to meet seasonal cash flow shortfalls.

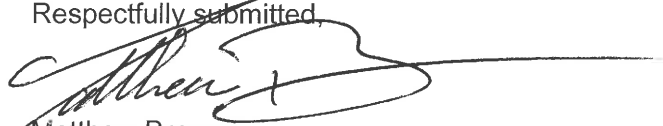
Major Initiatives

During the 2016-17 fiscal year, the City continued implementation of a Strategic Action Plan adopted by the City Council to promote business retention and expansion and to attract and grow new business within the City of Lincoln. To reach these goals, the City needs to continue in residential growth. Several major residential development projects have been progressing through environmental, planning and entitlement processes which will allow construction to begin in the upcoming years.

Acknowledgements

The preparation of this report was made possible by the efforts of the dedicated staff in the Finance Division of the City's Support Services Department. I extend a special thank you to them and to staff in the other City departments that assisted in the process. Credit also must be given to the Mayor and members of the City Council for their support in planning and conducting the financial operations of the City of Lincoln in a responsible, professional and fiscally prudent manner.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Matthew Brower', with a long horizontal line extending to the right.

Matthew Brower
City Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Lincoln
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2016

Executive Director/CEO

CITY OF LINCOLN

CITY OFFICIALS

JUNE 30, 2017

ELECTED OFFICIALS

Mayor	Stan Nader
Mayor Pro Tem	Gabriel Hydrick
Council Member	Paul Joiner
Council Member	Dan Karleskint
Council Member	Peter Gilbert
Treasurer	Gerald Harner

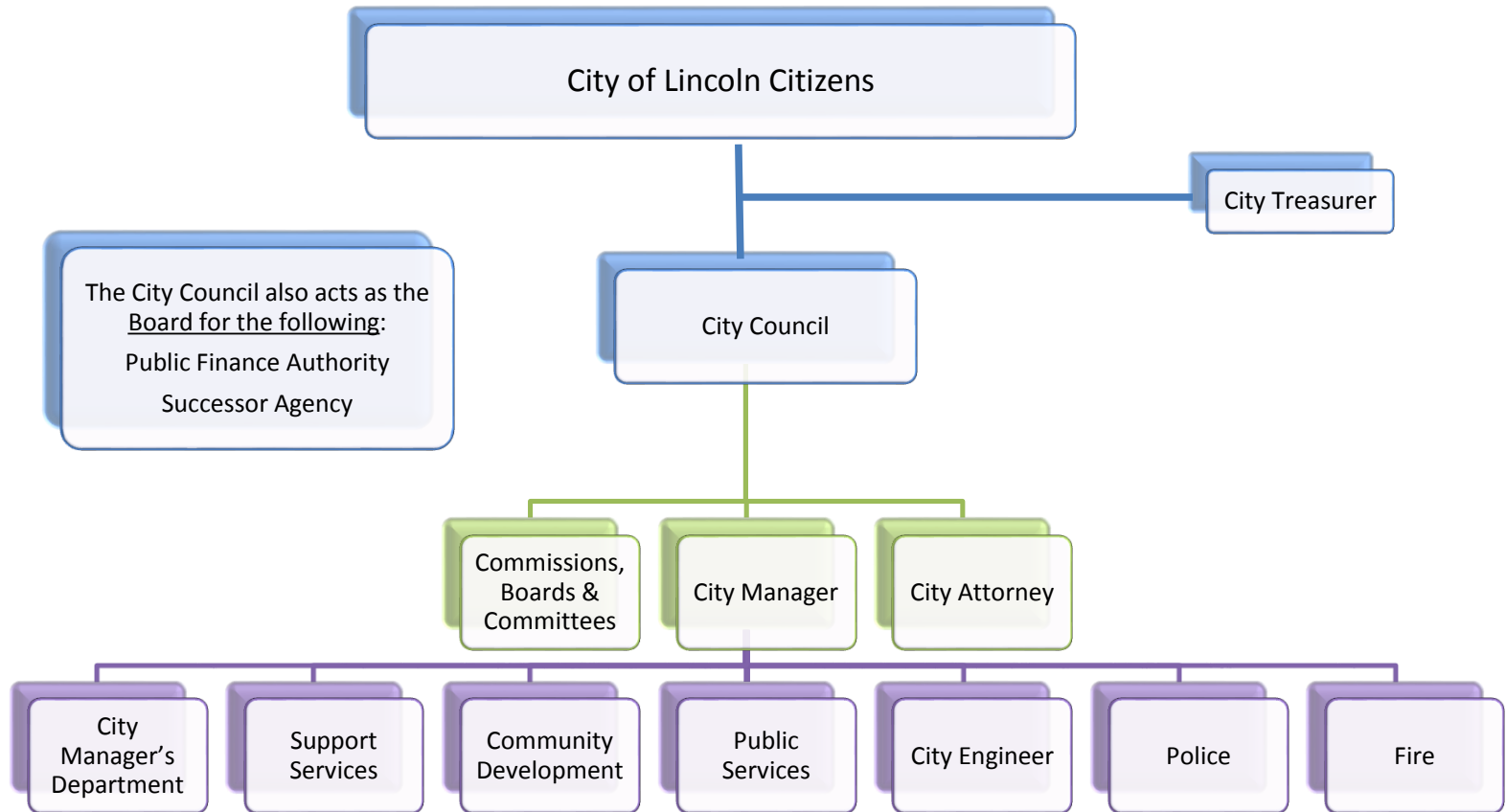
APPOINTED OFFICIALS

City Manager	Matthew Brower
City Clerk	Gwen Scanlon

DEPARTMENT HEADS

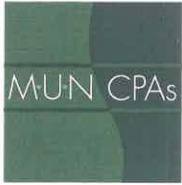
Director of Support Services	Steve Ambrose
Director of Community Development	Matthew Wheeler
Director of Public Services	Jennifer Hanson
Chief of Police	Doug Lee
Fire Chief	Bill Hack
Library Manager	Kathryn Hunt
City Engineer	Ray Leftwich

This listing has been created for the purpose of this CAFR and as a reference of the structure at the time of production.



FINANCIAL SECTION





MANN • URRUTIA • NELSON CPAs & ASSOCIATES, LLP
GLENDALE • ROSEVILLE • SACRAMENTO • SOUTH LAKE TAHOE • KAUAI, HAWAII

INDEPENDENT AUDITOR'S REPORT

To the City Council of
the City of Lincoln
Lincoln, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of City of Lincoln (the City) as of and for the year ended June 30, 2017, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 entity'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 entity'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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lincoln, as of June 30, 2017, 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, the budgetary comparison information, pension related schedules, and the schedule of funding progress for other post-employment benefits 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 of Lincoln's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and budgetary comparison schedules, combining internal service funds and fiduciary funds financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and budgetary comparison schedules, and the combining internal service funds and fiduciary funds financial 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 nonmajor fund financial statements and budgetary comparison schedules, and the combining internal service funds and fiduciary funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2018, on our consideration of the City of Lincoln's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Lincoln's internal control over financial reporting and compliance.

Sacramento, California
April 23, 2018

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

As Management of the City of Lincoln (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Lincoln for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lincoln exceeded its liabilities at June 30, 2017 by \$837,427,232 (net position). Of this amount, \$699,868,450 is invested in capital assets, net of related debt; \$25,868,407 is restricted for debt service, capital projects, insurance, grants, taxes, and fees; and \$48,169,772 is unrestricted.
- The City's total net position increased by \$9,447,031, of which \$1,473,618 was attributable to governmental activities and \$7,973,413 was attributable to business-type activities.
- As of June 30, 2017, the City's governmental funds reported combined ending fund balances of \$103,578,809, an increase of \$4,880,912 from the prior year's restated balance of 98,697,897. Nonspendable, restricted, committed and assigned fund balances totaled \$99,144,618, whereas unassigned fund balance totaled \$4,434,191.
- At the end of the fiscal year, the unassigned fund balance of the General Fund was \$8,685,506 or 56% of total General Fund expenditures.

OVERVIEW OF THE COMPREHENSIVE ANNUAL FINANCIAL REPORT

This discussion and analysis is intended to serve as an introduction of the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains 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 a private-section 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 between the two 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 of Lincoln is strengthening or weakening.

The Statement of Activities and Changes in Net Position presents information showing how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of Lincoln 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 of Lincoln included general government, public safety, public works and facilities, culture and recreation, urban development and housing and education. The business-type activities of the City of Lincoln included water, wastewater, solid-waste, transit, and airport.

The Lincoln Public Financing Authority, although legally separate, functions for all practical purposes as a department of the City of Lincoln, and therefore, has been included as an integral part of the primary government. No separate financial statements were issued for the Authority.

The government-wide financial statements can be found on pages 14 - 15 of this report.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Lincoln, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds used by the City are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental funds financial statements focus on near-term inflows and outflows of spendable resource, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provides a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Lincoln maintains numerous individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Public Facility Element (PFE) fund, Water Connections fund, Special Assessment District fund, and the LPFA Series 2006-1 fund. All of these are considered to be major funds. Data from the remaining 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.

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

Proprietary funds

The City of Lincoln maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide statements. The City of Lincoln uses enterprise funds to account for its water, wastewater, solid-waste, transit, and airport operations. Internal service funds are an accounting devise used to accumulate and allocate costs internally among the City's various functions. The City of Lincoln uses the internal service funds to account for its vehicle fleet, facility maintenance, administrative services, and for its management of public services. Since all of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for its water, wastewater, solid waste, and airport operations, which are considered to by major funds, and transit which is reported as a nonmajor fund.

The basic proprietary fund financial statements can be found on pages 22 - 27 of this report.

Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside of the reporting government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. Fiduciary funds are custodial in nature and therefore, the accounting used does not involve the measurement of the results of operations.

The basic fiduciary fund financial statements can be found on pages 28 - 29 of this report.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements follow the basic financial statements and can be found on pages 30 - 69 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's pension liability and other post-employment benefits (OPEB). The City of Lincoln adopts an annual appropriated budget for its General Fund, Public Facility Element (PFE) fund, Water Connections fund, and Special Assessment Districts fund. Budgetary comparison schedules have been provided for these major funds to demonstrate compliance with this budget. The budgetary comparison schedules can be found on pages 73 - 77.

The combining statements referred to earlier in connection with non-major governmental funds and fiduciary funds are presented immediately following the required supplementary information, which is found on pages 83 - 94.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

Statement of Net Position
As of June 30, 2017 and 2016
(in thousands)

	Governmental Activities			Business-Type Activities			Total Government		
	2017	2016	Net Change	2017	2016	Net Change	2017	2016	Net Change
ASSETS									
Current and other assets	\$ 119,266	\$ 110,105	\$ 9,161	\$ 52,832	\$ 40,000	\$ 12,832	\$ 172,098	\$ 150,105	\$ 21,993
Capital assets	<u>373,742</u>	<u>379,195</u>	<u>(5,453)</u>	<u>345,150</u>	<u>350,828</u>	<u>(5,678)</u>	<u>718,892</u>	<u>730,023</u>	<u>(11,131)</u>
Total Assets	<u>493,008</u>	<u>489,300</u>	<u>3,708</u>	<u>397,982</u>	<u>390,828</u>	<u>7,154</u>	<u>890,990</u>	<u>880,128</u>	<u>10,862</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>5,870</u>	<u>2,641</u>	<u>3,229</u>	<u>1,399</u>	<u>450</u>	<u>949</u>	<u>7,269</u>	<u>3,091</u>	<u>4,178</u>
LIABILITIES									
Long-term liabilities	37,373	18,886	18,487	5,554	2,707	2,847	42,927	21,593	21,334
Other liabilities	<u>8,801</u>	<u>25,149</u>	<u>(16,348)</u>	<u>6,476</u>	<u>8,649</u>	<u>(2,173)</u>	<u>15,277</u>	<u>33,798</u>	<u>(18,521)</u>
Total Liabilities	<u>46,174</u>	<u>44,035</u>	<u>2,139</u>	<u>12,030</u>	<u>11,356</u>	<u>674</u>	<u>58,204</u>	<u>55,391</u>	<u>2,813</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,178</u>	<u>3,603</u>	<u>(1,425)</u>	<u>450</u>	<u>789</u>	<u>(339)</u>	<u>2,628</u>	<u>4,392</u>	<u>(1,764)</u>
NET POSITION									
Net investment in capital assets	354,718	359,758	(5,040)	345,149	349,181	(4,032)	699,868	708,940	(9,072)
Restricted	76,399	106,251	(29,852)	12,990	14,313	(1,323)	89,389	120,564	(31,175)
Unrestricted	<u>19,409</u>	<u>(21,707)</u>	<u>41,116</u>	<u>28,760</u>	<u>15,639</u>	<u>13,121</u>	<u>48,169</u>	<u>(6,068)</u>	<u>54,237</u>
Total Net Position	<u>\$ 450,526</u>	<u>\$ 444,302</u>	<u>\$ 6,224</u>	<u>\$ 386,899</u>	<u>\$ 379,133</u>	<u>\$ 7,766</u>	<u>\$ 837,426</u>	<u>\$ 823,436</u>	<u>\$ 13,990</u>

By far, the largest portion of the City's net position (\$699,868,450 or 84%) reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment), less any related debt used to acquire those assets to provide services to citizens; consequently, these assets are not in spendable form. The remaining City's net position consists of restricted funds of \$89,389,010 which are resources subject to external restrictions governing how they may be used and unrestricted net position of \$48,169,772. Governmental activities increased the City's net position by \$1,473,618 and business-type activities increased the City's net position by \$7,973,413.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Changes in Net Position
As of June 30, 2017 and 2016
(in thousands)

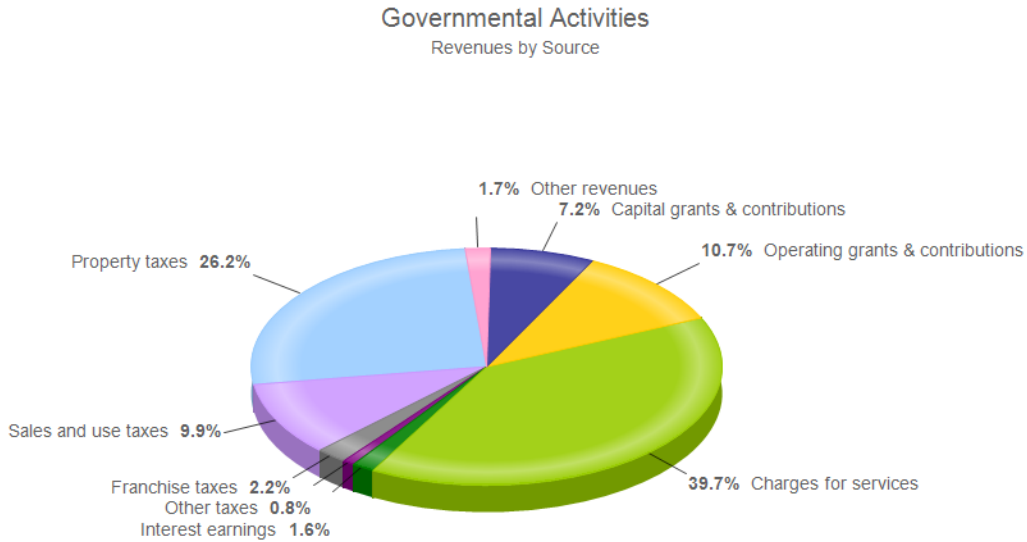
	<u>Governmental Activities</u>			<u>Business-Type Activities</u>			<u>Total Government</u>		
	<u>2017</u>	<u>2016</u>	<u>Net Change</u>	<u>2017</u>	<u>2016</u>	<u>Net Change</u>	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
REVENUES:									
Program Revenues									
Charges for services	\$ 14,710	\$ 12,595	\$ 2,115	\$ 41,879	\$ 28,567	\$ 13,312	\$ 56,589	\$ 41,162	\$ 15,427
Operating grants and contributions	3,977	651	3,326	478	2,059	(1,581)	4,455	2,710	1,745
Capital grants and contributions	2,686	3,256	(570)	2,174	2,126	48	4,860	5,382	(522)
General Revenues									
Property taxes	9,706	8,984	722	-	-	-	9,706	8,984	722
Sales taxes	3,686	2,845	841	417	492	(75)	4,103	3,337	766
Franchise taxes	807	852	(45)	-	-	-	807	852	(45)
Other taxes	284	222	62	-	-	-	284	222	62
Investment earnings	584	1,661	(1,077)	75	735	(660)	659	2,396	(1,737)
Other revenues	622	1,715	(1,093)	985	239	746	1,607	1,954	(347)
Gain on sale of asset	-	-	-	(41)	84	(125)	(41)	84	(125)
Total Revenues	<u>37,062</u>	<u>32,781</u>	<u>4,281</u>	<u>45,967</u>	<u>34,302</u>	<u>11,665</u>	<u>83,029</u>	<u>67,083</u>	<u>15,946</u>
EXPENSES:									
General government	3,135	3,937	(802)	-	-	-	3,135	3,937	(802)
Public safety	9,222	11,437	(2,215)	-	-	-	9,222	11,437	(2,215)
Public works and facilities	21,066	21,088	(22)	-	-	-	21,066	21,088	(22)
Culture & recreation	736	839	(103)	-	-	-	736	839	(103)
Urban redevelopment and housing	1,139	786	353	-	-	-	1,139	786	353
Education	522	545	(23)	-	-	-	522	545	(23)
Interest	1,143	989	154	-	-	-	1,143	989	154
Water	-	-	-	16,370	12,618	3,752	16,370	12,618	3,752
Wastewater	-	-	-	13,176	12,814	362	13,176	12,814	362
Solid waste	-	-	-	4,449	7,356	(2,907)	4,449	7,356	(2,907)
Airport	-	-	-	1,415	1,563	(148)	1,415	1,563	(148)
Transit	-	-	-	1,209	797	412	1,209	797	412
Total Expenses	<u>36,963</u>	<u>39,621</u>	<u>(2,658)</u>	<u>36,619</u>	<u>35,148</u>	<u>1,471</u>	<u>73,582</u>	<u>74,769</u>	<u>(1,187)</u>
Change in net position before transfers	<u>99</u>	<u>(6,840)</u>	<u>6,939</u>	<u>9,348</u>	<u>(846)</u>	<u>10,194</u>	<u>9,447</u>	<u>(7,686)</u>	<u>17,133</u>
Transfers	<u>1,375</u>	<u>523</u>	<u>852</u>	<u>(1,375)</u>	<u>(523)</u>	<u>(852)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>\$ 1,474</u>	<u>\$ (6,317)</u>	<u>\$ 7,791</u>	<u>\$ 7,973</u>	<u>\$ (1,369)</u>	<u>\$ 9,342</u>	<u>\$ 9,447</u>	<u>\$ (7,686)</u>	<u>\$ 17,133</u>

Key elements of the \$4,281 (thousands) increase in revenues for governmental activities are as follows:

- Charges for services increased nearly \$2.1 million largely due to development related fees. Operating grants and contributions increased primarily due to increased transportation funding as well as current period classification differences between operating grants and contributions and capital grants and contributions.

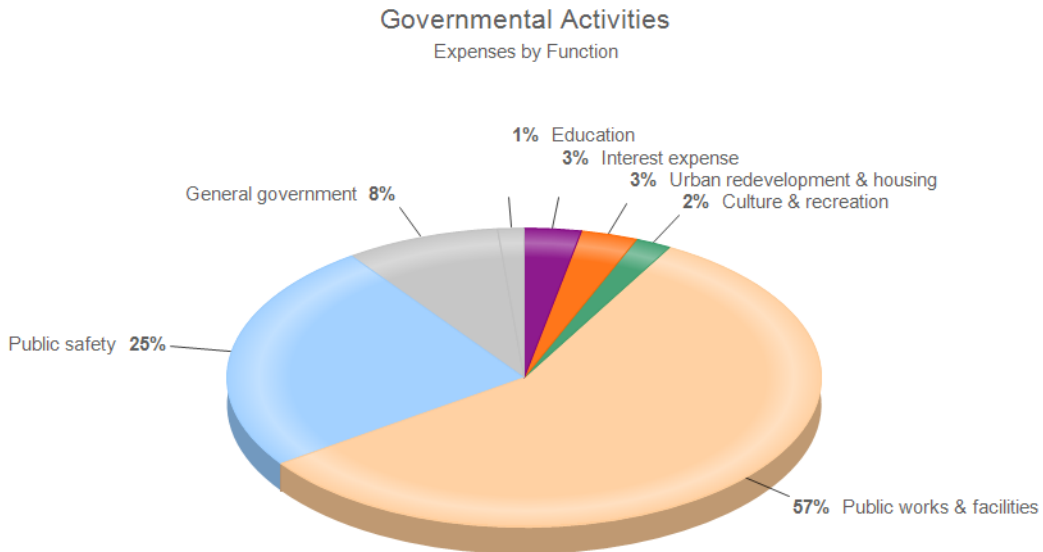
CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

The following chart shows Governmental Activities Revenues by Source:



Key elements of the \$2,658 (thousands) decrease in expenses for governmental activities are as follows:

- Public safety represents the largest decrease of \$2,215 (thousands) due to improved operational costs and employee vacancies.



CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

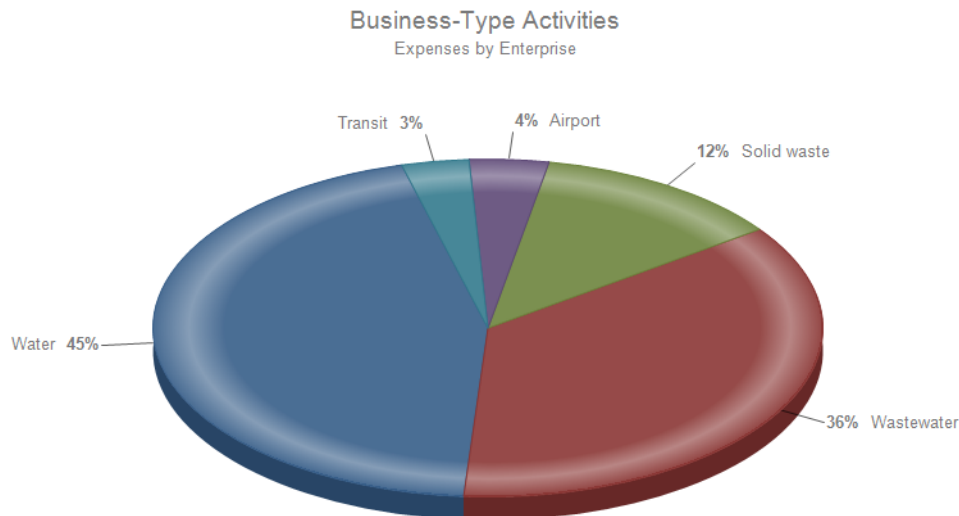
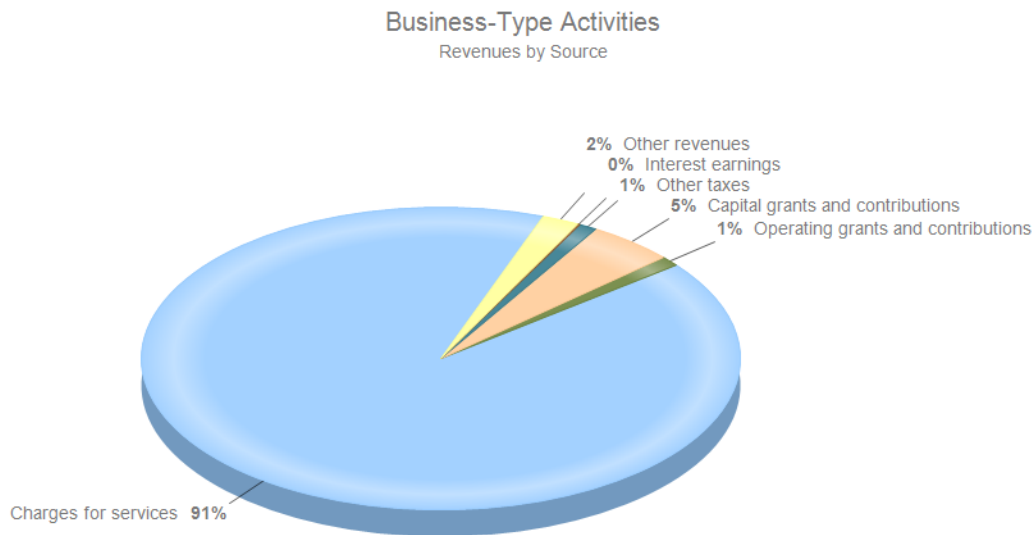
Business-Type Activities

Business-type activities increased the City's net position by \$7,973,413 or 2% as of June 30, 2017.

Key elements accounting for the changes in revenues and expenses for business-type activities are as follows:

- Charges for services increased as a result of the completion of a regional project that was completed and Placer County provided payment of \$6,917,917 for reserved capacity and began payment for water connection fees.
- Water expenses increased as a result of expenses related to increased water consumption.
- Solid waste expenses decreased with the completion of the regional sewer project.

The following charts show business-type activities revenues by sources and expenses by enterprise:



CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of Lincoln uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Under the Governmental Accounting Standards Board Statement 54, fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balances are amounts that are inherently nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Committed fund balances are amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision making authority. Assigned fund balances are amounts constrained by the City's intent to be used for specific purposes. Unassigned fund balances, the residual net resources, are the amounts in excess of nonspendable, restricted, committed, and assigned amounts. Negative fund balances are included in the unassigned fund balance category.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of resources that are available for spending. Such information is useful in assessing the City's financing requirements.

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$103,578,809, an increase of \$4,880,912 over the prior year. The increased fund balance is the result of revenues exceeding expenses as well as net transfers in and bond proceeds from the current bond issuance. When comparing total revenues and expenditures against the prior year, net revenues decreased 9.1%.

Nonspendable fund balances totaled \$13,160,652, restricted fund balances totaled \$76,041,673, committed fund balances totaled \$4,063,745, assigned fund balances totaled \$5,878,548, and unassigned fund balances totaled \$4,434,191. The General Fund has a positive unassigned fund balance of \$8,685,506, the Public Facility Element (PFE) fund continues to carry a negative unassigned fund balance of \$3,961,610 down from a negative \$5,375,001. The accumulated negative fund balances must be closely monitored to avoid future negative financial impact on the City.

The following discussion touches on each of the five major governmental funds.

General Fund

The General Fund is the chief operating fund of the City of Lincoln. Fiscal year 2016-17 increased the City's General Fund balance by \$2,393,997 to an ending fund balance of \$13,241,999. The unassigned fund balance of the General Fund was \$8,685,506. The committed fund balance at year-end was \$4,063,745 which contains reserves of \$2,000,000 for catastrophic, \$2,000,000 for economic, and \$63,745 for youth programs. The nonspendable fund balance at year-end of \$492,748 is invested in the City's insurance programs with a JPA - Northern California Cities Self-Insurance Fund.

Revenues exceeded expenditures by \$2,382,159 while other financing sources resulted in \$11,838 thus resulting in a year-end gain of \$2,393,997 due to stable increase in all revenue sources. As a measure of the General Fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. Including sources and uses, the unassigned fund balance represents 56% of total General Fund expenditures, up from 44%.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

The following revenues by sources and expenditures by function tables provide a two-year comparison. Accompanying the tables are brief explanations of significant changes.

Revenues Classified by Source
General Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>		<u>2016</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
Taxes and assessments	\$ 14,482,889	81 %	\$ 12,903,476	81 %	\$ 1,579,413	12 %
Licenses and permits	641,538	4 %	637,021	4 %	4,517	1 %
Intergovernmental	271,780	2 %	94,962	1 %	176,818	186 %
Fines and forfeitures	68,350	- %	182,303	1 %	(113,953)	(63)%
Use of money and property	71,752	- %	222,982	1 %	(151,230)	(68)%
Charges for services	1,998,009	11 %	1,634,768	10 %	363,241	22 %
Other revenues	<u>313,130</u>	<u>2 %</u>	<u>306,398</u>	<u>2 %</u>	<u>6,732</u>	<u>2 %</u>
	<u>\$ 17,847,448</u>	<u>100 %</u>	<u>\$ 15,981,910</u>	<u>100 %</u>	<u>\$ 1,865,538</u>	<u>12 %</u>

Total General Fund revenues increased by \$1,865,538 or 12% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments modestly increased by \$1,579,413 or 12%.
- Intergovernmental revenues increased by \$176,818 resulting from increases in current period allocations from other agencies and current period classification differences.
- Charges for services increased by \$363,241 primarily due to increased development and related administrative fees of \$314,255.

Expenditures by Function
General Fund
For the Years Ended June 30, 2017 and 2016

	<u>2017</u>		<u>2016</u>		<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>% of Total</u>	<u>Amount</u>	<u>Percent</u>
General government	\$ 3,245,107	21 %	\$ 3,114,603	21 %	\$ 130,504	4 %
Public safety	9,622,595	62 %	9,238,714	62 %	383,881	4 %
Public works & facilities	399,297	3 %	353,932	2 %	45,365	13 %
Culture & recreation	762,026	5 %	712,594	5 %	49,432	7 %
Urban development & housing	803,043	5 %	708,220	5 %	94,823	13 %
Education	479,453	3 %	454,492	3 %	24,961	5 %
Capital outlay	-	- %	95,601	1 %	(95,601)	(100)%
Debt principal	146,939	1 %	141,116	1 %	5,823	4 %
Debt interest	<u>6,829</u>	<u>- %</u>	<u>12,651</u>	<u>- %</u>	<u>(5,822)</u>	<u>(46)%</u>
	<u>\$ 15,465,289</u>	<u>100 %</u>	<u>\$ 14,831,923</u>	<u>100 %</u>	<u>\$ 633,366</u>	<u>4 %</u>

The above General Fund expenditures increased by \$633,366 or 4% from the prior fiscal year primarily due to increased salary and retirement expenses.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

Public Facility Element (PFE) Fund

The PFE funds are collected with the issuance of building permits and are used by the City to fund infrastructure projects and public facilities. The City's PFE funds include transportation, drainage, parks, and community services for police, fire, administration, and the library. Development activity in Lincoln declined significantly during the recent economic downturn. During the past two years, however, the City has seen renewed development interest. The PFE fund has a total negative fund balance of \$3,961,610 at the end of the fiscal year. This is significant improvement from the negative fund balance of \$9,091,236 as of June 30, 2014. This improvement over the prior years is indicative of the slowly recovering economy. As new development projects are undertaken, new fees will be applied toward these negative fund balances.

Water Connections Fund

These funds are used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended for capacity expansion. The fund balance of the Water Connections fund at the end of the fiscal year was \$40,719,766, or an increase of 10% from prior fiscal year.

Special Assessment Districts Fund

These funds are used to account for special assessments collected from property owners to be expended for improvements and maintenance to public property within the District. The fund balance at year-end was \$7,338,159, or a 33% decrease from the prior fiscal year.

LPFA Series 2006-1

This fund was used to account for the debt service of the 2006 Lease Revenue Series 2004A bonds which were refunded in the current year. Ending fund balance totaled \$308.

GENERAL FUND BUDGETARY HIGHLIGHTS

In preparing the annual budget, the City develops revenue and expenditure projections using a realistic, but conservative methodology based upon the best information available at that time. During the course of the fiscal year, the City Council is presented with financial status reports and approves amendments to budgeted revenue and expenditure projections as needed so that the City's budget provides an accurate measurement of available fiscal resources and City Council priorities.

The final General Fund budget for the fiscal year ending June 30, 2017 projected revenue of \$16,477,443 and expenditures of \$16,174,313, with an anticipated surplus of \$303,130. The results of the General Fund for the year ended were more than anticipated. As of the end of the fiscal year, revenue totaled \$17,847,448 or \$1,370,005 more than the budgeted amount. Expenditures totaled \$15,465,289, or \$709,024 more than the approved budget, resulting in an operating surplus of \$2,382,159.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of June 30, 2017 amount to \$718,892,533 (net of accumulated depreciation). The investment in capital assets includes construction in process, land, buildings and facilities, machinery and equipment, park facilities, and roads. Total decrease in the City's investments in capital assets for the 2017 fiscal year was \$11,030,693 or 2%.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Land and easements	\$ 12,805,317	\$ 12,805,317	\$ 1,591,640	\$ 1,591,640	\$ 14,396,957	\$ 14,396,957
Construction in progress	22,562,025	20,671,682	3,404,336	6,496,883	25,966,361	27,168,565
Buildings & improvements	78,751,460	76,329,756	13,130,935	13,751,961	91,882,395	90,081,717
Furniture & equipment	1,919,086	2,106,750	4,040,322	3,283,128	5,959,408	5,389,878
Infrastructure	<u>257,704,506</u>	<u>267,281,323</u>	<u>322,982,906</u>	<u>325,604,786</u>	<u>580,687,412</u>	<u>592,886,109</u>
Total	<u>\$ 373,742,394</u>	<u>\$ 379,194,828</u>	<u>\$ 345,150,139</u>	<u>\$ 350,728,398</u>	<u>\$ 718,892,533</u>	<u>\$ 729,923,226</u>

Governmental activities decreased by 5,452,434% or 1% and business-type activities decreased by 5,578,259% or 2%. Additional information on the City's capital assets can be found in Note 5 of this report.

Long-term Debt

As of June 30, 2017, the City of Lincoln had total debt outstanding of \$21,722,171. This amount is comprised of \$18,935,573 in bond debt, \$88,510 in capital leases, and \$2,698,088 in compensated absences.

CITY'S OUTSTANDING DEBT

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Bonds, net	\$ 18,935,573	\$ 19,201,119	\$ -	\$ -	\$ 18,935,573	\$ 19,201,119
Capital leases	88,510	235,449	-	1,534,122	88,510	1,769,571
Loans payable	-	-	-	13,410	-	13,410
Compensated absences	<u>2,344,831</u>	<u>2,074,735</u>	<u>353,257</u>	<u>340,722</u>	<u>2,698,088</u>	<u>2,415,457</u>
Total	<u>\$ 21,368,914</u>	<u>\$ 21,511,303</u>	<u>\$ 353,257</u>	<u>\$ 1,888,254</u>	<u>\$ 21,722,171</u>	<u>\$ 23,399,557</u>

The City's total debt decreased by \$1,677,386 or 7% during the fiscal year due to schedule debt payments and the refunding various bond issuances. Additional information about the City's long-term debt can be found in Note 7 to the financial statements.

City's Pension and OPEB Liabilities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Net pension liability	\$ 13,958,597	\$ 11,472,331	\$ 4,789,623	\$ 4,026,522	\$ 18,748,220	\$ 15,498,853
Net OPEB obligation	<u>5,016,115</u>	<u>4,291,266</u>	<u>698,934</u>	<u>489,309</u>	<u>5,715,049</u>	<u>4,780,575</u>
Total	<u>\$ 18,974,712</u>	<u>\$ 15,763,597</u>	<u>\$ 5,488,557</u>	<u>\$ 4,515,831</u>	<u>\$ 24,463,269</u>	<u>\$ 20,279,428</u>

The City's net pension liability and net OPEB obligation increased by \$4,183,841 or 21%. Additional information on the City's net pension liability and net OPEB obligation can be found in notes 12 and 13, respectively.

CITY OF LINCOLN
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2017

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The economic climate in the City of Lincoln continues to stabilize after several years of weathering the nationwide recession. Slight increases are anticipated in the two largest sources of revenues to the General Fund property tax and sales tax. The City is experiencing a renewed interest in development with a number of new projects moving through the design and permitting process. The cost savings measures that have been implemented over the past several years have placed the City of Lincoln in a position to operate efficiently and at a sustainable level. The adopted budget for the fiscal year 2017/18 is a balanced budget with sufficient revenues anticipated to be available to fund the current level of operating costs. The City Council recently took action to provide for future stability of the City's water, wastewater and sanitation systems by approving an orderly series of rate adjustments over the next several years to ensure that funding is available to continue to provide quality utility service to the citizens and businesses of this City.

REQUESTS FOR INFORMATION

This financial statement is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Administrative Services Department, City of Lincoln, 600 Sixth Street, Lincoln, CA 95648.

CITY OF LINCOLN
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Cash and investments (Note 2)	\$ 83,477,036	\$ 50,485,417	\$ 133,962,453
Accounts receivable, net	635,013	5,010,340	5,645,353
Interest receivable	33,049	10,852	43,901
Taxes receivable	1,206,144	(252)	1,205,892
Prepaid items	758,159	170,952	929,111
Inventory	-	29,064	29,064
Internal balances	3,190,141	(3,190,141)	-
Advances to Successor Agency (Note 18)	4,582,149	307,992	4,890,141
Restricted cash and cash equivalents (Note 2)	19,013,999	7,878	19,021,877
Loans receivable, net of allowance (Note 3)	6,370,736	-	6,370,736
Capital assets (Note 5)			
Land and construction in progress	35,367,342	4,995,976	40,363,318
Other capital assets, net of depreciation	<u>338,375,052</u>	<u>340,154,163</u>	<u>678,529,215</u>
Total capital assets	<u>373,742,394</u>	<u>345,150,139</u>	<u>718,892,533</u>
Total Assets	<u>493,008,820</u>	<u>397,982,241</u>	<u>890,991,061</u>
<u>Deferred Outflows of Resources</u>			
Changes in the net pension liability (Note 12)	<u>5,869,942</u>	<u>1,398,536</u>	<u>7,268,478</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 2,639,212	\$ 4,476,991	\$ 7,116,203
Accrued payroll and benefits	294,624	54,690	349,314
Accrued liabilities	5,616	-	5,616
Accrued interest payable	142,594	-	142,594
Retention payable	256,048	-	256,048
Deposits payable	1,161,203	346,895	1,508,098
Unearned revenue (Note 6)	1,331,243	443,350	1,774,593
Other postemployment benefits (Note 13)			
Due in more than one year	5,016,115	698,934	5,715,049
Net pension liability (Note 12)			
Due in more than one year	13,958,597	4,789,623	18,748,220
Accrued compensated absences (Note 7):			
Due within one year	1,906,101	287,687	2,193,788
Due in more than one year	438,730	65,570	504,300
Post-closure liability (Note 9)	-	866,377	866,377
Long-term liabilities (Note 7):			
Due within one year	1,064,638	-	1,064,638
Due in more than one year	<u>17,959,445</u>	<u>-</u>	<u>17,959,445</u>
Total Liabilities	<u>46,174,166</u>	<u>12,030,117</u>	<u>58,204,283</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Changes in the net pension liability (Note 12)	<u>2,178,427</u>	<u>449,597</u>	<u>2,628,024</u>
<u>NET POSITION</u>			
Net investment in capital assets	354,718,311	345,150,139	699,868,450
Restricted for:			
Debt service	3,193,125	-	3,193,125
Capital projects	22,115,429	-	22,115,429
Grants	203,194	-	203,194
Loan programs and housing	2,984,543	-	2,984,543
Assessments and fees	47,390,076	-	47,390,076
Public facility element	-	12,990,446	12,990,446
Endowments			
Nonexpendable	356,659	-	356,659
Expendable	155,538	-	155,538
Unrestricted	<u>19,409,294</u>	<u>28,760,478</u>	<u>48,169,772</u>
Total Net Position	<u>\$ 450,526,169</u>	<u>\$ 386,901,063</u>	<u>\$ 837,427,232</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Functions/Programs	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total Primary Government
					Governmental Activities	Business-Type Activities	
PRIMARY GOVERNMENT							
Governmental activities:							
General government	\$ 3,135,241	\$ 1,314,126	\$ 271,780	\$ -	\$ (1,549,335)	\$ -	\$ (1,549,335)
Public safety	9,222,033	836,963	129,324	-	(8,255,746)	-	(8,255,746)
Public works and facilities	21,065,618	11,226,143	3,406,489	2,685,758	(3,747,228)	-	(3,747,228)
Culture and recreation	735,780	1,317,891	-	-	582,111	-	582,111
Urban redevelopment and housing	1,139,387	-	169,550	-	(969,837)	-	(969,837)
Education	522,402	14,933	-	-	(507,469)	-	(507,469)
Interest and fiscal charges	1,143,290	-	-	-	(1,143,290)	-	(1,143,290)
Total governmental activities	<u>36,963,751</u>	<u>14,710,056</u>	<u>3,977,143</u>	<u>2,685,758</u>	<u>(15,590,794)</u>	<u>-</u>	<u>(15,590,794)</u>
Business-type activities:							
Water	16,370,415	16,383,662	3,013	1,144,564	-	1,160,824	1,160,824
Wastewater operations	13,176,196	17,547,426	360,558	645,641	-	5,377,429	5,377,429
Solid waste	4,448,941	6,686,470	609	192,823	-	2,430,961	2,430,961
Airport	1,414,739	1,259,101	-	191,298	-	35,660	35,660
Transit	1,208,851	1,926	113,980	-	-	(1,092,945)	(1,092,945)
Total business-type activities	<u>36,619,142</u>	<u>41,878,585</u>	<u>478,160</u>	<u>2,174,326</u>	<u>-</u>	<u>7,911,929</u>	<u>7,911,929</u>
Total primary government	<u>\$ 73,582,893</u>	<u>\$ 56,588,641</u>	<u>\$ 4,455,303</u>	<u>\$ 4,860,084</u>	<u>\$ (15,590,794)</u>	<u>\$ 7,911,929</u>	<u>\$ (7,678,865)</u>
General revenues:							
Property taxes					\$ 9,705,899	\$ -	\$ 9,705,899
Sales and use taxes					3,686,126	417,342	4,103,468
Franchise taxes					807,201	-	807,201
Other taxes					283,663	-	283,663
Interest and investment earnings					584,312	75,455	659,767
Gain (loss) on disposal of capital assets					-	(40,665)	(40,665)
Other revenue					621,727	984,836	1,606,563
Transfers					1,375,484	(1,375,484)	-
Total general revenues					<u>17,064,412</u>	<u>61,484</u>	<u>17,125,896</u>
Change in net position					<u>1,473,618</u>	<u>7,973,413</u>	<u>9,447,031</u>
Net position - July 1, 2016					444,302,340	378,927,650	823,229,990
Prior period restatement (Note 19)					4,750,211	-	4,750,211
Net position - July 1, 2016, restated					<u>449,052,551</u>	<u>378,927,650</u>	<u>827,980,201</u>
Net position - June 30, 2017					<u>\$ 450,526,169</u>	<u>\$ 386,901,063</u>	<u>\$ 837,427,232</u>

CITY OF LINCOLN
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Public Facility Element (PFE)	Water Connections	Special Assessment Districts
<u>ASSETS</u>				
Cash and investments	\$ 12,135,981	\$ 8,940,191	\$ 24,089,491	\$ 7,837,064
Accounts receivable, net	252,051	187,900	-	-
Interest receivable	5,703	1,972	5,235	1,541
Taxes receivable	1,107,997	-	-	98,147
Due from other funds	-	-	7,224,791	-
Prepaid items	492,748	-	-	10,430
Advances to other funds	-	-	5,318,020	-
Advances to Successor Agency	-	-	4,105,679	-
Restricted cash and investments	-	-	-	-
Loans receivable, net	-	-	-	-
	<u>\$ 13,994,480</u>	<u>\$ 9,130,063</u>	<u>\$ 40,743,216</u>	<u>\$ 7,947,182</u>
Total Assets				
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>				
LIABILITIES				
Accounts payable	\$ 492,403	\$ 26,237	\$ 23,450	\$ 295,219
Accrued payroll and benefits	203,586	-	-	10,115
Accrued liabilities	1,037	-	-	4,569
Retention payable	-	-	-	199,120
Deposits and other payables	8,470	-	-	100,000
Due to other funds	-	1,189,581	-	-
Advances from other funds	-	11,518,125	-	-
Unearned revenue	46,985	169,830	-	-
	<u>752,481</u>	<u>12,903,773</u>	<u>23,450</u>	<u>609,023</u>
Total Liabilities				
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenues	-	187,900	-	-
FUND BALANCES (DEFICITS)				
Nonspendable	492,748	-	9,423,699	10,430
Restricted	-	-	31,296,067	7,327,729
Committed	4,063,745	-	-	-
Assigned	-	-	-	-
Unassigned	8,685,506	(3,961,610)	-	-
	<u>13,241,999</u>	<u>(3,961,610)</u>	<u>40,719,766</u>	<u>7,338,159</u>
Total Fund Balances (Deficits)				
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 13,994,480</u>	<u>\$ 9,130,063</u>	<u>\$ 40,743,216</u>	<u>\$ 7,947,182</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
BALANCE SHEET (continued)
GOVERNMENTAL FUNDS
JUNE 30, 2017

	<u>LPFA Series 2006-1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 308	\$ 27,091,975	\$ 80,095,010
Accounts receivable, net	-	179,312	619,263
Interest receivable	-	18,036	32,487
Taxes receivable	-	-	1,206,144
Due from other funds	-	-	7,224,791
Prepaid items	-	92,826	596,004
Advances to other funds	-	3,870,485	9,188,505
Advances to Successor Agency	-	476,470	4,582,149
Restricted cash and investments	-	19,013,999	19,013,999
Loans receivable, net	-	<u>6,370,736</u>	<u>6,370,736</u>
 Total Assets	 <u>\$ 308</u>	 <u>\$ 57,113,839</u>	 <u>\$ 128,929,088</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</u>			
LIABILITIES			
Accounts payable	\$ -	\$ 1,598,365	\$ 2,435,674
Accrued payroll and benefits	-	25,661	239,362
Accrued liabilities	-	10	5,616
Retention payable	-	56,928	256,048
Deposits and other payables	-	1,052,733	1,161,203
Due to other funds	-	515,449	1,705,030
Advances from other funds	-	-	11,518,125
Unearned revenue	-	<u>1,114,428</u>	<u>1,331,243</u>
 Total Liabilities	 <u>-</u>	 <u>4,363,574</u>	 <u>18,652,301</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenues	<u>-</u>	<u>6,510,078</u>	<u>6,697,978</u>
FUND BALANCES (DEFICITS)			
Nonspendable	-	3,233,775	13,160,652
Restricted	308	37,417,569	76,041,673
Committed	-	-	4,063,745
Assigned	-	5,878,548	5,878,548
Unassigned	-	<u>(289,705)</u>	<u>4,434,191</u>
 Total Fund Balances (Deficits)	 <u>308</u>	 <u>46,240,187</u>	 <u>103,578,809</u>
 Total Liabilities, Deferred Inflows of Resources, and Fund Balances	 <u>\$ 308</u>	 <u>\$ 57,113,839</u>	 <u>\$ 128,929,088</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances of governmental funds	\$ 103,578,809
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds, net of accumulated depreciation of \$195,476,511.	373,552,470
Certain notes, loans, and interest receivables are not available to pay for current period expenditures and therefore are offset by deferred inflow of resources in the governmental funds.	6,370,736
Other long-term assets are not available to pay for current period expenditures and therefore, are reported as unavailable revenues in the governmental funds.	327,242
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	5,869,942
Long-term liabilities are not due in the current period and, therefore are not reported in the governmental funds.	
Long-term liabilities net of premiums and discounts	(19,024,083)
Compensated absences	(1,817,969)
Net OPEB obligation	(5,016,115)
Net pension liability	(13,958,597)
Deferred inflows related to changes in the net pension liability	(2,178,427)
Accrued interest payable from the current portion of interest due on long-term liabilities has not been reported in the governmental funds.	(142,594)
Internal service funds are used by management to charge costs of certain activities such as equipment replacement, to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities of the Statement of Net Position.	<u>2,964,755</u>
Net position of governmental activities	<u><u>\$ 450,526,169</u></u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>	<u>Public Facility Element (PFE)</u>	<u>Water Connections</u>	<u>Special Assessment Districts</u>
<u>REVENUES</u>				
Taxes and assessments	\$ 14,482,889	\$ -	\$ -	\$ -
Special assessments	-	-	-	3,602,974
License and permits	641,538	-	-	-
Intergovernmental	271,780	-	-	-
Fines and forfeitures	68,350	-	-	-
Use of money and property	71,752	20,463	98,681	(5,810)
Charges for services	1,998,009	1,844,464	3,930,735	-
Other revenues	<u>313,130</u>	<u>-</u>	<u>-</u>	<u>1,056</u>
Total Revenues	<u>17,847,448</u>	<u>1,864,927</u>	<u>4,029,416</u>	<u>3,598,220</u>
<u>EXPENDITURES</u>				
Current:				
General government	3,245,107	9,416	-	39,239
Public safety	9,622,595	-	-	1,427
Public works and facilities	399,297	196,867	-	2,661,879
Cultural and recreation	762,026	-	-	-
Urban development and housing	803,043	-	-	-
Education	479,453	63,365	-	-
Capital outlay	-	33,294	228,603	4,535,983
Debt service:				
Principal	146,939	-	-	-
Interest (accretion) and fiscal charges	<u>6,829</u>	<u>59,634</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>15,465,289</u>	<u>362,576</u>	<u>228,603</u>	<u>7,238,528</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,382,159</u>	<u>1,502,351</u>	<u>3,800,813</u>	<u>(3,640,308)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Proceeds from bond issuance	-	-	-	-
Bond issuance discount	-	-	-	-
Transfers in	358,861	227,318	64,586	-
Transfers out	<u>(347,023)</u>	<u>(316,278)</u>	<u>-</u>	<u>(43,060)</u>
Total Other Financing Sources (Uses)	<u>11,838</u>	<u>(88,960)</u>	<u>64,586</u>	<u>(43,060)</u>
Net Change in Fund Balances	<u>2,393,997</u>	<u>1,413,391</u>	<u>3,865,399</u>	<u>(3,683,368)</u>
Fund Balances (Deficits) - July 1, 2016	10,848,002	(5,375,001)	36,854,367	11,021,527
Prior period adjustment (Note 19)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficits) - July 1, 2016, restated	<u>10,848,002</u>	<u>(5,375,001)</u>	<u>36,854,367</u>	<u>11,021,527</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 13,241,999</u>	<u>\$ (3,961,610)</u>	<u>\$ 40,719,766</u>	<u>\$ 7,338,159</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (continued)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>LPFA Series 2006-1</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Taxes and assessments	\$ -	\$ -	\$ 14,482,889
Special assessments	-	2,020,251	5,623,225
License and permits	-	1,397,965	2,039,503
Intergovernmental	-	4,433,146	4,704,926
Fines and forfeitures	-	-	68,350
Use of money and property	2,399	163,261	350,746
Charges for services	-	1,294,761	9,067,969
Other revenues	-	<u>145,421</u>	<u>459,607</u>
Total Revenues	<u>2,399</u>	<u>9,454,805</u>	<u>36,797,215</u>
<u>EXPENDITURES</u>			
Current:			
General government	-	26,175	3,319,937
Public safety	-	116,078	9,740,100
Public works and facilities	7,569	4,426,868	7,692,480
Cultural and recreation	-	-	762,026
Urban development and housing	-	130,123	933,166
Education	-	-	542,818
Capital outlay	-	3,714,318	8,512,198
Debt service:			
Principal	12,425,000	6,815,000	19,386,939
Interest (accretion) and fiscal charges	<u>499,417</u>	<u>(617,280)</u>	<u>(51,400)</u>
Total Expenditures	<u>12,931,986</u>	<u>14,611,282</u>	<u>50,838,264</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(12,929,587)</u>	<u>(5,156,477)</u>	<u>(14,041,049)</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Proceeds from bond issuance	-	17,760,000	17,760,000
Bond issuance discount	-	(213,523)	(213,523)
Transfers in	11,987,031	7,978,978	20,616,774
Transfers out	-	<u>(18,534,929)</u>	<u>(19,241,290)</u>
Total Other Financing Sources (Uses)	<u>11,987,031</u>	<u>6,990,526</u>	<u>18,921,961</u>
Net Change in Fund Balances	<u>(942,556)</u>	<u>1,834,049</u>	<u>4,880,912</u>
Fund Balances (Deficits) - July 1, 2016	942,864	50,950,523	105,242,282
Prior period adjustment (Note 19)	<u>-</u>	<u>(6,544,385)</u>	<u>(6,544,385)</u>
Fund Balances (Deficits) - July 1, 2016, restated	<u>942,864</u>	<u>44,406,138</u>	<u>98,697,897</u>
Fund Balances (Deficits) - June 30, 2017	<u>\$ 308</u>	<u>\$ 46,240,187</u>	<u>\$ 103,578,809</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ 4,880,912
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.	
Capital asset purchases	8,394,911
Depreciation expense	(13,957,274)
Some revenues reported in the Statement of Activities will not be collected for several months after the City's year-end and do not provide current financial resources and therefore are not reported as revenue in the governmental funds. Some revenues reported in the prior year Statement of Activities were recognized in the governmental funds in the current year. This is the net change in revenues.	
	(62,275)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.	
Debt principal payments	19,386,939
Proceeds from bond refunding	(17,760,000)
Net premium/discount related to bond refunding	(1,188,315)
Net accretion on bond premiums/discounts	(26,139)
Compensated absences expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.	
	(174,244)
Receipts of payments and disbursements of funds related to notes and loans receivable are reported as revenue and expenditures, respectively, in governmental funds, but an increase and decrease, respectively, in notes receivable in the Statement of Net Position.	
Loan program receipts	(68,740)
Loans made during the year	4,627
Accrued interest on loans	228,745
Accrued interest payable is interest due on long-term liabilities. This is the net change in accrued interest in the current period.	
	233,287
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	
Pension expense related to deferred outflows and inflows of resources	2,167,129
Other postemployment benefits	(724,848)
Allowance on notes receivable	(231,283)
Internal service funds are used by management to charge the costs of certain activities, such as equipment replacement, to individual funds. The net revenue (expense) of the internal service funds is reported with the governmental funds.	
	<u>370,186</u>
Change in net position of governmental activities	<u>\$ 1,473,618</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

	Business-Type Activities			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
ASSETS				
Current Assets				
Cash and investments	\$ 25,686,685	\$ 15,915,052	\$ 8,129,036	\$ 11,411
Accounts receivable, net	2,367,674	1,636,497	872,709	133,460
Interest receivable	5,257	4,012	1,475	-
Taxes receivable	-	-	-	(252)
Prepaid items	45,401	34,680	59,743	16,226
Inventory	-	-	-	29,064
Total Current Assets	28,105,017	17,590,241	9,062,963	189,909
Non Current Assets				
Restricted cash and investments	-	7,878	-	-
Advances to other funds	-	-	3,892,285	-
Advances to Successor Agency	-	307,992	-	-
Capital assets, net of accumulated depreciation	155,584,862	178,331,698	4,514,220	6,196,365
Total Non-Current Assets	155,584,862	178,647,568	8,406,505	6,196,365
Total Assets	183,689,879	196,237,809	17,469,468	6,386,274
DEFERRED OUTFLOWS OF RESOURCES				
Changes in the net pension liability	418,177	294,683	487,511	105,702
LIABILITIES				
Current Liabilities				
Accounts payable	2,516,314	1,178,214	286,017	88,890
Accrued salaries and benefits	16,321	13,851	17,731	4,317
Deposits payable	18,000	300,000	-	28,895
Due to other funds	-	476,590	-	5,043,171
Unearned revenue	53,670	46,758	-	-
Compensated absences - current	88,874	68,168	68,361	37,152
Total Current Liabilities	2,693,179	2,083,581	372,109	5,202,425
Non-Current Liabilities				
Advances from other funds	-	-	-	1,562,665
Compensated absences - noncurrent	20,394	15,890	15,938	8,890
Postclosure liability	-	-	866,377	-
Net pension liability	1,454,743	1,014,878	1,637,490	358,437
Net OPEB obligation	170,140	202,753	232,360	64,811
Total Non-Current Liabilities	1,645,277	1,233,521	2,752,165	1,994,803
Total Liabilities	4,338,456	3,317,102	3,124,274	7,197,228
DEFERRED INFLOWS OF RESOURCES				
Changes in the net pension liability	141,652	96,421	147,166	32,493
NET POSITION:				
Net investment in capital assets	155,584,862	178,331,698	4,514,220	6,196,365
Restricted for public facility element	7,336,485	-	5,653,961	-
Unrestricted	16,706,601	14,787,271	4,517,358	(6,934,110)
Total Net Position	\$ 179,627,948	\$ 193,118,969	\$ 14,685,539	\$ (737,745)

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF NET POSITION (continued)
PROPRIETARY FUNDS
JUNE 30, 2017

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Non-Major</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
ASSETS			
Current Assets			
Cash and investments	\$ 743,233	\$ 50,485,417	\$ 3,382,026
Accounts receivable, net	-	5,010,340	15,750
Interest receivable	108	10,852	562
Taxes receivable	-	(252)	-
Prepaid items	14,902	170,952	162,155
Inventory	-	29,064	-
Total Current Assets	<u>758,243</u>	<u>55,706,373</u>	<u>3,560,493</u>
Non Current Assets			
Restricted cash and investments	-	7,878	-
Advances to other funds	-	3,892,285	-
Advances to Successor Agency	-	307,992	-
Capital assets, net of accumulated depreciation	522,994	345,150,139	189,924
Total Non-Current Assets	<u>522,994</u>	<u>349,358,294</u>	<u>189,924</u>
Total Assets	<u>1,281,237</u>	<u>405,064,667</u>	<u>3,750,417</u>
DEFERRED OUTFLOWS OF RESOURCES			
Changes in the net pension liability	92,463	1,398,536	-
LIABILITIES			
Current Liabilities			
Accounts payable	407,556	4,476,991	203,538
Accrued salaries and benefits	2,470	54,690	55,262
Deposits payable	-	346,895	-
Due to other funds	-	5,519,761	-
Unearned revenue	342,922	443,350	-
Compensated absences - current	25,132	287,687	428,024
Total Current Liabilities	<u>778,080</u>	<u>11,129,374</u>	<u>686,824</u>
Non-Current Liabilities			
Advances from other funds	-	1,562,665	-
Compensated absences - noncurrent	4,458	65,570	98,838
Postclosure liability	-	866,377	-
Net pension liability	324,075	4,789,623	-
Net OPEB obligation	28,870	698,934	-
Total Non-Current Liabilities	<u>357,403</u>	<u>7,983,169</u>	<u>98,838</u>
Total Liabilities	<u>1,135,483</u>	<u>19,112,543</u>	<u>785,662</u>
DEFERRED INFLOWS OF RESOURCES			
Changes in the net pension liability	31,865	449,597	-
NET POSITION:			
Net investment in capital assets	522,994	345,150,139	189,924
Restricted for public facility element	-	12,990,446	-
Unrestricted	(316,642)	28,760,478	2,774,831
Total Net Position	<u>\$ 206,352</u>	<u>\$ 386,901,063</u>	<u>\$ 2,964,755</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
<u>OPERATING REVENUES</u>				
Charges for services	\$ 16,353,662	\$ 9,994,649	\$ 6,618,303	\$ 1,259,101
Connection fees	30,000	7,552,777	68,167	-
Other revenue	<u>12,232</u>	<u>32,532</u>	<u>2,490</u>	<u>278,457</u>
Total Operating Revenue	<u>16,395,894</u>	<u>17,579,958</u>	<u>6,688,960</u>	<u>1,537,558</u>
<u>OPERATING EXPENSES</u>				
Salaries and benefits	1,049,048	885,141	1,089,491	294,775
Services and supplies	11,509,071	6,774,112	1,999,458	722,227
Support services	764,292	668,541	1,011,718	124,930
Depreciation	<u>3,047,527</u>	<u>4,815,354</u>	<u>348,274</u>	<u>227,107</u>
Total Operating Expenses	<u>16,369,938</u>	<u>13,143,148</u>	<u>4,448,941</u>	<u>1,369,039</u>
Operating Income (Loss)	<u>25,956</u>	<u>4,436,810</u>	<u>2,240,019</u>	<u>168,519</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Taxes	-	-	-	42,234
Intergovernmental	3,013	360,558	609	-
Interest income (loss)	41,297	(3,817)	38,793	1
Other non-operating revenues	2,408	130,058	-	-
Gain (loss) on sale of capital assets	6,364	-	(47,029)	-
Interest expense	<u>(477)</u>	<u>(33,048)</u>	<u>-</u>	<u>(45,700)</u>
Total Non-Operating Revenues (Expenses)	<u>52,605</u>	<u>453,751</u>	<u>(7,627)</u>	<u>(3,465)</u>
Income (Loss) Before Transfers and Contributions	<u>78,561</u>	<u>4,890,561</u>	<u>2,232,392</u>	<u>165,054</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>				
Capital grants and contributions	172,188	-	-	191,298
Capital connection fees	972,376	645,641	192,823	-
Transfers in	760,476	59,610	-	-
Transfers out	<u>(1,926,277)</u>	<u>(67,610)</u>	<u>(119,351)</u>	<u>(24,239)</u>
Total Transfers and Contributions	<u>(21,237)</u>	<u>637,641</u>	<u>73,472</u>	<u>167,059</u>
Change in net position	57,324	5,528,202	2,305,864	332,113
Net Position - July 1, 2016	<u>179,570,624</u>	<u>187,590,767</u>	<u>12,379,675</u>	<u>(1,069,858)</u>
Net Position - June 30, 2017	<u>\$ 179,627,948</u>	<u>\$ 193,118,969</u>	<u>\$ 14,685,539</u>	<u>\$ (737,745)</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Business-Type Activities</u>		<u>Governmental Activities</u>
	<u>Non Major</u>		<u>Internal Service Funds</u>
	<u>Transit</u>	<u>Total</u>	
<u>OPERATING REVENUES</u>			
Charges for services	\$ 1,926	\$ 34,227,641	\$ 5,842,747
Connection fees	-	7,650,944	-
Other revenue	<u>526,659</u>	<u>852,370</u>	<u>162,120</u>
Total Operating Revenue	<u>528,585</u>	<u>42,730,955</u>	<u>6,004,867</u>
<u>OPERATING EXPENSES</u>			
Salaries and benefits	153,743	3,472,198	3,449,719
Services and supplies	939,588	21,944,456	2,178,330
Support services	80,331	2,649,812	-
Depreciation	<u>35,189</u>	<u>8,473,451</u>	<u>11,453</u>
Total Operating Expenses	<u>1,208,851</u>	<u>36,539,917</u>	<u>5,639,502</u>
Operating Income (Loss)	<u>(680,266)</u>	<u>6,191,038</u>	<u>365,365</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Taxes	375,108	417,342	-
Intergovernmental	113,980	478,160	-
Interest income (loss)	(819)	75,455	4,821
Other non-operating revenues	-	132,466	-
Gain (loss) on sale of capital assets	-	(40,665)	-
Interest expense	<u>-</u>	<u>(79,225)</u>	<u>-</u>
Total Non-Operating Revenues (Expenses)	<u>488,269</u>	<u>983,533</u>	<u>4,821</u>
Income (Loss) Before Transfers and Contributions	<u>(191,997)</u>	<u>7,174,571</u>	<u>370,186</u>
<u>TRANSFERS AND CONTRIBUTIONS</u>			
Capital grants and contributions	-	363,486	-
Capital connection fees	-	1,810,840	-
Transfers in	-	820,086	-
Transfers out	<u>(58,093)</u>	<u>(2,195,570)</u>	<u>-</u>
Total Transfers and Contributions	<u>(58,093)</u>	<u>798,842</u>	<u>-</u>
Change in net position	(250,090)	7,973,413	370,186
Net Position - July 1, 2016	<u>456,442</u>	<u>378,927,650</u>	<u>2,594,569</u>
Net Position - June 30, 2017	<u>\$ 206,352</u>	<u>\$ 386,901,063</u>	<u>\$ 2,964,755</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities			
	Major Funds			
	Water	Wastewater Operations	Solid Waste	Airport
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash received from customers	\$ 15,886,731	\$ 17,427,464	\$ 6,596,599	\$ 1,549,823
Cash paid to suppliers	(11,213,971)	(7,249,280)	(3,314,843)	(802,065)
Cash paid to employees	(1,137,054)	(936,592)	(1,246,647)	(343,648)
Net Cash Provided by Operating Activities	<u>3,535,706</u>	<u>9,241,592</u>	<u>2,035,109</u>	<u>404,110</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>				
Intergovernmental and other nonoperating	11,785	490,616	609	-
Taxes	-	-	-	42,234
Interfund receipts (payments)	-	(4,759,146)	814,607	1,184,122
Transfers from other funds	2,923,504	512,358	400,000	101,957
Transfers to other funds	(4,089,305)	(520,358)	(519,351)	(126,196)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(1,154,016)</u>	<u>(4,276,530)</u>	<u>695,865</u>	<u>1,202,117</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Capital grant contributions	172,188	-	-	191,298
Connection fees	972,376	645,641	192,823	-
Proceeds from sale of capital assets	-	-	30,375	-
Acquisition of capital assets	(1,322,029)	(752,321)	(667,074)	(190,231)
Principal paid on long-term debt	(13,410)	-	-	(1,534,122)
Interest paid on long-term debt	(819)	(33,048)	-	(62,065)
Net Cash Used for Capital and Related Financing Activities	<u>(191,694)</u>	<u>(139,728)</u>	<u>(443,876)</u>	<u>(1,595,120)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Interest and dividends	38,748	(5,452)	38,439	204
Net Increase in Cash and Cash Equivalents	2,228,744	4,819,882	2,325,537	11,311
Cash and Cash Equivalents - July 1, 2016	<u>23,457,941</u>	<u>11,103,048</u>	<u>5,803,499</u>	<u>100</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 25,686,685</u>	<u>\$ 15,922,930</u>	<u>\$ 8,129,036</u>	<u>\$ 11,411</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>				
Operating Income (Loss)	25,956	4,436,810	2,240,019	168,519
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	3,047,527	4,815,354	348,274	227,107
Pension expense	(157,881)	(110,598)	(182,858)	(38,870)
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(488,163)	(202,494)	(92,361)	11,915
Increase in prepaid expenses	(8,696)	(8,351)	(19,978)	(2,553)
Increase in inventory	-	-	-	(1,301)
(Decrease) increase in accounts payable	1,068,088	201,724	54,285	48,946
Decrease in accrued wages	(35,823)	(26,646)	(26,748)	(9,095)
(Decrease) increase in deposits	(21,000)	50,000	-	350
Increase (decrease) in compensated absences	26,613	21,280	(35,288)	(856)
Increase in unearned revenue	-	-	-	-
Increase (decrease) in net OPEB obligation	79,085	64,513	87,738	(52)
Decrease in postclosure liability	-	-	(337,974)	-
Net Cash Provided by Operating Activities	<u>\$ 3,535,706</u>	<u>\$ 9,241,592</u>	<u>\$ 2,035,109</u>	<u>\$ 404,110</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CASH FLOWS (continued)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Business-Type Activities		Governmental
	Non Major		Activities
	Transit	Total	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Cash received from customers	\$ 1,463,508	\$ 42,924,125	\$ 5,999,569
Cash paid to suppliers	(1,045,871)	(23,626,030)	(2,145,921)
Cash paid to employees	(214,204)	(3,878,145)	(3,452,296)
Net Cash Provided by Operating Activities	<u>203,433</u>	<u>15,419,950</u>	<u>401,352</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>			
Intergovernmental and other nonoperating	113,980	616,990	-
Taxes	375,108	417,342	-
Interfund receipts (payments)	-	(2,760,417)	-
Transfers from other funds	-	3,937,819	723,619
Transfers to other funds	(58,093)	(5,313,303)	(723,619)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>430,995</u>	<u>(3,101,569)</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Capital grant contributions	-	363,486	-
Connection fees	-	1,810,840	-
Proceeds from sale of capital assets	-	30,375	-
Acquisition of capital assets	(40,937)	(2,972,592)	(121,382)
Principal paid on long-term debt	-	(1,547,532)	-
Interest paid on long-term debt	(820)	(96,752)	-
Net Cash Used for Capital and Related Financing Activities	<u>(41,757)</u>	<u>(2,412,175)</u>	<u>(121,382)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Interest and dividends	(56)	71,883	4,588
Net Increase in Cash and Cash Equivalents	592,615	9,978,089	284,558
Cash and Cash Equivalents - July 1, 2016	<u>150,618</u>	<u>40,515,206</u>	<u>3,097,468</u>
Cash and Cash Equivalents - June 30, 2017	<u>\$ 743,233</u>	<u>\$ 50,493,295</u>	<u>\$ 3,382,026</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</u>			
Operating Income (Loss)	(680,266)	6,191,038	365,365
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation expense	35,189	8,473,451	11,453
Pension expense	(34,594)	(524,801)	-
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	618,658	(152,445)	(5,298)
Increase in prepaid expenses	(1,663)	(41,241)	(28,951)
Increase in inventory	-	(1,301)	-
(Decrease) increase in accounts payable	(24,289)	1,348,754	61,360
Decrease in accrued wages	(4,994)	(103,306)	(98,429)
(Decrease) increase in deposits	-	29,350	-
Increase (decrease) in compensated absences	786	12,535	95,852
Increase in unearned revenue	316,265	316,265	-
Increase (decrease) in net OPEB obligation	(21,659)	209,625	-
Decrease in postclosure liability	-	(337,974)	-
Net Cash Provided by Operating Activities	<u>\$ 203,433</u>	<u>\$ 15,419,950</u>	<u>\$ 401,352</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

<u>ASSETS</u>	Redevelopment Obligation <u>Retirement Fund</u>	<u>Agency Funds</u>
Cash and investments (Note 2)	\$ 1,383,555	\$ 23,124,052
Assessments receivable	-	174,146
Interest receivable	281	9,344
Prepaid expenses	3,061	-
Deferred costs	56,989	-
Restricted cash and investments (Note 2)	34,058	15,918,734
Loans receivable	19,605	-
Capital assets, net of accumulated depreciation (Note 18)	<u>3,863,566</u>	<u>-</u>
Total Assets	<u>\$ 5,361,115</u>	<u>\$ 39,226,276</u>
 <u>LIABILITIES</u>		
Interest payable	\$ 96,894	\$ -
Deposits payable	1,000	-
Due to property owners	-	38,658,527
Advances from the City (Note 18)	4,890,141	-
Agency obligations	-	567,749
Long-term liabilities (Note 18)	<u>8,907,134</u>	<u>-</u>
Total Liabilities	<u>\$ 13,895,169</u>	<u>\$ 39,226,276</u>
 <u>NET POSITION</u>		
Held in trust for private purposes	<u>\$ (8,534,054)</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Redevelopment Obligation Retirement Fund</u>
<u>ADDITIONS</u>	
Property taxes	\$ 1,291,659
Interest and investment income	167,738
Other contributions	<u>40,580</u>
Total Additions	<u>1,499,977</u>
<u>DEDUCTIONS</u>	
Program expenses	417,391
Interest expense	389,410
Depreciation	<u>82,198</u>
Total Deductions	<u>888,999</u>
Change in Fiduciary Net Position	<u>610,978</u>
Fiduciary Net Position - July 1, 2016	(4,287,821)
Prior Period Adjustment (Note 19)	<u>(4,857,211)</u>
Fiduciary Net Position - July 1, 2016, Restated	<u>(9,145,032)</u>
Fiduciary Net Position - June 30, 2017	<u><u>\$ (8,534,054)</u></u>

See accompanying notes to the basic financial statements.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Lincoln (the City) was incorporated in March 1878 under the laws and regulations of the State of California. The City operates under a City Manager - Council form of government and provides the following services: public safety (Police and Fire), highways and streets, water, sewer, sanitation, airport, culture, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Lincoln conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies:

A. The Reporting Entity

Generally accepted accounting principles require government financial statements to include the primary government and its component units. Component units of a governmental entity are legally separate entities for which the primary government is considered to be financially accountable and for which the nature and significance of their relationship with the primary government are such that exclusion would cause the combined financial statements to be misleading. The primary government is considered to be financially accountable if it appoints a majority of an organization's governing body and is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on the primary government.

Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units are, although legally separate entities, in substance part of the City's operations and, therefore, data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize it is legally separate from the government.

For financial reporting purposes, the City's basic financial statements include all financial activities that are controlled by or are dependent upon actions taken by the City Council.

Blended Component Units

Lincoln Public Financing Authority - The Authority was formed by the execution of a Joint Powers Authority Agreement between the City of Lincoln and the former City of Lincoln Redevelopment Agency. The purpose of the Authority is to provide financing of public capital improvements through the acquisition, construction and improvement thereof by the Authority, or the loan of funds to the City to enable the City to provide for the acquisition construction and improvement of public capital improvements. The Authority is the lessor for the City's various bond issuances and makes debt service payments on behalf of the City and the Successor Agency to the City of Lincoln Redevelopment Agency. The City Council is the governing body of the Authority and because its financial and operational relationship with the City is closely integrated, the Authority debt is reported as bonds payable in the governmental activities, and long-term debt in the private purpose trust funds. Separate financial statements for the Lincoln Public Financing Authority are not issued.

Discretely Presented Component Units

There are no component units of the City which meet the criteria for discrete presentation.

Joint Agencies

The City is a participant in Northern California Cities Self-Insurance Fund (NCCSIF), the purpose of which is for member cities to share in the administrative costs of providing liability and workers' compensation insurance. The NCCSIF is governed by a board of directors appointed by the member cities. Complete financial information can be obtained from the Program Administrator, 2180 Harvard Street, Suite 460, Sacramento, CA 95815. The City is not financially accountable for this organization and therefore it is not considered a component unit.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information on all of the nonfiduciary activities of the City, and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the City. Governmental activities, which are normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

The Statement of Activities presents a comparison between direct expenses and program revenues for each different identifiable activity of the City's business-type activities and for each function of the City's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditure/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories with each major fund displayed in a separate column. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflow of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type; and
- b. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental fund or enterprise fund are at least 5 percent of the corresponding total for all governmental and enterprise funds combined.

All remaining governmental funds are aggregated and reported as nonmajor funds in a single column, regardless of their fund type.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The fund types of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the City and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service or capital projects.

Debt Service Funds - Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Permanent Funds - Permanent funds are used to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Proprietary Funds

Enterprise Funds - Enterprise funds are used to account for business-like activities provided to the general public. These activities are financed primarily by user charges and the measurement of financial activity focuses on net income measurement similar to the private sector.

Internal Service Funds - Internal service funds are used to account for, and finance, services and commodities furnished by a designated department of a governmental unit to other departments of the same governmental unit. The City's internal service funds account for the City's fleet maintenance and insurance programs, vehicle and equipment replacement, facility maintenance, and technology programs.

Fiduciary Funds (not included in government-wide statements)

The City reports the following additional fund types:

Agency Funds - Agency Funds are clearing type funds for the collection of taxes or deposits held in trust, on behalf of individuals, private organizations and other governments. The funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Private-Purpose Trust Funds - Private-Purpose Trust Funds are used to report all other trust arrangements under which principal and income benefit individuals, private organizations, or other governments.

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

General Fund - The General fund is the primary operating fund of the City. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the City, the General fund includes such activities as public safety, culture and recreation services, public works and facilities, education, and economic development services.

Public Facility Element - The Public Facility Element (PFE) Fee fund is a special revenue fund used to account for the fees collected from developers and community services fees for public facilities improvements including, but not limited to, police, fire, and City administration facilities. Funding comes primarily from developer fees and facility fees.

Water Connection - The Water Connections fund is a special revenue fund used to account for water connection fees collected from developers and property owners that are required by the California Government Code to be expended

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

for capacity expansion. Funding comes primarily from connection fees and investment earnings.

Special Assessment District - The Special Assessment Districts fund is a special revenue fund used to account for resources received to provide improvements and maintenance to public property within a district. Funding comes primarily from special assessments.

LPFA Series 2006-1 - The LPFA Series 2006-1 fund is a debt service fund used to account for debt service payments for the 2006 Lease Revenue Series 2004A bonds which were used to construct the City administration facilities.

The City reports the following major proprietary funds in the accompanying financial statements:

Water Fund - The Water fund is an enterprise fund used to account for the activities of the water operating and non-operating funds of the City of Lincoln's public services department. Activities include accounting for the Lincoln residents water use, water pipeline installation and repairs, and water meter installation and repairs.

Wastewater Operations Fund - The Wastewater Operations fund is an enterprise fund used to account for the activities of the wastewater operating and non-operating funds of the City of Lincoln's public services department. Activities include wastewater services and repair.

Sold Waste Fund - The Solid Waste fund is an enterprise fund used to account for the activities of the solid waste operating and non-operating funds of the City of Lincoln's public services department. Activities include accounting for the City of Lincoln's residents' solid waste (garbage) services.

Airport Fund - The Airport fund is an enterprise fund used to account for the activities of the publicly owned Lincoln Regional Airport. The airport was established in 1947 as a regional center for general and corporate aviation.

The City also reports the following additional fund types:

Permanent Funds - Permanent funds are used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the City's programs.

Internal Service Funds - Internal Service funds account for the City's fleet maintenance and insurance programs and for the City's vehicle and equipment replacement program. These funds provide services to other departments on a cost reimbursement basis.

Private Purpose Trust Fund - The Private Purpose Trust fund was created as a result of the State order to dissolve California Redevelopment Agencies. As the Successor Agency, this fund is used to track the activity by the Oversight Board and the Department of Finance to dissolve the Agency.

Agency Funds - The Agency funds account for resources held by the City as a trustee or an agent for individuals, private organizations, and other governmental entities. These resources include fees collected on behalf of bonded assessment districts, the Little League organization, and the preservation of the library.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, both governmental and proprietary activities are presented using the economic resources measurement focus as defined in item "b" below.

In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate:

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- a. All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.
- b. All proprietary funds utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.
- c. As agency funds report only assets and liabilities, they do not have a measurement focus. However, they use the accrual basis of accounting to recognize receivables and payables. The "economic resources" measurement focus and the accrual basis of accounting is used for trust funds.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, both governmental and proprietary activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The City defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term liabilities and acquisitions under capital leases are reported as other financing sources.

Those revenues susceptible to accrual include taxes, intergovernmental revenues, interest and charges for services. Certain indirect costs are included in program expenses reported for individual functions and activities.

Grant revenues are recognized in the fiscal year in which all eligibility requirements are met. Under the terms of grant agreements, the City may fund certain programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position are available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

All proprietary funds utilize the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. 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 operations. The principal operating revenues of the enterprise and internal service funds are charges for services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

D. Cash and Cash Equivalents

For purposes of the statement of cash flows, the City considers all highly liquid investments with a maturity of three months or less when purchased including amounts held in the City's investment pool, to be cash and cash equivalents.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Investments

The City pools cash and investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as cash and investments.

Investment transactions are recorded on the trade date. The fair value of investments is determined annually. Investments in nonparticipating interest-earning investment contracts are reported at cost; short term investments are reported at amortized cost, investments in Local Agency Investment Fund, an external pool, are reported at amortized cost which approximates fair value, and the fair value of all other investments are obtained by using quotations obtained from independent published sources or by the safekeeping institution. The fair value represents the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller.

Income from pooled investments is allocated to the individual funds based on the fund or participant's average daily cash balance at quarter end in relation to the total pool investments. Income from non-pooled investments is recorded based on the specific investments held by the fund.

F. Accounts and Interest Receivables

In the government-wide statements, receivables consisted of all revenues earned at year-end and not yet received. Receivables are recorded in the financial statements net of any allowance for doubtful accounts if applicable, and estimated refunds due. Management records an allowance for doubtful accounts based on historical trends and the periodic aging of receivables. The allowance for doubtful accounts as of June 30, 2017 totaled \$187,380 and \$273,759, for governmental activities and business-type activities, respectively. Major receivable balances for the governmental activities include sales and use taxes, franchise taxes, grants, fines, interest, and other fees. Federal and state grants are considered receivable and accrue as revenue when reimbursable costs are incurred.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as sales tax, franchise tax, and grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as inflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. Long-term loans in governmental funds are treated as expenditures in the year advanced and as revenues in the year repayment is measurable and available. Loans receivable are recorded in the fund statements, but are recorded as deferred inflows of resources to indicate they do not represent current financial resources. Proprietary fund material receivables consist of all revenues earned at year-end and not yet received. Utility accounts receivable and interest earnings compose the majority of proprietary fund receivables.

G. Inventory

Governmental fund inventories are recorded as expenditures at the time the inventory is purchased rather than when consumed. Records are not maintained of inventory and supplies on hand, although these amounts are not considered material.

Inventories of proprietary funds are stated at average cost. Inventory recorded by proprietary funds includes supplies for the airport. Proprietary fund inventories are recorded as expenses when consumed.

H. Prepaid Expenses

Payments made for services that will benefit periods beyond June 30, 2017 are recorded as prepaid costs in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

I. Capital Assets

The accounting treatment over property, plant and equipment depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

Government-wide Statements

In the government-wide financial statements, capital outlay with a cost of \$5,000 or more and a useful life of one year or longer are capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Building and improvements	20 - 50 years
Machinery and equipment	5 - 15 years
Land improvements	20 years
Infrastructure	15 -75 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same as in the government-wide statements.

J. Property Taxes

Placer County assesses properties, bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

The City recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Interfund Transactions

Interfund transactions are reflected as either loans, services provided or used, reimbursements or transfers.

Loans reported as receivables and payables are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans) as appropriate and are subject to elimination upon consolidation. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance account in applicable governmental funds to indicate that they are not in spendable form.

Services provided or used, deemed to be at market or near market rates, are treated as revenues and expenditures or expenses. These services provide information on the net cost of each government function and therefore are not eliminated in the process of preparing the government-wide statement of activities.

Reimbursements occur when the funds responsible for particular expenditures or expenses repay the funds that initially paid for them. Such reimbursements are reflected as expenditures or expenses in the reimbursing fund and reductions to expenditures or expenses in the reimbursed fund.

All other interfund transactions are treated as transfers. Transfers between funds are netted as part of the reconciliation to the government-wide presentation.

L. Unearned Revenue

Under the accrual and modified accrual basis of accounting, revenue may be recognized only when it is earned. When assets are recognized in connection with a transaction before the earnings process is complete, those assets are offset by a corresponding liability for unearned revenue.

M. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave. Unused vacation and compensatory time off benefits are paid to employees upon termination. For employees with over five years continuous employment, unused sick leave benefits are paid ratably in accordance with the length of service upon termination. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature. In the proprietary funds the accrued compensated absences are recorded as an expense and related liability in the year earned. The City includes its share of social security and medicare taxes payable on behalf of the employees in the accrual for compensated absences.

N. Pensions

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term liabilities, and other long term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Initial issue bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method. The difference between the reacquisition price of refunding bonds and the net carrying amount of refunded debt (deferred amount on refunding) is amortized over the shorter of the lives of the refunding debt or remaining life of the refunded debt. Bond issuance costs, except for insurance, are expensed in the period incurred. Amortization of bond premiums or discounts, insurance costs, and deferred amounts on refunding is included in interest expense.

In the fund financial statements, governmental fund types recognize bond premiums, discounts, and issuance costs during the period issued. The face amount of debt issued is reported as other financing sources. Premiums received are reported as other financing sources, while discounts are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

P. Deferred Outflows/Inflow of Resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Q. Equity Classifications

Government-wide Statements

Net position is the excess of all the City's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints place on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nonspendable - Amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted or committed. The City Council assigns fund balances for specific purposes by resolution adopting the annual budget for the upcoming fiscal year, or by an amending budget resolution during the fiscal year.
- e. Unassigned - Amounts representing the residual classification for the general fund or any other fund with a negative fund balance.

Further detail about the City's fund balance classification is described in Note 10.

R. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

S. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

T. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2016, the City implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 77

In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires disclosure of tax abatement information about (1) a reporting government's own tax abatement agreements and (2) those that are entered into by other governments and that reduce the reporting government's tax revenues. The City did not have any such agreements as of June 30, 2017.

Government Accounting Standards Board Statement No. 80

In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The City does not have such a component unit; therefore is not affected by the implementation of this standard.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

U. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2017 or later. The City has not determined the effects on the financial statements.

Government Accounting Standards Board Statement No. 75

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB, and replaces Statements No. 45 and 57. This Statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2018.

Government Accounting Standards Board Statement No. 83

In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2019.

Government Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2020.

Government Accounting Standards Board Statement No. 85

In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this statement is to address practice issues that have been identified during implementation and application of certain GASB statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2018.

Government Accounting Standards Board Statement No. 86

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishments Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2019.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Government Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the City's fiscal year ending June 30, 2021.

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2017 were classified in the accompanying financial statements as follows:

	Cash and Investments	Restricted Cash and Investments	Total
Governmental activities	\$ 83,477,036	\$ 19,013,999	\$ 102,491,035
Business-type activities	50,485,417	7,878	50,493,295
Total government-wide cash and investments	133,962,453	19,021,877	152,984,330
Fiduciary activities	24,507,607	15,952,792	40,460,399
Total cash and investments	\$ 158,470,060	\$ 34,974,669	\$ 193,444,729

Cash and investments were carried at fair value as of June 30, 2017 and consisted of the following:

Cash on hand	\$ 2,085
Cash in banks	27,480,275
Deposits with fiscal agent	34,748,516
Total cash	62,230,876
Money market funds	982,168
U.S. treasury obligations	33,945,357
Government agency securities	34,313,513
Corporate bonds	41,979,035
Certificates of deposit	4,389,767
Local Agency Investment Fund (LAIF)	15,604,013
Total investments	131,213,853
Total cash and investments	\$ 193,444,729

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Authorized Investments of the City

Pursuant to Section 53646 of the Government Code, the City prepares an investment policy annually and presents it to the City Council for review and approval. The investment policy provides the basis for the management of a prudent, conservative investment program. Funds are invested to provide the maximum security of principal with secondary emphasis on achieving the highest return, while meeting daily cash flow needs. All investments are made in accordance with the Government Code and, in general, the investment policy is more restrictive than state law.

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the City's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in one Issuer</u>
United States Treasury bills, bonds and notes	5 years	100%	None
Federal Agency or U.S Government-sponsored obligations	5 years	100%	None
Local Agency Investment Fund (LAIF)	As permitted by law	As permitted by law	None
Banker's acceptances	180 days	40%	15%
Commercial paper	270 days	15%	15%
Negotiable certificates of deposits	5 years	30%	15%
Repurchase agreements	90 days	100%	15%
Reverse purchase agreements	90 days	20%	15%
Time certificates of deposit	1 year	25%	15%
Medium term corporate notes	5 years	30%	15%
California local agency obligations	5 years	15%	15%

Investment Valuation

The City measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs

Investments are measured at fair value on a recurring basis. Recurring fair value measurements are those that Governmental Accounting Standards Board (GASB) Statements require or permit in the statement of net position at the end of each reporting period.

The City's position in external investment pools is in its self regarded as a type of investment and looking through to the underlying investments of the pool is not appropriate. Therefore, the City's investments in external investment pools are not recognized in the three-tiered fair value hierarchy described above.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

At June 30, 2017, the City had the following recurring fair value measurements:

Investments	Fair Value Measurements Using			Fair Value
	Level 1 Inputs	Level 2 inputs	Level 3 inputs	
Money market funds	\$ -	\$ 982,168	\$ -	\$ 982,168
U.S. treasury obligations	-	33,945,357	-	33,945,357
Government agency securities	-	34,313,513	-	34,313,513
Corporate bonds	-	41,979,035	-	41,979,035
Certificates of deposit	-	4,389,767	-	4,389,767
Total Investments	\$ -	\$ 115,609,840	\$ -	\$ 115,609,840

Investment in State Investment Pool

The City is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California State Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized cost basis.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the City's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the City to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the City Council.

Information about the sensitivity of the fair values of the City's investments (excluding investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity as of June 30, 2017:

	Interest Rates	Remaining Maturity		Fair Value
		< 12 months	1-5 years	
Money market funds	0.875%	\$ 982,168	\$ -	\$ 982,168
U.S. treasury obligations	1.00% - 3.625%	1,001,074	32,944,463	33,945,537
Government agency securities	0.75% - 5.05%	7,507,998	26,805,515	34,313,513
Corporate bonds	1.65% - 6.95%	8,646,300	33,332,555	41,978,855
Certificates of deposit	1.40% - 2.40%	-	4,389,767	4,389,767
Local Agency Investment Fund	Variable	15,604,013	-	15,604,013
		\$ 33,741,553	\$ 97,472,300	\$ 131,213,853

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The City had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2017.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the City's investment policy, and the actual rating as of year end for each investment type.

	Total	Rating as of Fiscal Year End		
		Minimum Legal Rating	S&P	Moodys
Money market funds	\$ 982,168	N/A	Not rated	Not rated
U.S. Treasury obligations	1,537,075	N/A	AA+	AAA
U.S. Treasury obligations	28,383,790	N/A	AAA	AAA
U.S. Treasury obligations	4,024,672	N/A	Not rated	AAA
Government agency securities	31,470,753	N/A	AA+	AAA
Government agency securities	2,247,970	N/A	AAA	AAA
Government agency securities	594,790	N/A	Not rated	AAA
Corporate bonds	453,295	A	A	A1
Corporate bonds	8,079,998	A	A	A2
Corporate bonds	1,009,488	A	A	A2e
Corporate bonds	919,877	A	A	A3
Corporate bonds	202,837	A	A	AA3
Corporate bonds	1,104,256	A	A	BAA1
Corporate bonds	1,719,906	A	A-	A2
Corporate bonds	4,863,717	A	A-	A3
Corporate bonds	3,019,678	A	A-	BAA1
Corporate bonds	3,458,507	A	A-	BAA2
Corporate bonds	1,758,880	A	A+	A1
Corporate bonds	4,327,680	A	A+	A2
Corporate bonds	893,914	A	A+	A3
Corporate bonds	247,593	A	A+	AA2
Corporate bonds	302,794	A	AA	A2E
Corporate bonds	253,322	A	AA	AA1
Corporate bonds	106,858	A	AA	AA2
Corporate bonds	972,534	A	AA-	A1
Corporate bonds	254,290	A	AA-	A1E
Corporate bonds	1,009,067	A	AA-	A2
Corporate bonds	228,468	A	AA-	AA1
Corporate bonds	257,242	A	AA-	AA2
Corporate bonds	763,771	A	AA-	AA3
Corporate bonds	255,246	A	AA-	BAA1
Corporate bonds	203,995	A	AA+	A1
Corporate bonds	1,261,792	A	AA+	AA1
Corporate bonds	252,359	A	AA+	AA3
Corporate bonds	503,472	A	AAA	AAA
Corporate bonds	270,425	A	BBB	A3
Corporate bonds	414,017	A	BBB+	A2
Corporate bonds	2,358,755	A	BBB+	A3
Corporate bonds	250,822	A	BBB+	A3E
Certificates of deposits	4,389,767	A	Not rated	AAA
Local Agency Investment Fund	<u>15,604,013</u>	N/A	Not rated	Not rated
	<u>\$ 131,213,853</u>			

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the City's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The City's investment policy contains limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) at June 30, 2017, that represent 5 percent or more of total City investments are as follows:

<u>Issuers</u>	<u>Investment Type</u>	<u>Amount</u>
Federal National Mortgage Association	Government agency securities	\$ 7,135,379

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the City will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the City's investment policy requires that all of its managed investments shall be held in the name of the City in safekeeping by a third party bank trust department.

The City's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the City's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

As of June 30, 2017, the carrying amount of the City's deposits was \$27,480,275 and bank balances were \$28,969,947. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

Allocation of Interest Income Among Funds

Interest income from pooled investments is allocated to those funds which are required by law or administrative action to receive interest. Interest is allocated monthly based on the ending cash balances of the previous month in each fund receiving interest.

NOTE 3: LOANS RECEIVABLE

The City has made various business loans to qualifying businesses through programs designed to encourage construction or improvement in low-to-moderate income housing or other projects. In addition, the City has made various loans under the Community Development Block Grant (CDBG) revolving loan program, the Home Investment Partnership (HOME) program, and CalHome. Under these programs, grants or loans are provided under favorable terms to homeowners or developers who agree to spend these funds in accordance with the City's terms.

The balance of the loans receivable, net of allowance, has been offset in the fund financial statements by deferred inflows of resources as they are not deemed measurable and available (within 60 days). In the government-wide Statement of Net Position, the City has provided a 100% allowance for all loans receivable subject to long-term deferral and/or payment from future refinancing except those accounts that have current payment and activity and are not delinquent. Individual loans range from \$2,500 to \$2,000,000. Total loans receivable, including accrued interest, net of allowance as of June 30, 2017 was as follows:

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 3: LOANS RECEIVABLE (CONTINUED)

	<u>Loans Receivable</u>	<u>Accrued Interest</u>	<u>Allowance</u>	<u>Total Loans Receivable, net</u>
Revitalization and rehab loans	\$ 7,828	\$ -	\$ -	\$ 7,828
Community development block grants	394,807	112,549	(32,360)	474,996
Home investment partnership	1,673,742	470,901	(245,546)	1,899,097
CalHOME	747,820	17,536	(33,950)	731,406
Housing Successor Agency	<u>2,358,000</u>	<u>899,409</u>	<u>-</u>	<u>3,257,409</u>
Totals	<u>\$ 5,182,197</u>	<u>\$ 1,500,395</u>	<u>\$ (311,856)</u>	<u>\$ 6,370,736</u>

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS

Due to/from Other Funds

During the course of operations, transactions occur between funds to account for goods received or services rendered. These receivables and payables are classified as due from or due to other funds. In addition, when funds overdraw their share of pooled cash, the receivables and payables are also classified as due from or due to other funds. The composition of due to/from other funds as of June 30, 2017 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Amount</u>
<u>Governmental Funds</u>			
Water Connections	Public Facility Element	Overdrawn cash	\$ 1,189,581
	Federal Grants	Overdrawn cash	282,736
	LPFA City Hall Series 2006	Overdrawn cash	846
	LPFA Series 2016	Overdrawn cash	231,867
	Wastewater Operations	Overdrawn cash	476,590
	Airport	Overdrawn cash	<u>5,043,171</u>
		Total Governmental Funds	<u>\$ 7,224,791</u>

Advances to/from Other Funds

Advances to/from other funds are non-current interfund loans and are offset by a nonspendable fund balance in applicable governmental funds to indicate they are not in spendable form. The composition of advances to/from other funds as of June 30, 2017 was as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Description</u>	<u>Maturity</u>	<u>Amount</u>
<u>Governmental Funds</u>				
Water Connections	Public Facility Element	Capital project funding	June 2026	\$ 5,318,020
Oak Tree Mitigation	Public Facility Element	Capital project funding	June 2026	2,307,820
LPFA Series 2016	Airport	Capital lease refinance	October 2028	<u>1,562,665</u>
		Total Governmental Funds		<u>\$ 9,188,505</u>
<u>Proprietary Funds</u>				
Solid Waste	Public Facility Element	Capital project funding	Various	<u>\$ 3,892,285</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 4: INTERFUND AND INTRA-FUND TRANSACTIONS (CONTINUED)

Interfund Transfers to/from Other Funds

Transfers between funds during the fiscal year ended June 30, 2017 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description of Transfer</u>	<u>Amount</u>
<u>Governmental Funds</u>			
General Fund	LPFA Series 2006-1	Debt service	\$ 345,229
	LPFA Series 2003	Debt service	1,794
Public Facility Element	LPFA Series 2003	Debt service	316,278
Special Assessment Districts	LPFA Series 2006-1	Debt service	24,390
Special Assessment Districts	LPFA Series 2003	Debt service	18,670
Street Fund	LPFA Series 2003	Debt service	27,774
Supplemental Fees	General Fund	Annual budget transfer	358,861
Development Services	LPFA Series 2006-1	Debt service	108,131
Capital Projects	Water	Capital projects	744,000
LPFA City Hall Series 2006	Public Facility Element	Close out fund	154,891
Twelve Bridges Capital Project	Water	Capital projects	16,476
LPFA Series 2016	LPFA Series 2006-1	Bond refinance	11,321,610
LPFA Series 2016	LPFA Series 2003	Bond refinance	<u>5,803,186</u>
		Total Governmental Interfund Transfers	\$ <u>19,241,290</u>
<u>Proprietary Funds</u>			
Water	Capital Projects	Capacity charges	\$ 1,611,010
	LPFA Series 2006-1	Debt service	71,282
	LPFA Series 2003	Debt service	47,362
	Water Connections	Capacity charges	64,586
	Public Facility Element	Capacity charges	72,427
	Wastewater Operations	Capacity charges	59,610
Wastewater Operations	LPFA Series 2006-1	Debt service	47,145
	LPFA Series 2003	Debt service	20,465
Solid Waste	LPFA Series 2006-1	Debt service	45,384
	LPFA Series 2003	Debt service	73,967
Airport	LPFA Series 2006-1	Debt service	12,545
	LPFA Series 2003	Debt service	11,694
Transit	LPFA Series 2006-1	Debt service	11,315
	LPFA Series 2003	Debt service	<u>46,778</u>
		Total Proprietary Interfund Transfers	\$ <u>38,733,023</u>

Intra-fund Transfers between Funds

The following table represents intra-fund transfers made during the year ended June 30, 2017:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Description</u>	<u>Amount</u>
Internal Service	Vehicle/Equipment Replacement	Funding requirements	\$ 35,000
	Facility Maintenance	Funding requirements	148,619
	Technology Fund	Funding requirements	<u>540,000</u>
		Total Internal Service Funds Intra-fund Transfers	\$ <u>723,619</u>

Intra-fund transfers are not presented on the Statement of Revenues, Expenses, and Changes in Net Position for the internal service funds as they are presented on a net basis. However, the Schedule of Revenues, Expenditures, and Changes in Net Position for the internal service funds on page 112 presents both intra-fund and interfund transfers.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017, was as follows:

Governmental Activities:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated					
Land	\$ 12,562,713	\$ -	\$ -	\$ -	\$ 12,562,713
Easements	242,604	-	-	-	242,604
Construction-in-progress	<u>20,671,682</u>	<u>8,284,035</u>	<u>-</u>	<u>(6,393,692)</u>	<u>22,562,025</u>
Total capital assets not being depreciated	<u>33,476,999</u>	<u>8,284,035</u>	<u>-</u>	<u>(6,393,692)</u>	<u>35,367,342</u>
Capital assets being depreciated					
Buildings and improvements	73,607,586	-	-	-	73,607,586
Machinery and equipment	8,607,945	232,258	(38,898)	-	8,801,305
Infrastructure	423,764,442	-	-	1,224,402	424,988,844
Land improvements	<u>22,351,662</u>	<u>-</u>	<u>-</u>	<u>5,169,290</u>	<u>27,520,952</u>
Total capital assets being depreciated	<u>528,331,635</u>	<u>232,258</u>	<u>(38,898)</u>	<u>6,393,692</u>	<u>534,918,687</u>
Less accumulated depreciation					
Buildings and improvements	(14,244,816)	(1,831,443)	-	-	(16,076,259)
Machinery and equipment	(6,501,195)	(419,922)	38,898	-	(6,882,219)
Infrastructure	(156,483,119)	(10,801,219)	-	-	(167,284,338)
Land improvements	<u>(5,384,676)</u>	<u>(916,143)</u>	<u>-</u>	<u>-</u>	<u>(6,300,819)</u>
Total accumulated depreciation	<u>(182,613,806)</u>	<u>(13,968,727)</u>	<u>38,898</u>	<u>-</u>	<u>(196,543,635)</u>
Total Capital Assets, net	<u>\$ 379,194,828</u>	<u>\$ (5,452,434)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 373,742,394</u>

Depreciation expense was charged to governmental functions as follows:

Governmental Activities:

General government	\$ 31,945
Public safety	385,518
Public works and facilities	13,546,362
Culture and recreation	4,302
Education	<u>600</u>

Total governmental activities depreciation expense \$ 13,968,727

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 5: CAPITAL ASSETS (CONTINUED)

Business-type Activities:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>Balance at June 30, 2017</u>
Capital assets not being depreciated					
Land	\$ 1,549,390	\$ -	\$ -	\$ -	\$ 1,549,390
Easements	42,250	-	-	-	42,250
Construction-in-progress	<u>6,496,883</u>	<u>1,812,366</u>	<u>-</u>	<u>(4,904,913)</u>	<u>3,404,336</u>
Total capital assets not being depreciated	<u>8,088,523</u>	<u>1,812,366</u>	<u>-</u>	<u>(4,904,913)</u>	<u>4,995,976</u>
Capital assets being depreciated					
Buildings and improvements	24,685,500	-	-	-	24,685,500
Machinery and equipment	8,903,103	1,160,226	(317,532)	117,541	9,863,338
Infrastructure	421,730,556	-	-	4,787,372	426,517,928
Land improvements	<u>1,118,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,118,139</u>
Total capital assets being depreciated	<u>456,437,298</u>	<u>1,160,226</u>	<u>(317,532)</u>	<u>4,904,913</u>	<u>462,184,905</u>
Less accumulated depreciation					
Buildings and improvements	(11,775,307)	(565,118)	-	-	(12,340,425)
Machinery and equipment	(5,619,975)	(443,173)	240,132	-	(5,823,016)
Infrastructure	(96,125,770)	(7,409,252)	-	-	(103,535,022)
Land improvements	<u>(276,371)</u>	<u>(55,908)</u>	<u>-</u>	<u>-</u>	<u>(332,279)</u>
Total accumulated depreciation	<u>(113,797,423)</u>	<u>(8,473,451)</u>	<u>240,132</u>	<u>-</u>	<u>(122,030,742)</u>
Total Capital Assets, net	<u>\$ 350,728,398</u>	<u>\$ (5,500,859)</u>	<u>\$ (77,400)</u>	<u>\$ -</u>	<u>\$ 345,150,139</u>

Depreciation expense was charged to the business-type functions as follows:

Business-type Activities:

Water	\$ 3,047,527
Wastewater Operations	4,815,354
Solid Waste	348,274
Airport	227,107
Transit	<u>35,189</u>
Total business-type activities depreciation expense	<u>\$ 8,473,451</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 6: UNEARNED REVENUE

At June 30, 2017, components of unearned revenue were as follows:

	Amount
<u>Governmental Funds</u>	
General Fund	
Friends of the Lincoln Library advance	\$ 7,055
Crisis intervention training grant advance	39,930
Public Facility Element	
Statewide Community Infrastructure Program (SCIP 04) advance	169,830
Non Major Governmental Funds	
Owner advance funding for development	3,646
Highway 193 improvement advance	115,000
Developer fees	69,472
State grant advances	857,899
Statewide Community Infrastructure Program (SCIP 04) advance	1,308
Capital projects advance	67,103
Total Governmental Funds	\$ 1,331,243
<u>Proprietary Funds</u>	
Water	
Statewide Community Infrastructure Program (SCIP 04) advance	\$ 53,670
Wastewater Operations	
Statewide Community Infrastructure Program (SCIP 04) advance	46,758
Transit	
State grant advances	342,922
Total Proprietary Funds	\$ 443,350

NOTE 7: LONG-TERM LIABILITIES

A. Governmental Activities

Governmental activities long-term debt issued and outstanding at June 30, 2017 was comprised of the following:

Type of Indebtedness	Maturity	Interest Rates	Authorized and Issued	Outstanding June 30, 2017
LPFA Refunding Series 2000	2018	4.25% - 5.90%	\$ 12,275,000	\$ 20,000
LPFA Refunding Series 2016A	2037	5.69-6.12%	18,296,066	13,555,000
LPFA Refunding Series 2016B	2022	2.44%	10,710,450	4,205,000
Bond issuance premiums (discounts)				
Series 2016A net premium				1,168,823
Series 2016B discount				(13,250)
Capital leases	2018	4%	568,872	88,510
Compensated absences				2,344,831
Total Governmental Activities				\$ 21,368,914

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7: LONG-TERM LIABILITES (CONTINUED)

The following is a summary of changes in the City's governmental long-term liabilities for the fiscal year ended June 30, 2017:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
Governmental Activities:					
LPFA Refunding Series 2000	\$ 65,000	\$ -	\$ (45,000)	\$ 20,000	\$ 20,000
LPFA Refunding Series 2003	6,770,000	-	(6,770,000)	-	-
LPFA Refunding Series 2006	12,425,000	-	(12,425,000)	-	-
LPFA Refunding Series 2016A	-	13,555,000	-	13,555,000	-
LPFA Refunding Series 2016B	-	4,205,000	-	4,205,000	900,000
Premium (discount) on bonds, net	(58,881)	1,188,315	26,139	1,155,573	56,128
Capital leases	<u>235,449</u>	<u>-</u>	<u>(146,939)</u>	<u>88,510</u>	<u>88,510</u>
Total bonds and leases payable	<u>19,436,568</u>	<u>18,948,315</u>	<u>(19,360,800)</u>	<u>19,024,083</u>	<u>1,064,638</u>
Other liabilities:					
Compensated absences	<u>2,074,735</u>	<u>1,477,231</u>	<u>(1,207,135)</u>	<u>2,344,831</u>	<u>1,906,101</u>
Total Governmental Activities	<u>\$ 21,511,303</u>	<u>\$ 20,425,546</u>	<u>\$ (20,567,935)</u>	<u>\$ 21,368,914</u>	<u>\$ 2,970,739</u>

A description of the long-term liabilities related to governmental activities at June 30, 2017 follows:

LPFA Refunding Bonds Series 2000

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000, in the total amount of \$12,275,000 of which \$2,300,000 is considered a liability of the governmental activities and is payable in annual installments of \$20,000 to \$130,000 with interest rates ranging from 4.25% to 5.90% and maturity on September 15, 2017. The bonds were used to finance certain public capital improvements. Future debt service payments on the bonds are as follows:

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ <u>20,000</u>	\$ <u>1,623</u>

LPFA Refunding Bonds Series 2003

Lincoln Public Financing Authority Lease Revenue Refunding Bonds (City Facilities Project) Series 2003 issued July 2003, in the amount of \$10,560,000 and payable in annual installments of \$295,000 to \$685,000 with interest rates ranging from 2.50% to 5.00% and maturity on August 1, 2028. The bonds were used to fund the acquisition and construction of a new public safety facility. The bonds were refinanced in the current year. See LPFA Refunding Bonds Series 2016 A&B.

LPFA Refunding Bonds Series 2006

Lincoln Public Financing Authority Lease Revenue Bonds (City Hall Project) Series 2006 issued July 2006 in the amount of \$14,550,000 and payable in annual installments of \$265,000 to \$910,000, with interest rates ranging from 3.75% to 5.125% and maturity of August 1, 2036. The bonds were used to finance the acquisition, construction, and improvement of new city administration facilities. The bonds were refinanced in the current year. See LPFA Refunding Bonds Series 2016 A&B.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7: LONG-TERM LIABILITIES (CONTINUED)

LPFA Refunding Bonds Series 2016 A&B

In October 2016, the City approved the issuance of the Lincoln Public Financing Authority Revenue Refunding Bonds, Series 2016A in the aggregate principal amount of \$13,355,000, and Series 2016B in the aggregate principal amount of \$4,205,000 to provide funds to refinance (i) the Authority's Lease Revenue Refunding Bonds, Series 2003; (ii) the Authority's Lease Revenue Refunding Bonds, Series 2006; (iii) Airport capital improvements financed through a lease dated July 8, 2008 between CaLease Public Funding Corporation and the City, and to pay costs of issuance incurred in connection with the issuance, sale and delivery of the bonds. The net proceeds of the bonds were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liabilities for the bonds have been removed from the City's liabilities. The advance refunding was done in order to reduce debt payments in the short-term. The net present savings on the debt payments was approximately \$3,147,000.

Interest on the bonds is payable on April 1 and October 1 of each year, commencing on April 1, 2017 with interest rates ranging from 1.35% - 4.00%. The bonds are payable solely from and secured by a pledge of revenues and certain other monies pledged as listed in the trust agreement. The Series 2016 A bonds mature in October 2036 while the Series 2016B bonds mature in October 2021. Future debt service payments on the bonds are as follows:

For the Year Ending June 30,	2016A		2016B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ -	\$ 510,838	\$ 900,000	\$ 66,807	\$ 900,000	\$ 577,645
2019	-	510,838	910,000	53,907	910,000	564,745
2020	-	510,838	925,000	39,081	925,000	549,919
2021	-	510,838	945,000	21,394	945,000	532,232
2022	445,000	501,938	525,000	5,854	970,000	507,792
2023 - 2027	5,430,000	1,939,390	-	-	5,430,000	1,939,390
2028 - 2032	4,180,000	893,990	-	-	4,180,000	893,990
2033 - 2037	<u>3,500,000</u>	<u>282,669</u>	-	-	<u>3,500,000</u>	<u>282,669</u>
Total	<u>\$ 13,555,000</u>	<u>\$ 5,661,339</u>	<u>\$ 4,205,000</u>	<u>\$ 187,043</u>	<u>\$ 17,760,000</u>	<u>\$ 5,848,382</u>

Premium/Discount on Bonds

Net capitalized premiums (discount) on bonds related to the above issuances have been recorded in the amount of \$1,155,573 and netted with the balance of the bonds as presented on the government-wide financial statements. The balance is amortized using the straight line method over the bond term. Net accretion for the year ended June 30, 2017 totaled \$26,139.

Capital Lease

In February 2014, the City entered into a capital lease with Ford Motor Company in the initial amount of \$568,448 for the purchase of replacement police vehicles. Principal and interest payments of \$12,814 are due monthly until January 2018. Interest on the lease is 4.05%. At June 30, 2017, equipment, net of accumulated depreciation under the capital lease totaled \$227,062. Future debt service payments on the lease is as follows:

For the Year Ending June 30,	Principal	Interest
2018	\$ <u>88,510</u>	\$ <u>1,187</u>

Compensated Absences

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred. The net other postemployment benefit obligation and net pension liability for the governmental activities is generally liquidated by the fund where the accrued liability occurred.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 7: LONG-TERM LIABILITES (CONTINUED)

Total Governmental Activities Long-Term Liabilities Future Debt Service

<u>For the Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 1,008,510	\$ 580,455
2019	910,000	564,745
2020	925,000	549,919
2021	945,000	532,232
2022	970,000	507,792
2023 - 2027	5,430,000	1,939,390
2028 - 2032	4,180,000	893,990
2033 - 2037	<u>3,500,000</u>	<u>282,669</u>
Total	<u>\$ 17,868,510</u>	<u>\$ 5,851,192</u>

B. Business-type Activities

Business-type activities long-term debt issued and outstanding at June 30, 2017 was comprised of the following:

<u>Type of Indebtedness</u>	<u>Outstanding June 30, 2017</u>
Compensated absences	<u>\$ 353,257</u>

The following is a summary of changes in the City's business-type long-term liabilities for the fiscal year ended June 30, 2017:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
Business-Type Activities:					
Safe Water Bond Act Loan	\$ 13,410	\$ -	\$ (13,410)	\$ -	\$ -
Capital lease	<u>1,534,122</u>	<u>-</u>	<u>(1,534,122)</u>	<u>-</u>	<u>-</u>
Total loans and leases payable	<u>1,547,532</u>	<u>-</u>	<u>(1,547,532)</u>	<u>-</u>	<u>-</u>
Other liabilities:					
Compensated absences	<u>340,722</u>	<u>226,276</u>	<u>(213,741)</u>	<u>353,257</u>	<u>287,687</u>
Total Business-Type Activities	<u>\$ 1,888,254</u>	<u>\$ 226,276</u>	<u>\$ (1,761,273)</u>	<u>\$ 353,257</u>	<u>\$ 287,687</u>

A description of the long-term liabilities related to business-type activities at June 30, 2017 follows:

Safe Water Bond Act Loan

Safe Water Bond Act Loan issued June 1, 1993, in the amount of \$314,594 and payable in semi-annual installments of \$13,887, with an interest rate of 7.125% and maturity on January 1, 2017. Loan proceeds were used to refinance the prior loan.

Capital Lease

In July 2008, the City entered into a lease agreement with CaLease Public Funding Corporation in order to construct 16 hangers at the Lincoln Regional Airport. Principal and interest payments of \$42,081 were due monthly until April 2028. Interest on the lease was at 4.735%. In October 2016, the City fully paid off the lease with proceeds coming from the Lincoln Public Financing Authority Revenue Refunding Bonds, Series 2016A and Series 2016B. See description of the refunding bonds in note 7A.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 8: SPECIAL ASSESSMENT DEBT WITH NO CITY COMMITMENT

The City reports the debt service transactions of various special assessment issues for which the City is not obligated in any manner, in Agency funds. The debt will be paid from and secured solely by the revenues of these special assessment districts and does not constitute an indebtedness of the City. At June 30, 2017, the principal amount of special assessment debt outstanding for which the City is not obligated was as follows:

Assessment Debt	Project Description	Original Amount	Outstanding June 30, 2017
Special Tax Bonds, Series 1998 Lincoln Airpark 98-1	Lincoln Airpark	\$ 3,380,000	\$ 1,455,000
Refunding Bond, Series 2011A Twelve Bridges Series 2004	Twelve Bridges	28,305,000	19,890,000
Refunding Bond, Series 2011B Twelve Bridges Series 2004	Twelve Bridges	13,495,000	9,723,000
Limited Obligation Improvement Bond Foskett Ranch Series 2004-3	Foskett Ranch	6,000,000	3,425,000
Special Tax Revenue Bonds 2007 Special Tax Revenue Bond 2007 A&B	Lincoln Crossing	102,870,000	89,344,400
Special Tax Revenue Bonds, Series 2009 CFD Sorrento Series 2009	Sorrento Project	2,190,000	1,970,000
Special Tax Revenue Bonds, Series 2013 Lakeside Series 2013	Lakeside	4,830,000	4,760,000
Special Tax Revenue Bonds, Series 2013 CFD Sorrento Series 2013	Sorrento Project	5,165,000	1,395,000
Special Tax Revenue Bonds, Series 2014 CFD Sorrento Series 2014	Sorrento Project	5,680,000	5,680,000
Special Tax Revenue Bonds, Series 2017 CFD Lakeside Series 2006-1	Lakeside	6,235,000	6,235,000
Special Tax Revenue Bonds, Series 2016 CFD Sorrento Series 2005-1	Sorrento Project	8,860,000	8,860,000
Special Tax Revenue Bonds, Series 2017 CFD Foskett Ranch 2017-1	Foskett Ranch	2,975,000	<u>2,975,000</u>
			<u>\$ 155,712,400</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 9: POSTCLOSURE

The City of Lincoln has postclosure responsibility for one landfill site. State and federal laws and regulations require the City to place a final cover over its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years following its closure. Closure procedures have been performed and postclosure activity is recorded in the Solid Waste enterprise fund. The estimated liability for postclosure care costs is estimated to be \$866,377 as of June 30, 2017. The estimate of post-closure care costs is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2017. However, the actual costs may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

The City is required by state and federal laws and regulations to make annual contributions to finance postclosure care costs. The costs of these procedures is funded on a pay as you go basis. The City has not adopted a pledge of revenue to fund these costs. The estimated postclosure maintenance costs and any additional costs that might arise from changes in postclosure requirements (due to changes in technology or more rigorous environmental regulations) may need to be covered by an increase in the rate of the franchise surcharge assessed against refuse collection fees.

NOTE 10: FUND BALANCE

As prescribed by GASB Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*" governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The City established the following fund balance policies:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The City has classified prepaids and long-term advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with consent of resource providers.

Committed: Amounts that can only be used for the specific purposes determined by formal action of the City's highest level of decision-making authority. The City Council is the City's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the City Council. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned: This classification includes amounts that are constrained by the City's intent to be used for a specific purpose but are neither restricted or committed. The City Council has authorized the City Manager and Finance Manager as officials authorized to assign fund balance to a specific purpose.

Unassigned: This classification includes the residual balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

It is the goal of the City to achieve and maintain an unassigned fund balance in the general fund at fiscal year end of not less than \$500,000 revenues. If the unassigned fund balance at fiscal year end falls below the goal, the City shall develop a restoration plan to achieve and maintain the minimum fund balance. In the event that at the end of the prior fiscal year there is an increase in the General Fund Unassigned Fund Balance, based on the annual audited financial statements, 50% of the increase will be used as identified in the General Fund Reserve Policy. The transfer of funds will occur during the budget process following each year in which an increase occurs.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 10: FUND BALANCE (CONTINUED)

The accounting policies of the City consider restricted fund balance to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the City considers committed amounts to be reduced first, followed by assigned amounts, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The fund balances for all major and nonmajor governmental funds as of June 30, 2017, were distributed as follows:

	<u>General Fund</u>	<u>Other Major Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Nonspendable				
Prepaid items	\$ 492,748	\$ 10,430	\$ 92,826	\$ 596,004
Advances to other funds	-	5,318,020	2,307,820	7,625,840
Advances to Successor Agency	-	4,105,679	476,470	4,582,149
Endowments - principal	-	-	356,659	356,659
Total Nonspendable	<u>492,748</u>	<u>9,434,129</u>	<u>3,233,775</u>	<u>13,160,652</u>
Restricted				
Water capacity expansion	-	31,296,067	-	31,296,067
Public improvements and maintenance	-	7,327,729	-	7,327,729
Parks and recreation	-	-	1,936,128	1,936,128
Streets and roads	-	-	5,398,671	5,398,671
Grants	-	-	203,194	203,194
Debt service	-	308	3,192,817	3,193,125
Loan programs	-	-	1,890,214	1,890,214
Capital projects	-	-	22,115,429	22,115,429
Housing	-	-	1,094,329	1,094,329
Oak tree replacement	-	-	1,341,211	1,341,211
Mandated training fee	-	-	90,270	90,270
Endowments - open space preservation	-	-	155,538	155,538
Total Restricted	<u>-</u>	<u>38,624,104</u>	<u>37,417,801</u>	<u>76,041,905</u>
Committed				
Catastrophic reserve	2,000,000	-	-	2,000,000
Economic reserve	2,000,000	-	-	2,000,000
Youth programs	63,745	-	-	63,745
Total Committed	<u>4,063,745</u>	<u>-</u>	<u>-</u>	<u>4,063,745</u>
Assigned				
Fees for future improvements	-	-	5,878,548	5,878,548
Total Assigned	<u>-</u>	<u>-</u>	<u>5,878,548</u>	<u>5,878,548</u>
Unassigned	<u>8,685,506</u>	<u>(3,961,610)</u>	<u>(289,705)</u>	<u>4,434,191</u>
Total Fund Balance	<u>\$ 13,241,999</u>	<u>\$ 44,096,623</u>	<u>\$ 46,240,419</u>	<u>\$ 103,579,041</u>

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 11: DEFICIT FUND BALANCE / UNRESTRICTED NET POSITION

Governmental Funds

As of June 30, 2017, the following governmental funds had a fund deficit:

<u>Governmental Fund</u>	<u>Amount</u>
Public Facility Element	\$ 3,961,610
Police Grants	\$ (13,147)
Federal Grants	\$ 302,006
LPFA City Hall Series 2006	\$ 846

The deficit in the Public Facility Element fund of \$3,961,610, whose primary revenue source is developer impact fees, incurred a deficit due to funding infrastructure projects, public facilities, and parks. These facilities were constructed during a significant growth period in the City, and as the economy slowed down and development stopped, revenue into these funds was not sufficient to repay the cost of the projects that had been constructed. As the economy recovers over time and new development increases, it is anticipated that fees collected will be utilized to eliminate the negative balance in this fund.

The deficits in the Police Grants fund of \$(13,147), Federal Grants fund of \$302,006, and the LPFA City Hall Series 2006 fund of \$846 were a result of expenditures incurred in advance of receipt of revenue and will be eliminated through future revenues.

Proprietary Funds

As of June 30, 2017, the following proprietary funds had a negative unrestricted net position:

<u>Proprietary Fund</u>	<u>Amount</u>
Airport	\$ 6,934,110
Transit	\$ 316,642

The Airport fund had a negative unrestricted net position of \$6,934,110. This fund does not have an immediate revenue source to cover this negative amount. The unrestricted net position deficit is due to airport revenue generating activities such as fuel sales, tie downs, and hanger rentals which have not kept up with operating expenses and capital improvement costs.

The Transit fund's negative unrestricted net position of \$316,642 is expected to be eliminated in future years through grant revenues and charges for services.

NOTE 12: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pensions Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other.) Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors five plans (three miscellaneous and two safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (age 62 for Miscellaneous Plan members if membership date is on or after January 1, 2013) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The rate plan' provisions and benefits in effect at June 30, 2017, are summarized as follows:

Hire Date	Miscellaneous		
	Between		
	Prior to February 13, 2011	February 13, 2011 and January 1, 2013	On or After January 1, 2013
	Tier I	Tier II	PEPRA
Benefit Formula	2.7% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50 - 55	50 - 60	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000 - 2.700%	1.092 - 2.418%	1.000 - 2.500%
Required Employee Contribution Rates	7.00%	6.250%	6.250%
Required Employer Contribution Rates*	26.509%	7.203%	6.569%

Hire Date	Safety	
	Prior to January 1, 2013	On or After January 1, 2013
	Tier I	PEPRA
Benefit Formula	3.0% @ 50	2.7% @ 57
Final compensation	Three-year average	Three-year average
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of Eligible Compensation	3.0%	2.0% - 2.7%
Required Employee Contribution Rates	9.0%	11.50%
Required Employer Contribution Rates*	27.254%	12.082%

* The employer contribution rate is the sum of the plan' employer normal cost plus the employer unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ending June 30, 2017 were \$2,413,504.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$18,748,220. \$13,958,597 of the liability is reported in governmental activities and \$4,789,623 of the liability is reported in business-type activities.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2015 and 2016 was as follows:

Proportion - June 30, 2015	0.22580%
Proportion - June 30, 2016	0.21666%
Change - Increase (Decrease)	(0.00914)%

For the year ended June 30, 2017, the City recognized a pension credit of \$245,190. At June 30, 2017, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to the measurement date	\$ 2,413,504	\$ -
Difference between actual contributions made by employer and the employer's proportionate share of the risk pool's total contribution	846,870	-
Differences between actual and expected experience	-	43,984
Changes in assumptions	-	789,631
Adjustment due to differences in proportions	-	1,794,409
Net differences between projected and actual earnings on plan investments	<u>4,008,104</u>	<u>-</u>
Total	<u>\$ 7,268,478</u>	<u>\$ 2,628,024</u>

\$2,413,504 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Measurement Period Ended June 30,</u>	
2017	\$ (398,482)
2018	(250,961)
2019	1,835,991
2020	1,040,402

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.65% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 201 Experience Study Report.

All other actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the fiscal years 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Changes in Assumptions

There were no changes of assumptions during the measurement period ended June 30, 2016. Deferred inflows of resources for changes in assumptions presented in the deferred outflows/inflows table above represents the portion of the changes of assumptions related to prior measurement periods.

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 12: DEFINED BENEFIT PENSION PLAN (CONTINUED)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2015.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Discount Rate -1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate +1%</u>
	<u>(6.65%)</u>	<u>(7.65%)</u>	<u>(8.65%)</u>
Net Pension Liability (Asset)	\$ 27,780,773	\$ 18,748,220	\$ 11,303,107

Pension Plan Fiduciary Net Position

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

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13: OTHER POST EMPLOYMENT BENEFITS

Description of the Plan

The City administers a single employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The City maintains the same medical plans for its retirees as for its active employees. All regular City employees hired prior to January 1, 1998 are entitled to 100 percent medical coverage, paid by the City, upon retirement from the City and from CalPERS. Employees hired after January 1, 1998 are eligible for retiree medical health benefits as defined in the California Public Employees Retirement Law, tiered system. The tiered system requires that an employee be vested (5 years at the City of Lincoln) and have a minimum total of 10 years of service in a CalPERS agency, be 50 years of age and retire out of CalPERS within 120 days of retiring from the City. The amount the City pays for their medical health benefit is dependent upon their years of credited service at retirement. On July 10, 2012, the Council adopted a resolution authorizing the City Manager to establish a Futuris Public Entity Investment Trust and a Retirement Board of Authority (BOA). The BOA is made up of the City Manager, the Assistant City Manager/Chief Financial Officer and the members of the City of Lincoln Finance Committee. The BOA has delegated authority of the newly created OPEB trust to Benefit Trust Company (BTC) per the Futuris Trust Administrative Services Agreement.

Upon signing the agreement, BTC has been deemed to have accepted the Trust and during the term of this agreement, BTC further agreed to serve as a discretionary trustee, with fiduciary oversight and authority over the operations and management of the Trust.

Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. The required contribution is based on projected pay-as-you-go financing requirements. For retirees hired before January 1, 1998 (and for retired City Council members and retired City Managers hired prior to June 1, 2008) the City pays the full premium of the retiree, spouse, and eligible dependents. Supplemental contributions are paid from a City-funded Retirement Medical Account to the extent necessary to achieve compliance with PEMHCA's equal contribution method with respect to these retirees. For all others, the City pays 50% of the applicable "State Formula" dollar amount for retirees with 10 years of service, plus an additional 5% per year of service, to a maximum of 100% after 20 years. Benefits are paid for the lifetime of the retiree, spouse or surviving spouse, and dependents up to the age of 26. The 2015 State Formula monthly dollar amounts are \$655 single, \$1,246 two-party, and \$1,605 family, and for 2016 the corresponding amounts are \$705, \$1,343, and \$1,727. In addition, the City pays a 0.32%- of-premium administrative fee to PEMHCA for each retiree.

Annual OPEB Cost and Net OPEB Obligation

For the year ended June 30, 2017, the City contributed \$552,991 to the plan, which represents 37.18% percent of the cost of current year premiums for eligible retired plan members and their spouses. The City's annual other postemployment benefits (OPEB) cost is calculated based on the annual required contribution (ARC) an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual required contribution		
Service cost at year-end	\$	569,630
30-year amortization of funded liability		<u>968,442</u>
Total annual required contribution		<u>1,538,072</u>
Interest on net OPEB obligation		334,641
Adjustment to net OPEB obligation		<u>(385,249)</u>
Total annual OPEB cost		<u>1,487,464</u>
Employer contributions		<u>(552,991)</u>
Net increase in net OPEB obligation		934,473
Net OPEB obligation, July 1, 2016		<u>4,780,576</u>
Net OPEB obligation, June 30, 2017	\$	<u><u>5,715,049</u></u>

Year Ended	Annual OPEB cost	Actual Employer Contribution	Percentage Contributed	Net Ending OPEB
June 30, 2015	\$ 1,089,491	\$ 1,346,611	123.60 %	\$ 783,296
June 30, 2016	\$ 1,497,723	\$ 528,613	35.29 %	\$ 4,780,576
June 30, 2017	\$ 1,487,464	\$ 552,991	37.18 %	\$ 5,715,049

Funded Status and Funding Progress

The funded status of the plan based on an actuarial study using age-adjusted premiums as of July 1, 2015, the most recent actuary report, was as follows:

Actuarial accrued liability (AAL)		
Active employees	\$	6,125,448
Retired employees		<u>8,500,179</u>
		<u>14,625,627</u>
Actuarial value of plan assets		<u>2,852,120</u>
Unfunded actuarial accrued liability (UAAL)	\$	<u><u>11,773,507</u></u>
Funded Ratio (actuarial value of plan assets / AAL)		20 %
Covered payroll (active plan members)	\$	11,856,063
UAAL as a percentage of covered payroll		99 %

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 13: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Actuarial valuations for an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continuous revision as actual results are compared to past expectations and new estimates about the future are formulated. Although the valuation results are based on the values which the City's actuarial consultant believes are reasonable assumptions, the valuation results reflect a long-term perspective and, as such, are merely an estimate of what future costs may actually be. Deviations in any of several factors, such as future interest rates, medical cost inflation, Medicare coverage, and changes in marital status, could result in actual costs being less or greater than estimated.

The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information that shows whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan as understood by the employer and plan members, and include the types of plan benefits provided at the time of the valuation and the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial assets, consistent with the long-term perspective of the calculations.

In the July 1, 2015 actuarial valuation, the projected unit credit actuarial method was used. The actuarial assumptions include a 7% investment rate of return (net of administrative expenses). The annual healthcare-cost trend rates range from 8% in 2015 to 5 percent in 2018 and future years. The assumptions also include a 7% discount rate. The UAAL is being amortized as a level dollar basis over a 30-year period.

NOTE 14: ENDOWMENTS

The City's permanent funds account for the financial activities and balances of donor-restricted endowments for open space and wetland preservation and maintenance. Interest earned on the funds may be used pursuant to California Government Code for purposes that meet the criteria of the endowments. It is the City's policy for the City Council to authorize all approved expenditures according to the trust. At June 30, 2017, the nonspendable amount was \$356,659 and the spendable amount was \$155,538.

NOTE 15: 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 disaster.

There is no claims liability to be reported based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount for the loss can be reasonably estimated.

There were no significant reductions in insurance coverage from prior years and there have been no settlements exceeding the insurance coverage for each of the past three fiscal years.

The City is a member of Northern California Cities Self-Insurance Fund (NCCSIF), a joint powers agency which provides the City with a shared risk layer of coverage above the self-insured retention amount for liability and workers' compensation. The City pays an annual premium to NCCSIF for its insurance coverage.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 15: RISK MANAGEMENT (CONTINUED)

General Liability Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. Each member city, including Lincoln, self-insures for the first \$50,000 of each loss. Participating cities share in loss occurrences in excess of \$50,000 up to a maximum of \$500,000. Premiums accrue based on the ultimate cost of the experience of the group of Cities. Coverage in excess of \$500,000 is provided through the California Joint Powers Insurance Risk Management Authority, a joint powers authority organized to provide excess coverage for its members.

Workers' Compensation Coverage: Annual deposits are paid by member cities and are adjusted retrospectively to cover costs. The City self-insured for the first \$100,000 of each loss and has purchased excess coverage with limits of \$5,000,000 per occurrence.

NCCSIF is a joint powers agency organized in accordance with Article 1, Chapter 5, Division 7, Title 1 of the California Government Fund Programs. The purpose is to create a common pool of funds to be used to meet obligations of the parties to provide workers' compensation benefits for their employees and to provide excess liability insurance. The Authority provides claims processing administrative services, risk management services, and actuarial studies. It is governed by a member from each city. The City of Lincoln council members do not have significant oversight responsibility, since they evenly share all factors of responsibility with the other cities. However, ultimate liability for payment of claims and insurance premiums resides with member cities. The Authority is empowered to make supplemental assessments as needed to eliminate deficit positions of member cities. If the JPA becomes insolvent, the City is responsible only to the extent of any deficiency in its equity balance.

Upon termination of the JPA agreement, all property of the Authority will vest in the respective parties which theretofore transferred, conveyed or leased said property to the Authority. Any surplus of funds will be returned to the parties in proportion to actual balances of each equity.

The Authority establishes claims liabilities based on estimates of the ultimate cost of claims (including future claims settlement expenses) that have been reported but not settled, plus estimates of claims that have been incurred but not reported. Because actual claims costs depend on various factors, the claims liabilities are recomputed periodically using a variety of actuarial and statistical techniques to produce current estimates that reflect recent settlements, claim frequency, and other economic and social factors. A provision of inflation is implicit in the calculation of estimated future claims costs. Adjustments to claims liabilities are charged or credited to expense in the periods in which they are made.

The City's investment in the NCCSIF of \$932,172 is recorded in the funds as Prepaid Insurance. The net change is shown as an income or expenditure/expense item in the funds.

NOTE 16: EXCESS EXPENDITURES AND TRANSFERS OVER APPROPRIATIONS

The following funds incurred expenditures and transfers in excess of appropriations in the following amounts for the year ended June 30, 2017:

Fund	Excess Expenditures
Police Grants	\$ 16,078
HOME Investment Partnership Program	4,180
Low/Moderate Income Housing	20,573

The excess expenditures were covered by available fund balance in the funds.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 17: CONTINGENCIES AND COMMITMENTS

Grant Awards

The City participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any disallowed claims, including amounts already collected, may constitute a liability of the appreciable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

Litigation

With the exception of the litigation described below, the City is involved in several pending lawsuits of a nature common to many similar jurisdictions. City management estimates that potential claims against the City for such lawsuits, not covered by insurance, will not have a material adverse effect on the financial statements of the City.

On April 25, 2017, the City was sued over the residential water rate structure. The City and the proponents of the lawsuit reached settlement in October 2017. On March 13, 2018, City Council directed staff to Issue additional refunds to any customer who paid greater than the cost to provide service (set by the settlement agreement at \$2.76 per thousand gallons) throughout the entire rate period (January 1, 2014 until such time the new rates are adopted and implemented). The total amount of refunds accrued in the City's water fund totaled \$1,402,332.

Contracts

At June 30, 2017, the City had construction contracts outstanding of approximately \$8,629,182 related to various capital projects.

Joint Powers Agreement

On October 16, 2013, the City of Lincoln entered into a Construction, Operations and Joint Exercise of Powers Agreement (Agreement) with the County of Placer (County). The Agreement governs the relationship between the City and the County during the construction and operation of the Mid-Western Placer Regional Sewer Project (Regional Project). The Regional Project included a transmission pipeline and expansion of the City's Wastewater Treatment and Reclamation Facility (WWTRF).

Upon completion of the Regional Project, Section 5.3.13 of the Agreement estimated unused treatment capacity at the WWTRF and the reservation of .4 mgd of the unused capacity for the County. The reservation period was one year from the substantial completion of the WWTRF expansion. Placer County provided payment of \$6,917,917 to the City on June 22, 2017 for the reserved capacity of .4 mgd.

The City and County are together evaluating the actual unused capacity at the WWTRF based on actual flows since the completion of the project. Tentative discussions have indicated that the unused capacity could be less than the .4 mgd reservation. Upon completion of the analysis of the WWTRF capacity, the City and County agree that a portion of the \$6,917,917 payment may be refunded from the City to the County.

NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY

In accordance with Assembly Bill 1X26 and Assembly Bill 1434, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012. The activity of the Successor Agency Trust for assets of the Former Redevelopment Agency (Successor Agency) is recorded in a private purpose trust fund.

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve this issue unfavorably to the City. Amounts owed to the City are included in Advances to Successor Agency and consisted of \$4,105,679 due to the Water Connections fund, \$476,470 to the Low/Moderate Income Housing Fund, and \$307,992 due to the Wastewater Operations fund.

Capital assets activity for the year ended June 30, 2017, was as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2017</u>
Capital assets, not being depreciated				
Land	\$ 2,837,713	\$ -	\$ -	\$ 2,837,713
Total capital assets, not being depreciated	<u>2,837,713</u>	<u>-</u>	<u>-</u>	<u>2,837,713</u>
Capital assets being depreciated				
Buildings	179,708	-	-	179,708
Land improvements	<u>1,554,048</u>	<u>-</u>	<u>-</u>	<u>1,554,048</u>
Total capital assets, being depreciated	<u>1,733,756</u>	<u>-</u>	<u>-</u>	<u>1,733,756</u>
Less accumulated depreciation				
Buildings	(37,062)	(4,493)	-	(41,555)
Land improvements	<u>(588,643)</u>	<u>(77,705)</u>	<u>-</u>	<u>(666,348)</u>
Total accumulated depreciation	<u>(625,705)</u>	<u>(82,198)</u>	<u>-</u>	<u>(707,903)</u>
Total capital assets, being depreciated, net	<u>1,108,051</u>	<u>(82,198)</u>	<u>-</u>	<u>1,025,853</u>
Capital assets, net	<u>\$ 3,945,764</u>	<u>\$ (82,198)</u>	<u>\$ -</u>	<u>\$ 3,863,566</u>

The following is a summary of changes in long-term liabilities for the year ended June 30, 2017:

	<u>Balance at July 1, 2016</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2017</u>	<u>Current Portion</u>
LPFA Refunding Series 2000	\$ 570,000	\$ -	\$ (275,000)	\$ 295,000	\$ 295,000
LPFA Tax Revenue Series 2004A	7,775,000	-	(7,775,000)	-	-
LPFA Tax Revenue Series 2004B	1,845,000	-	(1,845,000)	-	-
Tax Allocation Refunding Series 2016A	-	6,100,000	-	6,100,000	-
Tax Allocation Refunding Series 2016B	-	2,150,000	-	2,150,000	510,000
Premium (discount) on bonds, net	<u>(22,915)</u>	<u>370,777</u>	<u>14,272</u>	<u>362,134</u>	<u>-</u>
Total Long-Term Liabilities	<u>\$ 10,167,085</u>	<u>\$ 8,620,777</u>	<u>\$ (9,880,728)</u>	<u>\$ 8,907,134</u>	<u>\$ 805,000</u>

CITY OF LINCOLN
 NOTES TO BASIC FINANCIAL STATEMENTS
 JUNE 30, 2017

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
 (CONTINUED)**

A description of the long-term liabilities related to the Successor Agency at June 30, 2017 follows:

LPFA Revenue Refunding Bonds Series 2000

Lincoln Public Financing Authority Revenue Refunding Bonds Series 2000 issued December 2000 in the total amount of \$12,275,000, of which \$5,625,000 is considered a liability of the former Redevelopment Agency and is payable in annual installment of \$235,000 to \$580,000, with interest rates ranging from 4.25% to 5.90% and maturing on September 15, 2017. The bonds were used to refund the 1989 Refunding Revenue Bonds and the Lincoln Public Financing Authority Revenue Bonds Series 1994. Future debt service payments on the bonds are as follows:

For the Year Ending June 30,	Principal	Interest
2018	\$ <u>295,000</u>	\$ <u>10,915</u>

LPFA Revenue Refunding Bonds Series 2004A

Lincoln Public Financing Authority Tax Allocation Revenue Bonds Series 2004A, issued October 20, 2004 in the amount of \$8,720,000 and payable in annual installments of \$305,000 to \$925,000, with interest rates ranging from 3.50% to 4.80%, and originally maturing on September 15, 2026. The bonds were used to finance redevelopment activities. During the current fiscal year, these bonds were refunded by the Tax Allocation Refunding Bonds Series 2016 A & B.

LPFA Revenue Refunding Bonds Series 2004B

Lincoln Public Financing Authority Tax Allocation Revenue Bonds Series 2004B, issued October 20, 2004 in the amount of \$2,370,000 and payable in annual installments of \$35,000 to \$160,000, with interest rates ranging from 5.00% to 5.70%, and originally maturing on September 15, 2033. The bonds were used to finance redevelopment activities. During the current fiscal year, these bonds were refunded by the Tax Allocation Refunding Bonds Series 2016 A & B.

Tax Allocation Refunding Bonds Series 2016 A&B

In September 2016, the Oversight Board of the Successor Agency approved the issuance of the Tax Allocation Refunding Bonds, Series 2016A in the aggregate principal amount of \$6,100,000, and Series 2016B in the aggregate principal amount of \$2,105,000 to provide funds to (i) refund certain obligations of the dissolved redevelopment agency of the City that were incurred in connection with certain redevelopment activities of the dissolved redevelopment agency ; (ii) to pay the premiums for a policy of bond issuance and a municipal bond debt service insurance policy; and (iii) to pay the cost of issuing the Series 2016 bonds.

The net proceeds of the bonds were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded bonds. As a result, the refundable bonds are considered to be defeased, and the related liabilities for the bonds have been removed from the Successor Agency's liabilities. The refunding was done in order to reduce debt payments in the short-term. The net present savings on the debt payments was approximately \$589,000.

Interest on the bonds is payable on March 15 and September 15 of each year, commencing on March 15, 2017 with interest rates ranging from 1.60% - 5.00%. The Series 2016 bonds are payable from and secured by the tax revenues deposited in the redevelopment property tax trust fund. The Series 2016 A bonds mature in September 2033 while the Series 2016B bonds mature in September 2020. Future debt service payments on the bonds are as follows:

CITY OF LINCOLN
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2017

**NOTE 18: SUCCESSOR AGENCY TRUST FOR ASSETS OF FORMER REDEVELOPMENT AGENCY
(CONTINUED)**

For the Year Ending June 30,	2016A		2016B		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2018	\$ -	\$ 258,606	\$ 510,000	\$ 37,661	\$ 510,000	\$ 296,267
2019	-	258,606	690,000	26,751	690,000	285,357
2020	-	258,606	705,000	12,870	705,000	271,476
2021	475,000	249,106	245,000	2,910	720,000	252,016
2022	745,000	224,706	-	-	745,000	224,706
2023 - 2027	4,025,000	585,930	-	-	4,025,000	585,930
2028 - 2032	590,000	104,810	-	-	590,000	104,810
2033 - 2037	<u>265,000</u>	<u>10,285</u>	<u>-</u>	<u>-</u>	<u>265,000</u>	<u>10,285</u>
Total	<u>\$ 6,100,000</u>	<u>\$ 1,950,655</u>	<u>\$ 2,150,000</u>	<u>\$ 80,192</u>	<u>\$ 8,250,000</u>	<u>\$ 2,030,847</u>

NOTE 19: PRIOR PERIOD ADJUSTMENTS

Governmental Funds

The following governmental fund prior period adjustments were recorded by the City, effectively decreasing fund balance as of July 1, 2016 by \$6,544,385. The net decrease resulted from the following:

Recording of deferred inflows of resources - loans	\$ (6,437,385)
Write-off of covenant receivable	<u>(107,000)</u>
Total government funds prior period restatement	<u>\$ (6,544,385)</u>

In addition, based on Council resolution 2016-103, approved on May 24, 2016, the City formally accepted the responsibility to perform the housing functions previously performed by the former Redevelopment Agency of the City of Lincoln. In prior years, this activity was recorded as part of the Successor Agency upon dissolution of the Redevelopment Agency. Therefore, the City elected to transfer over the Low/Moderate Income Housing fund back to the City, resulting in the change of the Successor Agency beginning net position and the beginning fund balance of the governmental funds in the amount of \$4,857,211.

Government-Wide Activities

As a result of the Low/Moderate Income Housing fund now being part of the City, the government-wide beginning net position was adjusted by \$4,750,211. The deferral of long-term loans did not effect the government-wide statements.

NOTE 20: SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 23, 2018 the date on which the financial statements were available for issuance. Management has determined no subsequent events requiring disclosure have occurred.

REQUIRED SUPPLEMENTARY INFORMATION

**CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2017
Last 10 Years ***

	Measurement Period		
	2016	2015	2014
Proportion of the net pension liability	0.21666 %	0.22580 %	0.22100 %
Proportionate share of the net pension liability	\$ 18,748,220	\$ 15,498,852	\$ 13,410,759
Covered - employee payroll	\$ 11,091,872	\$ 9,853,264	\$ 9,416,587
Proportionate share of the net pension liability as a percentage of covered - employee payroll	169.03 %	157.30 %	142.42 %
Plan fiduciary net position as a percentage of the total pension liability	74.06 %	78.40 %	79.82 %

Notes to Schedule:

Changes in assumptions. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF PENSION CONTRIBUTIONS
Prepared for the City's Miscellaneous and Safety Plan, a Cost Sharing Defined Benefit Pension Plan
As of June 30, 2017
Last 10 Years ***

	Fiscal Year-End		
	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 2,413,504	\$ 2,325,521	\$ 2,175,731
Contributions in relation to the actuarially determined contributions	<u>2,413,504</u>	<u>2,325,521</u>	<u>2,175,731</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 11,448,542	\$ 11,091,872	\$ 9,853,264
Contributions as a percentage of covered - employee payroll	21.08 %	20.97 %	22.08 %

* Fiscal year 2015 was the 1st year of implementation, therefore only three years are shown.

**CITY OF LINCOLN
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
As of June 30, 2017**

<u>Actuarial Valuation Date</u>	<u>Normal Accrued Liability</u>	<u>Actuarial Value of Assets</u>	<u>Liability (Excess Assets)</u>	<u>Funded Status</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
July 1, 2011	\$ 12,518,361	\$ -	\$ 12,518,361	0%	\$ 10,673,967	117 %
July 1, 2013	\$ 10,094,244	\$ 1,557,827	\$ 8,536,417	15%	\$ 9,801,620	87 %
July 1, 2015	\$ 14,625,627	\$ 2,852,120	\$ 11,773,507	20%	\$ 11,856,063	99 %

CITY OF LINCOLN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
REVENUES				
Taxes and assessments	\$ 13,211,521	\$ 13,211,521	\$ 14,482,889	\$ 1,271,368
Licenses and permits	847,203	847,203	641,538	(205,665)
Intergovernmental	207,500	235,658	271,780	36,122
Fines and forfeitures	49,000	49,000	68,350	19,350
Use of money and property	110,417	110,417	71,752	(38,665)
Charges for services	1,633,944	1,740,944	1,998,009	257,065
Other revenues	<u>282,700</u>	<u>282,700</u>	<u>313,130</u>	<u>30,430</u>
Total Revenues	<u>16,342,285</u>	<u>16,477,443</u>	<u>17,847,448</u>	<u>1,370,005</u>
EXPENDITURES				
Current:				
General Government				
Administration allocation	2,389,768	2,389,768	2,012,965	376,803
City council	250,858	250,858	242,531	8,327
City treasurer	649	649	676	(27)
City attorney	150,000	150,000	332,738	(182,738)
City manager administration	25,000	25,000	18,564	6,436
Human resources	-	35,833	20,833	15,000
Economic development	265,712	265,712	240,395	25,317
Administrative services	25,000	71,589	15,360	56,229
IT	-	-	924	(924)
Finance	<u>297,878</u>	<u>297,878</u>	<u>360,121</u>	<u>(62,243)</u>
Total General Government	<u>3,404,865</u>	<u>3,487,287</u>	<u>3,245,107</u>	<u>242,180</u>
Public Safety				
Fire administration	64,094	64,094	62,799	1,295
Fire operations	4,269,083	4,320,786	4,456,128	(135,342)
Police operations	<u>5,325,534</u>	<u>5,478,909</u>	<u>5,103,668</u>	<u>375,241</u>
Total Public Safety	<u>9,658,711</u>	<u>9,863,789</u>	<u>9,622,595</u>	<u>241,194</u>
Public Works and Facilities				
Parks	238,168	238,168	216,467	21,701
Facilities Maintenance	<u>161,200</u>	<u>181,899</u>	<u>182,830</u>	<u>(931)</u>
Total Public Works	<u>399,368</u>	<u>420,067</u>	<u>399,297</u>	<u>20,770</u>
Culture and Recreation				
Recreation and administration	259,964	278,464	232,248	46,216
Adult sports	90,566	87,066	58,321	28,745
Youth sports	162,342	162,342	137,162	25,180
Community classes/facility rental	211,995	240,045	235,032	5,013
Aquatic programs	<u>95,964</u>	<u>95,964</u>	<u>99,263</u>	<u>(3,299)</u>
Total Culture and Recreation	<u>820,831</u>	<u>863,881</u>	<u>762,026</u>	<u>101,855</u>

CITY OF LINCOLN
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (CONTINUED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Budget
				Positive
				(Negative)
Urban Development and Housing				
Development services administration	222,014	222,014	211,330	10,684
Planning	185,630	183,905	242,510	(58,605)
Engineering	63,242	63,242	40,040	23,202
Building	<u>357,060</u>	<u>358,785</u>	<u>309,163</u>	<u>49,622</u>
Total Urban Development and Housing	<u>827,946</u>	<u>827,946</u>	<u>803,043</u>	<u>24,903</u>
Education				
Twelve Bridges library	<u>519,419</u>	<u>547,577</u>	<u>479,453</u>	<u>68,124</u>
Total Education	<u>519,419</u>	<u>547,577</u>	<u>479,453</u>	<u>68,124</u>
Capital Outlay				
Debt Service				
Principal	151,116	151,116	146,939	4,177
Interest	<u>12,650</u>	<u>12,650</u>	<u>6,829</u>	<u>5,821</u>
Total Debt Service	<u>163,766</u>	<u>163,766</u>	<u>153,768</u>	<u>9,998</u>
Total Expenditures	<u>15,794,906</u>	<u>16,174,313</u>	<u>15,465,289</u>	<u>709,024</u>
Excess (deficiency) of revenues over expenditures	<u>547,379</u>	<u>303,130</u>	<u>2,382,159</u>	<u>2,079,029</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	358,861	358,861	358,861	-
Transfers out	<u>(492,100)</u>	<u>(492,100)</u>	<u>(347,023)</u>	<u>145,077</u>
Total Other Financing Sources (Uses)	<u>(133,239)</u>	<u>(133,239)</u>	<u>11,838</u>	<u>145,077</u>
Net change in fund balance	<u>\$ 414,140</u>	<u>\$ 169,891</u>	2,393,997	<u>\$ 2,224,106</u>
Fund balance - July 1, 2016			<u>10,848,002</u>	
Fund balance - June 30, 2017			<u>\$ 13,241,999</u>	

CITY OF LINCOLN
PUBLIC FACILITY ELEMENT (PFE) - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 71,588	\$ 71,588	\$ 20,463	\$ (51,125)
Charges for services	<u>2,787,964</u>	<u>1,664,264</u>	<u>1,844,464</u>	<u>180,200</u>
Total Revenues	<u>2,859,552</u>	<u>1,735,852</u>	<u>1,864,927</u>	<u>129,075</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	9,416	(9,416)
Public works and facilities	1,925	1,925	196,867	(194,942)
Education	80,000	80,000	63,365	16,635
Capital outlay	225,000	330,763	33,294	297,469
Debt service:				
Interest and fiscal charges	<u>20,248</u>	<u>20,248</u>	<u>59,634</u>	<u>(39,386)</u>
Total Expenditures	<u>327,173</u>	<u>432,936</u>	<u>362,576</u>	<u>70,360</u>
Excess (deficiency) of revenues over expenditures	<u>2,532,379</u>	<u>1,302,916</u>	<u>1,502,351</u>	<u>199,435</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	227,318	227,318
Transfers out	<u>(397,295)</u>	<u>(397,295)</u>	<u>(316,278)</u>	<u>81,017</u>
Total Other Financing Sources (Uses)	<u>(397,295)</u>	<u>(397,295)</u>	<u>(88,960)</u>	<u>308,335</u>
Net change in fund balance	<u>\$ 2,135,084</u>	<u>\$ 905,621</u>	1,413,391	<u>\$ 507,770</u>
Fund balance (deficit) - July 1, 2016			<u>(5,375,001)</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (3,961,610)</u>	

CITY OF LINCOLN
WATER CONNECTIONS - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 206,242	\$ 206,242	\$ 98,681	\$ (107,561)
Charges for services	<u>4,958,368</u>	<u>3,458,368</u>	<u>3,930,735</u>	<u>472,367</u>
Total Revenues	<u>5,164,610</u>	<u>3,664,610</u>	<u>4,029,416</u>	<u>364,806</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>3,560,000</u>	<u>4,143,862</u>	<u>228,603</u>	<u>3,915,259</u>
Total Expenditures	<u>3,560,000</u>	<u>4,143,862</u>	<u>228,603</u>	<u>3,915,259</u>
Excess (deficiency) of revenues over expenditures	<u>1,604,610</u>	<u>(479,252)</u>	<u>3,800,813</u>	<u>4,280,065</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	-	-	64,586	64,586
Total Other Financing Sources (Uses)	-	-	64,586	64,586
Net change in fund balance	<u>\$ 1,604,610</u>	<u>\$ (479,252)</u>	3,865,399	<u>\$ 4,344,651</u>
Fund balance - July 1, 2016			<u>36,854,367</u>	
Fund balance - June 30, 2017			<u>\$ 40,719,766</u>	

CITY OF LINCOLN
SPECIAL ASSESSMENT DISTRICTS - MAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Taxes and assessments	\$ 3,708,858	\$ 3,708,858	\$ 3,602,974	\$ (105,884)
Use of money and property	86,789	86,789	(5,810)	(92,599)
Other revenues	<u>-</u>	<u>-</u>	<u>1,056</u>	<u>1,056</u>
Total Revenues	<u>3,795,647</u>	<u>3,795,647</u>	<u>3,598,220</u>	<u>(197,427)</u>
<u>EXPENDITURES</u>				
Current:				
General government	34,730	34,730	39,239	(4,509)
Public safety	350	1,668	1,427	241
Public works and facilities	2,992,683	3,050,643	2,661,879	388,764
Capital outlay	<u>4,177,536</u>	<u>4,937,272</u>	<u>4,535,983</u>	<u>401,289</u>
Total Expenditures	<u>7,205,299</u>	<u>8,024,313</u>	<u>7,238,528</u>	<u>785,785</u>
Excess (deficiency) of revenues over expenditures	<u>(3,409,652)</u>	<u>(4,228,666)</u>	<u>(3,640,308)</u>	<u>588,358</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(58,106)</u>	<u>(58,106)</u>	<u>(43,060)</u>	<u>15,046</u>
Total Other Financing Sources (Uses)	<u>(58,106)</u>	<u>(58,106)</u>	<u>(43,060)</u>	<u>15,046</u>
Net change in fund balance	<u>\$ (3,467,758)</u>	<u>\$ (4,286,772)</u>	(3,683,368)	<u>\$ 603,404</u>
Fund balance - July 1, 2016			<u>11,021,527</u>	
Fund balance - June 30, 2017			<u>\$ 7,338,159</u>	

**CITY OF LINCOLN
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY ACCOUNTING AND CONTROL
 FOR THE YEAR ENDED JUNE 30, 2017**

NOTE 1: BUDGETARY BASIS OF ACCOUNTING

Formal budgetary integration is employed as a management control device during the year for the general fund and special revenue funds, and is controlled at the department level for the City. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). The City has not formally adopted a budget for revenues and expenditures in the debt service and capital project funds. The following procedures are performed by the City in establishing the budgetary data reflected in the financial statements:

- (1) In May of each year the Finance Department is to submit to the City Council a recommended operating budget for the fiscal year commencing the following July 1. The operating budget includes recommended expenditures and the means of financing them.

Public hearings are to be conducted at City Hall to obtain taxpayer comments. Generally by the first of July, after adjustment as appropriate by the City Council, the budget is to be legally enacted through council motion.

- (2) Council approval is required for transfers between funds, or for an increase in total appropriations. Therefore, the level of budgetary responsibility is by total appropriations; however, for report purposes, this level has been expanded to a functional basis (General Government, Public Safety, etc.).

- (3) Formal budgetary integration is employed as a management control device during the year for the General fund and special revenue funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Accordingly, actual revenues and expenditures can be compared with related budgeted amounts without any significant adjustments.

- (4) All unused appropriations for budgeted amounts lapse at the end of the year.

- (5) Individual fund budgetary comparisons are not presented at the detail budget unit level due to their excessive length. A separate document presenting this information is available. The City does not use encumbrance accounting under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation.

NOTE 2: EXPENDITURES IN EXCESS OF APPROPRIATIONS

The following General Fund departments had an excess of expenditures over appropriations at the legal level of budgetary control as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
City treasurer	\$ 649	\$ 676	\$ 27
City attorney	150,000	332,738	182,738
IT	-	924	924
Finance	297,878	360,121	62,243
Fire operations	4,320,786	4,456,128	135,342
Facility maintenance	181,899	182,830	931
Aquatic programs	95,964	99,263	3,299
Planning	183,905	242,510	58,605

COMBINING FINANCIAL SCHEDULES AND OTHER SUPPLEMENTARY INFORMATION

NON-MAJOR GOVERNMENTAL FUNDS

The following funds are reported in total on the Governmental Fund Financial Statements under the column Other Governmental Funds.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or assigned to expenditure for specific purposes other than debt service or capital projects. Nonmajor special revenue funds used by the City are listed below:

Park In-Lieu

Accounts for fees collected from developers in lieu of dedicating land for park or recreational purposes. Fees are used for the development of public parks and recreational facilities and the acquisition of land for parks and recreational facilities.

Gas Tax

Accounts for receipts and expenditures of monies apportioned for street improvements under the Street and Highway Code Section 2105, 2106, 2107 and 2107.5 of the State of California.

Street Fund

Accounts for monies received from Placer County Transportation Planning Agency (PCTPA) and used for streets and roads as well as bikes and pedestrian expenditures.

Supplemental Fees

Accounts for supplemental activities that are supported by external sources of funds.

Parks and Recreation Tax

Accounts for revenues collected pursuant to Municipal Code 3.12.030 to be used solely for the development of public park and recreational facilities, the improvement of existing parks and recreational facilities, and the acquisition of land for parks and recreational facilities.

Development Services

Accounts for monies received in relation to all aspects of developing property and/or projects within the City. The activities are accounted for within the community development and public works departments. Monies are received from license and permit costs and additional fees for services within the City of Lincoln and the surrounding areas.

State Grants

Accounts for state grants received and used for capital projects.

Police Grants

Accounts for revenues and expenditures of the State of California Funded Supplemental Law Enforcement Services grant.

Revitalization and Rehabilitation Loans

Accounts for revitalization and rehabilitation monies lent to local businesses and residents for revitalizing and rehabilitating homes and buildings.

NON-MAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS (continued)

Community Development Block Grant (CDBG)

Accounts for the City's participation in the Community Development Block Grant programs, which provides loans to businesses to generate jobs for new employees in the targeted income group (generally low income).

HOME Investment Partnership Program

Accounts for HOME Investment Partnership grants received for community services.

Cal Home Grants

Accounts for Cal Home grants received and used to provide loans to local residents.

Low /Moderate Income Housing

Accounts for the housing loans established as part of the former Redevelopment Agency of the City of Lincoln. The major source of revenue for the fund is from program revenue received from the repayment of housing loans.

Oak Tree Mitigation

Accounts for monies received from developers to replace oak trees that have been removed for development of land.

Federal Grants

Accounts for Federal grant funds.

CAPITAL PROJECT FUNDS

The Capital Projects Funds are used to account for financial resources that are restricted, committed or assigned to expenditure for capital outlay. Nonmajor capital projects funds used by the City are listed below:

Capital Projects

Accounts for the monies provided and used for City capital improvements.

Lincoln Public Financing Authority City Hall Series 2006

Accounts for construction of the City administration facility.

Twelve Bridges Capital Project

Accounts for monies provided and used for the Twelve Bridges capital project.

Hwy 65 Bypass

Accounts for monies provided and used for the Highway 65 bypass project.

Aiken Ranch Financial District Improvement

Accounts for monies provided and used for the Aiken ranch financial district improvement.

Sorrento Project Series 2006

Accounts for monies provided and used for the Sorrento Project improvement area.

NON-MAJOR GOVERNMENTAL FUNDS

CAPITAL PROJECT FUNDS (continued)

Lakeside CFD Improvement Area

Accounts for monies provided and used for the Lakeside CFD improvement area.

Lincoln Crossing

Accounts for monies provided and used for Lincoln crossing improvements.

Foskett Ranch Series 2004-3

Accounts for monies provided and used for Foskett Ranch improvements.

DEBT SERVICE FUNDS

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Nonmajor debt service funds used by the City are listed below:

Lincoln Public Financing Authority Series 2000

Accounts for debt service payments on the 2000 Tax Allocation Revenue Bonds issued to finance certain public capital improvements.

Lincoln Public Financing Authority Series 2003

Accounts for the 2003 Lease Revenue Refunding Bonds which were used to construct the public safety facility and the corporate yard project.

Lincoln Public Financing Authority Series 2016

Accounts for the 2016 LPFA Revenue Refunding Bonds which were issued to refund the 2003 and 2006 refunding bonds as well as the Airport capital lease.

PERMANENT FUNDS

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the City's programs. Nonmajor permanent funds of the City are listed below:

Stormwater Retention Maintenance

Accounts for resources received for the purpose of protecting open space easements surrounding the stormwater retention area.

Suncal Open Space Endowment

Accounts for the resources received for the purpose of preserving the open space endowment at the Suncal-Lincoln Crossing.

Brookview Open Space Maintenance Trust

Accounts for the resources received for the purpose of preserving the open space within the Brookview 4 subdivision.

Sterling Point Endowment

Accounts for the resources received for the purpose of protecting the open space and wetland habitat at Sterling Point.

NON-MAJOR GOVERNMENTAL FUNDS

PERMANENT FUNDS (continued)

WWTRF Tertiary Storage Basin Maintenance

Accounts for the resources received for the purpose of providing erosion protection and vegetation control for the WWTRF storage basins.

Lincoln Aircenter

Accounts for resources received for the purpose of providing open space maintenance and management of the Lincoln Aircenter Open Space.

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

Special Revenue Funds

	<u>Park In-Lieu</u>	<u>Gas Tax</u>	<u>Street Fund</u>	<u>Supplemental Fees</u>	<u>Parks and Recreation Tax</u>	<u>Development Services</u>
ASSETS						
Cash and investments	\$ 1,596,386	\$ 4,162,367	\$ 2,198,273	\$ 2,136,800	\$ 385,892	\$ 5,547,998
Accounts receivable	-	-	137	-	-	-
Interest receivable	312	813	451	417	75	1,105
Prepaid items	-	7,309	19,846	-	-	65,671
Advances to other funds	-	-	-	-	-	-
Advances to the Successor Agency	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Loans receivable, net	-	-	-	-	-	-
Total Assets	<u>\$ 1,596,698</u>	<u>\$ 4,170,489</u>	<u>\$ 2,218,707</u>	<u>\$ 2,137,217</u>	<u>\$ 385,967</u>	<u>\$ 5,614,774</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ 45,229	\$ 232,036	\$ 565,319	\$ -	\$ -	\$ 629,005
Accrued salaries and benefits	-	6,019	3,079	-	-	14,773
Accrued liabilities	-	-	-	-	-	10
Retention payable	-	-	38,271	-	-	-
Deposits payable	-	-	-	-	-	1,004,242
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	118,646	-	1,308	69,472
Total Liabilities	<u>45,229</u>	<u>238,055</u>	<u>725,315</u>	<u>-</u>	<u>1,308</u>	<u>1,717,502</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	7,309	19,846	-	-	65,671
Restricted	1,551,469	3,925,125	1,473,546	-	384,659	90,270
Assigned	-	-	-	2,137,217	-	3,741,331
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>1,551,469</u>	<u>3,932,434</u>	<u>1,493,392</u>	<u>2,137,217</u>	<u>384,659</u>	<u>3,897,272</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,596,698</u>	<u>\$ 4,170,489</u>	<u>\$ 2,218,707</u>	<u>\$ 2,137,217</u>	<u>\$ 385,967</u>	<u>\$ 5,614,774</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	Special Revenue Funds					
	<u>State Grants</u>	<u>Police Grants</u>	<u>Revitalization and Rehabilitation Loans</u>	<u>Community Development Block Grant (CDBG)</u>	<u>HOME Investment Partnership Program</u>	<u>Cal Home Grants</u>
ASSETS						
Cash and investments	\$ 1,071,811	\$ 14,763	\$ 827,561	\$ 70,433	\$ 238,532	\$ 278,933
Accounts receivable	-	-	-	-	-	-
Interest receivable	263	-	162	15	47	54
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Advances to the Successor Agency	-	-	-	-	-	-
Restricted cash and investments	-	-	-	475,637	-	-
Loans receivable, net	-	-	7,828	474,996	1,899,097	731,406
Total Assets	<u>\$ 1,072,074</u>	<u>\$ 14,763</u>	<u>\$ 835,551</u>	<u>\$ 1,021,081</u>	<u>\$ 2,137,676</u>	<u>\$ 1,010,393</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ 10,981	\$ -	\$ -	\$ 860	\$ 300	\$ -
Accrued salaries and benefits	-	1,616	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	857,899	-	-	-	-	-
Total Liabilities	<u>868,880</u>	<u>1,616</u>	<u>-</u>	<u>860</u>	<u>300</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	7,828	474,996	1,899,097	731,406
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	203,194	-	827,723	545,225	238,279	278,987
Assigned	-	-	-	-	-	-
Unassigned	-	13,147	-	-	-	-
Total Fund Balances (Deficits)	<u>203,194</u>	<u>13,147</u>	<u>827,723</u>	<u>545,225</u>	<u>238,279</u>	<u>278,987</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 1,072,074</u>	<u>\$ 14,763</u>	<u>\$ 835,551</u>	<u>\$ 1,021,081</u>	<u>\$ 2,137,676</u>	<u>\$ 1,010,393</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	Special Revenue Funds			Capital Project Funds		
	Low/Moderate Income Housing	Oak Tree Mitigation	Federal Grants	Capital Projects	LPFA City Hall Series 2006	Twelve Bridges Capital Project
ASSETS						
Cash and investments	\$ 1,094,115	\$ 1,340,949	\$ -	\$ 3,337,333	\$ -	\$ 238,749
Accounts receivable	-	-	179,175	-	-	-
Interest receivable	214	262	-	482	-	9,252
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	2,307,820	-	-	-	-
Advances to the Successor Agency	476,470	-	-	-	-	-
Restricted cash and investments	-	-	-	2,960,584	-	10,651,871
Loans receivable, net	<u>3,257,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 4,828,208</u>	<u>\$ 3,649,031</u>	<u>\$ 179,175</u>	<u>\$ 6,298,399</u>	<u>\$ -</u>	<u>\$ 10,899,872</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ 59,007	\$ 44,018	\$ -	\$ 11,371
Accrued salaries and benefits	-	-	96	78	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	-	-	18,657	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	282,736	-	846	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>341,839</u>	<u>62,753</u>	<u>846</u>	<u>11,371</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	<u>3,257,409</u>	<u>-</u>	<u>139,342</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS):						
Nonspendable	476,470	2,307,820	-	-	-	-
Restricted	1,094,329	1,341,211	-	6,235,646	-	10,888,501
Assigned	-	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(302,006)</u>	<u>-</u>	<u>(846)</u>	<u>-</u>
Total Fund Balances (Deficits)	<u>1,570,799</u>	<u>3,649,031</u>	<u>(302,006)</u>	<u>6,235,646</u>	<u>(846)</u>	<u>10,888,501</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 4,828,208</u>	<u>\$ 3,649,031</u>	<u>\$ 179,175</u>	<u>\$ 6,298,399</u>	<u>\$ -</u>	<u>\$ 10,899,872</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	Capital Project Funds					
	Hwy 65 Bypass	Aiken Ranch Financial District Improvement	Sorrento Project Series 2006	Lakeside CFD Improvement Area	Lincoln Crossing	Foskett Ranch Series 2004-3
ASSETS						
Cash and investments	\$ 228,325	\$ 56,651	\$ -	\$ 198,444	\$ 1,334	\$ -
Accounts receivable	-	-	-	-	-	-
Interest receivable	45	11	568	50	2,896	62
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Advances to the Successor Agency	-	-	-	-	-	-
Restricted cash and investments	-	-	2,021,277	151	2,379,306	217,756
Loans receivable, net	-	-	-	-	-	-
Total Assets	<u>\$ 228,370</u>	<u>\$ 56,662</u>	<u>\$ 2,021,845</u>	<u>\$ 198,645</u>	<u>\$ 2,383,536</u>	<u>\$ 217,818</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Deposits payable	-	48,491	-	-	-	-
Due to other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	67,103	-	-
Total Liabilities	<u>-</u>	<u>48,491</u>	<u>-</u>	<u>67,103</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	-	-	-
Restricted	228,370	8,171	2,021,845	131,542	2,383,536	217,818
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	<u>228,370</u>	<u>8,171</u>	<u>2,021,845</u>	<u>131,542</u>	<u>2,383,536</u>	<u>217,818</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 228,370</u>	<u>\$ 56,662</u>	<u>\$ 2,021,845</u>	<u>\$ 198,645</u>	<u>\$ 2,383,536</u>	<u>\$ 217,818</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	Debt Service Funds			Permanent Funds		
	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust
ASSETS						
Cash and investments	\$ 1,548,351	\$ 4	\$ 22,123	\$ 33,649	\$ 252,396	\$ -
Accounts receivable	-	-	-	-	-	-
Interest receivable	377	-	6	7	49	-
Prepaid items	-	-	-	-	-	-
Advances to other funds	-	-	1,562,665	-	-	-
Advances to the Successor Agency	-	-	-	-	-	-
Restricted cash and investments	257,115	(1)	34,044	-	-	16,259
Loans receivable, net	-	-	-	-	-	-
Total Assets	\$ 1,805,843	\$ 3	\$ 1,618,838	\$ 33,656	\$ 252,445	\$ 16,259
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)						
LIABILITIES:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 239
Accrued salaries and benefits	-	-	-	-	-	-
Accrued liabilities	-	-	-	-	-	-
Retention payable	-	-	-	-	-	-
Deposits payable	-	-	-	-	-	-
Due to other funds	-	-	231,867	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	-	-	231,867	-	-	239
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenues	-	-	-	-	-	-
FUND BALANCES (DEFICITS):						
Nonspendable	-	-	-	25,439	221,220	5,000
Restricted	1,805,843	3	1,386,971	8,217	31,225	11,020
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total Fund Balances (Deficits)	1,805,843	3	1,386,971	33,656	252,445	16,020
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	\$ 1,805,843	\$ 3	\$ 1,618,838	\$ 33,656	\$ 252,445	\$ 16,259

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2017

	Permanent Funds			Total Non-major Governmental Funds
	Sterling Point Endowment	WWTRF Tertiary Storage Basin	Lincoln Aircenter	
ASSETS				
Cash and investments	\$ 62,006	\$ 62,730	\$ 85,067	\$ 27,091,975
Accounts receivable	-	-	-	179,312
Interest receivable	12	12	17	18,036
Prepaid items	-	-	-	92,826
Advances to other funds	-	-	-	3,870,485
Advances to the Successor Agency	-	-	-	476,470
Restricted cash and investments	-	-	-	19,013,999
Loans receivable, net	-	-	-	6,370,736
Total Assets	<u>\$ 62,018</u>	<u>\$ 62,742</u>	<u>\$ 85,084</u>	<u>\$ 57,113,839</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)				
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ 1,598,365
Accrued salaries and benefits	-	-	-	25,661
Accrued liabilities	-	-	-	10
Retention payable	-	-	-	56,928
Deposits payable	-	-	-	1,052,733
Due to other funds	-	-	-	515,449
Unearned revenue	-	-	-	1,114,428
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,363,574</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	-	-	-	6,510,078
FUND BALANCES (DEFICITS):				
Nonspendable	50,000	50,000	5,000	3,233,775
Restricted	12,018	12,742	80,084	37,417,569
Assigned	-	-	-	5,878,548
Unassigned	-	-	-	(289,705)
Total Fund Balances (Deficits)	<u>62,018</u>	<u>62,742</u>	<u>85,084</u>	<u>46,240,187</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits)	<u>\$ 62,018</u>	<u>\$ 62,742</u>	<u>\$ 85,084</u>	<u>\$ 57,113,839</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds					
	<u>Park In-Lieu</u>	<u>Gas Tax</u>	<u>Street Fund</u>	<u>Supplemental Fees</u>	<u>Parks and Recreation Tax</u>	<u>Development Services</u>
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	1,397,965
Intergovernmental	-	913,587	2,492,902	-	-	-
Use of money and property	1,808	5,062	(1,450)	(503)	728	6,378
Charges for services	97,059	-	-	146,442	65,511	762,207
Other revenue	-	133	296	-	-	6,462
Total Revenues	<u>98,867</u>	<u>918,782</u>	<u>2,491,748</u>	<u>145,939</u>	<u>66,239</u>	<u>2,173,012</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and facilities	-	571,743	1,291,041	-	-	1,884,753
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	63,148	472,293	1,370,979	-	-	40,068
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>63,148</u>	<u>1,044,036</u>	<u>2,662,020</u>	<u>-</u>	<u>-</u>	<u>1,924,821</u>
Excess (Deficiency) of Revenues over Expenditures	<u>35,719</u>	<u>(125,254)</u>	<u>(170,272)</u>	<u>145,939</u>	<u>66,239</u>	<u>248,191</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	-	-	-	-	-
Bond issuance discount	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(27,774)	(358,861)	-	(108,131)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(27,774)</u>	<u>(358,861)</u>	<u>-</u>	<u>(108,131)</u>
Net change in fund balances	35,719	(125,254)	(198,046)	(212,922)	66,239	140,060
Fund balances (deficits) - July 1, 2016	1,515,750	4,057,688	1,691,438	2,350,139	318,420	3,757,212
Prior period adjustment (Note 19)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2016, restated	<u>1,515,750</u>	<u>4,057,688</u>	<u>1,691,438</u>	<u>2,350,139</u>	<u>318,420</u>	<u>3,757,212</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 1,551,469</u>	<u>\$ 3,932,434</u>	<u>\$ 1,493,392</u>	<u>\$ 2,137,217</u>	<u>\$ 384,659</u>	<u>\$ 3,897,272</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds					
	<u>State Grants</u>	<u>Police Grants</u>	<u>Revitalization and Rehabilitation Loans</u>	<u>Community Development Block Grant (CDBG)</u>	<u>HOME Investment Partnership Program</u>	<u>Cal Home Grants</u>
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	66,318	129,324	-	-	-	169,550
Use of money and property	(10,496)	96	914	(540)	2,746	18,277
Charges for services	-	-	2,677	25,017	3,596	37,450
Other revenue	-	-	-	-	-	-
Total Revenues	<u>55,822</u>	<u>129,420</u>	<u>3,591</u>	<u>24,477</u>	<u>6,342</u>	<u>225,277</u>
EXPENDITURES						
Current:						
General government	-	-	-	14,348	4,180	-
Public safety	-	116,078	-	-	-	-
Public works and facilities	4,554	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	109,550
Capital outlay	61,765	-	-	66,748	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>66,319</u>	<u>116,078</u>	<u>-</u>	<u>81,096</u>	<u>4,180</u>	<u>109,550</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(10,497)</u>	<u>13,342</u>	<u>3,591</u>	<u>(56,619)</u>	<u>2,162</u>	<u>115,727</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	-	-	-	-	-
Bond issuance discount	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10,497)	13,342	3,591	(56,619)	2,162	115,727
Fund balances (deficits) - July 1, 2016	213,691	(195)	834,637	1,125,300	2,312,473	823,239
Prior period adjustment (Note 19)	-	-	(10,505)	(523,456)	(2,076,356)	(659,979)
Fund balances (deficits) - July 1, 2016, restated	<u>213,691</u>	<u>(195)</u>	<u>824,132</u>	<u>601,844</u>	<u>236,117</u>	<u>163,260</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 203,194</u>	<u>\$ 13,147</u>	<u>\$ 827,723</u>	<u>\$ 545,225</u>	<u>\$ 238,279</u>	<u>\$ 278,987</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Special Revenue Funds			Capital Project Funds		
	Low/Moderate Income Housing	Oak Tree Mitigation	Federal Grants	Capital Projects	LPFA City Hall Series 2006	Twelve Bridges Capital Project
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	661,465	-	-	-
Use of money and property	8,250	9,215	-	4,902	(845)	83,353
Charges for services	-	46,802	-	108,000	-	-
Other revenue	-	-	1,030	137,500	-	-
Total Revenues	<u>8,250</u>	<u>56,017</u>	<u>662,495</u>	<u>250,402</u>	<u>(845)</u>	<u>83,353</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and facilities	-	-	18,753	44,774	-	-
Urban redevelopment and housing	20,573	-	-	-	-	-
Capital outlay	-	-	324,761	1,314,556	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>20,573</u>	<u>-</u>	<u>343,514</u>	<u>1,359,330</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(12,323)</u>	<u>56,017</u>	<u>318,981</u>	<u>(1,108,928)</u>	<u>(845)</u>	<u>83,353</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	-	-	-	-	-
Bond issuance discount	-	-	-	-	-	-
Transfers in	-	-	-	1,611,010	-	-
Transfers out	-	-	-	(744,000)	(154,891)	(16,476)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>867,010</u>	<u>(154,891)</u>	<u>(16,476)</u>
Net change in fund balances	(12,323)	56,017	318,981	(241,918)	(155,736)	66,877
Fund balances (deficits) - July 1, 2016	4,857,211	3,593,014	(620,987)	6,477,564	154,890	10,821,624
Prior period adjustment (Note 19)	(3,274,089)	-	-	-	-	-
Fund balances (deficits) - July 1, 2016, restated	<u>1,583,122</u>	<u>3,593,014</u>	<u>(620,987)</u>	<u>6,477,564</u>	<u>154,890</u>	<u>10,821,624</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 1,570,799</u>	<u>\$ 3,649,031</u>	<u>\$ (302,006)</u>	<u>\$ 6,235,646</u>	<u>\$ (846)</u>	<u>\$ 10,888,501</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Capital Project Funds					
	Aiken Ranch Financial District	Sorrento Project	Lakeside CFD Improvement	Lincoln Crossing	Foskett Ranch Series 2004-3	
	<u>Hwy 65 Bypass</u>	<u>Improvement</u>	<u>Series 2006</u>	<u>Area</u>	<u>Series 2004-3</u>	
REVENUES						
Special assessments	\$ -	\$ -	\$ 2,020,251	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Use of money and property	(683)	217	1,594	348	19,424	159
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>(683)</u>	<u>217</u>	<u>2,021,845</u>	<u>348</u>	<u>19,424</u>	<u>159</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and facilities	-	-	-	600,466	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:	-	-	-	-	-	-
Principal	-	-	-	-	-	-
Interest (accretion) and other charges	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>600,466</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(683)</u>	<u>217</u>	<u>2,021,845</u>	<u>(600,118)</u>	<u>19,424</u>	<u>159</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	-	-	-	-	-
Bond issuance discount	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(683)	217	2,021,845	(600,118)	19,424	159
Fund balances (deficits) - July 1, 2016	229,053	7,954	-	731,660	2,364,112	217,659
Prior period adjustment (Note 19)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2016, restated	<u>229,053</u>	<u>7,954</u>	<u>-</u>	<u>731,660</u>	<u>2,364,112</u>	<u>217,659</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 228,370</u>	<u>\$ 8,171</u>	<u>\$ 2,021,845</u>	<u>\$ 131,542</u>	<u>\$ 2,383,536</u>	<u>\$ 217,818</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Debt Service Funds			Permanent Funds		
	Lincoln Public Financing Authority Series 2000	Lincoln Public Financing Authority Series 2003	Lincoln Public Financing Authority Series 2016	Stormwater Retention Maintenance	Suncal Open Space Endowment	Brookview Open Space Maintenance Trust
REVENUES						
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Use of money and property	1,276	3,665	8,842	26	198	2
Charges for services	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>1,276</u>	<u>3,665</u>	<u>8,842</u>	<u>26</u>	<u>198</u>	<u>2</u>
EXPENDITURES						
Current:						
General government	7,647	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works and facilities	-	10,784	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	45,000	6,770,000	-	-	-	-
Interest (accretion) and other charges	27,945	311,223	(956,448)	-	-	-
Total Expenditures	<u>80,592</u>	<u>7,092,007</u>	<u>(956,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(79,316)</u>	<u>(7,088,342)</u>	<u>965,290</u>	<u>26</u>	<u>198</u>	<u>2</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from bond issuance	-	-	17,760,000	-	-	-
Bond issuance discount	-	-	(213,523)	-	-	-
Transfers in	-	6,367,968	-	-	-	-
Transfers out	-	-	(17,124,796)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>6,367,968</u>	<u>421,681</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(79,316)	(720,374)	1,386,971	26	198	2
Fund balances (deficits) - July 1, 2016	1,885,159	720,377	-	33,630	252,247	16,018
Prior period adjustment (Note 19)	-	-	-	-	-	-
Fund balances (deficits) - July 1, 2016, restated	<u>1,885,159</u>	<u>720,377</u>	<u>-</u>	<u>33,630</u>	<u>252,247</u>	<u>16,018</u>
Fund balances (deficits) - June 30, 2017	<u>\$ 1,805,843</u>	<u>\$ 3</u>	<u>\$ 1,386,971</u>	<u>\$ 33,656</u>	<u>\$ 252,445</u>	<u>\$ 16,020</u>

CITY OF LINCOLN
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017

	Permanent Funds			Total Non-major Governmental Funds
	Sterling Point Endowment	WWTRF Tertiary Storage Basin	Lincoln Aircenter	
REVENUES				
Special assessments	\$ -	\$ -	\$ -	\$ 2,020,251
Licenses and permits	-	-	-	1,397,965
Intergovernmental	-	-	-	4,433,146
Use of money and property	49	49	200	163,261
Charges for services	-	-	-	1,294,761
Other revenue	-	-	-	145,421
Total Revenues	49	49	200	9,454,805
EXPENDITURES				
Current:				
General government	-	-	-	26,175
Public safety	-	-	-	116,078
Public works and facilities	-	-	-	4,426,868
Urban redevelopment and housing	-	-	-	130,123
Capital outlay	-	-	-	3,714,318
Debt service:	-	-	-	-
Principal	-	-	-	6,815,000
Interest (accretion) and other charges	-	-	-	(617,280)
Total Expenditures	-	-	-	14,611,282
Excess (Deficiency) of Revenues over Expenditures	49	49	200	(5,156,477)
OTHER FINANCING SOURCES (USES)				
Proceeds from bond issuance	-	-	-	17,760,000
Bond issuance discount	-	-	-	(213,523)
Transfers in	-	-	-	7,978,978
Transfers out	-	-	-	(18,534,929)
Total Other Financing Sources (Uses)	-	-	-	6,990,526
Net change in fund balances	49	49	200	1,834,049
Fund balances (deficits) - July 1, 2016	61,969	62,693	84,884	50,950,523
Prior period adjustment (Note 19)	-	-	-	(6,544,385)
Fund balances (deficits) - July 1, 2016, restated	61,969	62,693	84,884	44,406,138
Fund balances (deficits) - June 30, 2017	\$ 62,018	\$ 62,742	\$ 85,084	\$ 46,240,187

CITY OF LINCOLN
PARK-IN LIEU - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
			Amounts	(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 11,837	\$ 11,837	\$ 1,808	\$ (10,029)
Charges for services	<u>13,248</u>	<u>73,248</u>	<u>97,059</u>	<u>23,811</u>
Total Revenues	<u>25,085</u>	<u>85,085</u>	<u>98,867</u>	<u>13,782</u>
<u>EXPENDITURES</u>				
Capital outlay	<u>152,000</u>	<u>152,000</u>	<u>63,148</u>	<u>88,852</u>
Total Expenditures	<u>152,000</u>	<u>152,000</u>	<u>63,148</u>	<u>88,852</u>
Net change in fund balance	<u>\$ (126,915)</u>	<u>\$ (66,915)</u>	35,719	<u>\$ 102,634</u>
Fund balance - July 1, 2016			<u>1,515,750</u>	
Fund balance - June 30, 2017			<u>\$ 1,551,469</u>	

CITY OF LINCOLN
GAS TAX - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
			Amounts	(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 942,481	\$ 942,481	\$ 913,587	\$ (28,894)
Use of money and property	28,226	28,226	5,062	(23,164)
Other revenues	<u>-</u>	<u>-</u>	<u>133</u>	<u>133</u>
Total Revenues	<u>970,707</u>	<u>970,707</u>	<u>918,782</u>	<u>(51,925)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	729,020	982,799	571,743	411,056
Capital outlay	<u>100,000</u>	<u>698,946</u>	<u>472,293</u>	<u>226,653</u>
Total Expenditures	<u>829,020</u>	<u>1,681,745</u>	<u>1,044,036</u>	<u>637,709</u>
Net change in fund balance	<u>\$ 141,687</u>	<u>\$ (711,038)</u>	(125,254)	<u>\$ 585,784</u>
Fund balance - July 1, 2016			<u>4,057,688</u>	
Fund balance - June 30, 2017			<u>\$ 3,932,434</u>	

CITY OF LINCOLN
STREET FUND - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
			Amounts	(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 2,140,928	\$ 2,140,928	\$ 2,492,902	\$ 351,974
Use of money and property	22,391	22,391	(1,450)	(23,841)
Other revenues	<u>-</u>	<u>-</u>	<u>296</u>	<u>296</u>
Total Revenues	<u>2,163,319</u>	<u>2,163,319</u>	<u>2,491,748</u>	<u>328,429</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	1,610,815	1,717,156	1,291,041	426,115
Capital outlay	<u>2,249,418</u>	<u>2,660,398</u>	<u>1,370,979</u>	<u>1,289,419</u>
Total Expenditures	<u>3,860,233</u>	<u>4,377,554</u>	<u>2,662,020</u>	<u>1,715,534</u>
Excess (deficiency) of revenues over expenditures	<u>(1,696,914)</u>	<u>(2,214,235)</u>	<u>(170,272)</u>	<u>2,043,963</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(34,888)</u>	<u>(34,888)</u>	<u>(27,774)</u>	<u>7,114</u>
Total Other Financing Sources (Uses)	<u>(34,888)</u>	<u>(34,888)</u>	<u>(27,774)</u>	<u>7,114</u>
Net change in fund balance	<u>\$ (1,731,802)</u>	<u>\$ (2,249,123)</u>	(198,046)	<u>\$ 2,051,077</u>
Fund balance - July 1, 2016			<u>1,691,438</u>	
Fund balance - June 30, 2017			<u>\$ 1,493,392</u>	

CITY OF LINCOLN
SUPPLEMENTAL FEES - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	
<u>REVENUES</u>				
Use of money and property	\$ 19,141	\$ 19,141	\$ (503)	\$ (19,644)
Charges for services	<u>128,450</u>	<u>94,450</u>	<u>146,442</u>	<u>51,992</u>
Total Revenues	<u>147,591</u>	<u>113,591</u>	<u>145,939</u>	<u>32,348</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>147,591</u>	<u>113,591</u>	<u>145,939</u>	<u>32,348</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(358,861)</u>	<u>(358,861)</u>	<u>(358,861)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(358,861)</u>	<u>(358,861)</u>	<u>(358,861)</u>	<u>-</u>
Net change in fund balance	<u>\$ (211,270)</u>	<u>\$ (245,270)</u>	(212,922)	<u>\$ 32,348</u>
Fund balance - July 1, 2016			<u>2,350,139</u>	
Fund balance - June 30, 2017			<u>\$ 2,137,217</u>	

CITY OF LINCOLN
PARKS AND RECREATION TAX - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 2,007	\$ 2,007	\$ 728	\$ (1,279)
Charges for services	<u>95,787</u>	<u>69,787</u>	<u>65,511</u>	<u>(4,276)</u>
Total Revenues	<u>97,794</u>	<u>71,794</u>	<u>66,239</u>	<u>(5,555)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 97,794</u>	<u>\$ 71,794</u>	66,239	<u>\$ (5,555)</u>
Fund balance - July 1, 2016			<u>318,420</u>	
Fund balance - June 30, 2017			<u>\$ 384,659</u>	

CITY OF LINCOLN
DEVELOPMENT SERVICES - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u> <u>Amounts</u>	
<u>REVENUES</u>				
License and permits	\$ 1,248,465	\$ 1,498,465	\$ 1,397,965	\$ (100,500)
Intergovernmental	3,100	3,100	-	(3,100)
Use of money and property	43,860	43,860	6,378	(37,482)
Charges for services	858,900	858,900	762,207	(96,693)
Other revenues	<u>-</u>	<u>-</u>	<u>6,462</u>	<u>6,462</u>
Total Revenues	<u>2,154,325</u>	<u>2,404,325</u>	<u>2,173,012</u>	<u>(231,313)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	1,924,155	2,138,750	1,884,753	253,997
Capital outlay	<u>56,328</u>	<u>56,328</u>	<u>40,068</u>	<u>16,260</u>
Total Expenditures	<u>1,980,483</u>	<u>2,195,078</u>	<u>1,924,821</u>	<u>270,257</u>
Excess (deficiency) of revenues over expenditures	<u>173,842</u>	<u>209,247</u>	<u>248,191</u>	<u>38,944</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers out	<u>(153,440)</u>	<u>(153,440)</u>	<u>(108,131)</u>	<u>45,309</u>
Total Other Financing Sources (Uses)	<u>(153,440)</u>	<u>(153,440)</u>	<u>(108,131)</u>	<u>45,309</u>
Net change in fund balance	<u>\$ 20,402</u>	<u>\$ 55,807</u>	140,060	<u>\$ 84,253</u>
Fund balance - July 1, 2016			<u>3,757,212</u>	
Fund balance - June 30, 2017			<u>\$ 3,897,272</u>	

CITY OF LINCOLN
STATE GRANTS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 87,527	\$ 87,527	\$ 66,318	\$ (21,209)
Use of money and property	<u>-</u>	<u>-</u>	<u>(10,496)</u>	<u>(10,496)</u>
Total Revenues	<u>87,527</u>	<u>87,527</u>	<u>55,822</u>	<u>(31,705)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	-	-	4,554	(4,554)
Capital outlay	<u>87,527</u>	<u>235,165</u>	<u>61,765</u>	<u>173,400</u>
Total Expenditures	<u>87,527</u>	<u>235,165</u>	<u>66,319</u>	<u>168,846</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (147,638)</u>	(10,497)	<u>\$ 137,141</u>
Fund balance - July 1, 2016			<u>213,691</u>	
Fund balance - June 30, 2017			<u>\$ 203,194</u>	

CITY OF LINCOLN
POLICE GRANTS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 100,000	\$ 100,000	\$ 129,324	\$ 29,324
Use of money and property	<u>-</u>	<u>-</u>	<u>96</u>	<u>96</u>
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>129,420</u>	<u>29,420</u>
<u>EXPENDITURES</u>				
Current:				
Public safety	<u>100,000</u>	<u>100,000</u>	<u>116,078</u>	<u>(16,078)</u>
Total Expenditures	<u>100,000</u>	<u>100,000</u>	<u>116,078</u>	<u>(16,078)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	13,342	<u>\$ 13,342</u>
Fund balance (deficit) - July 1, 2016			<u>(195)</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ 13,147</u>	

CITY OF LINCOLN
REVITALIZATION AND REHABILITATION LOANS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 6,436	\$ 6,436	\$ 914	\$ (5,522)
Charges for services	<u>-</u>	<u>-</u>	<u>2,677</u>	<u>2,677</u>
Total Revenues	<u>6,436</u>	<u>6,436</u>	<u>3,591</u>	<u>(2,845)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 6,436</u>	<u>\$ 6,436</u>	<u>3,591</u>	<u>\$ (2,845)</u>
Fund balance - July 1, 2016			834,637	
Prior period adjustment			<u>(10,505)</u>	
Fund balance - July 1, 2016, restated			<u>824,132</u>	
Fund balance - June 30, 2017			<u>\$ 827,723</u>	

CITY OF LINCOLN
COMMUNITY DEVELOPMENT BLOCK GRANT - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 101,048	\$ 101,048	\$ (540)	\$ (101,588)
Charges for services	<u>-</u>	<u>-</u>	<u>25,017</u>	<u>25,017</u>
Total Revenues	<u>101,048</u>	<u>101,048</u>	<u>24,477</u>	<u>(76,571)</u>
<u>EXPENDITURES</u>				
Current:				
General government	112,019	135,897	14,348	121,549
Capital outlay	<u>519,446</u>	<u>519,446</u>	<u>66,748</u>	<u>452,698</u>
Total Expenditures	<u>631,465</u>	<u>655,343</u>	<u>81,096</u>	<u>574,247</u>
Net change in fund balance	<u>\$ (530,417)</u>	<u>\$ (554,295)</u>	<u>(56,619)</u>	<u>\$ 497,676</u>
Fund balance - July 1, 2016			1,125,300	
Prior period adjustment			<u>(523,456)</u>	
Fund balance - July 1, 2016, restated			<u>601,844</u>	
Fund balance - June 30, 2017			<u>\$ 545,225</u>	

CITY OF LINCOLN
HOME INVESTMENT PARTNERSHIP - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Use of money and property	\$ 23,600	\$ 23,600	\$ 2,746	\$ (20,854)
Charges for services	<u>-</u>	<u>-</u>	<u>3,596</u>	<u>3,596</u>
Total Revenues	<u>23,600</u>	<u>23,600</u>	<u>6,342</u>	<u>(17,258)</u>
<u>EXPENDITURES</u>				
Current:				
General government	<u>-</u>	<u>-</u>	<u>4,180</u>	<u>(4,180)</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>4,180</u>	<u>(4,180)</u>
Net change in fund balance	<u>\$ 23,600</u>	<u>\$ 23,600</u>	<u>2,162</u>	<u>\$ (21,438)</u>
Fund balance - July 1, 2016			2,312,473	
Prior period adjustment			<u>(2,076,356)</u>	
Fund balance - July 1, 2016, restated			<u>236,117</u>	
Fund balance - June 30, 2017			<u>\$ 238,279</u>	

CITY OF LINCOLN
CAL HOME GRANTS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 169,550	\$ (330,450)
Use of money and property	-	-	18,277	18,277
Charges for services	<u>-</u>	<u>-</u>	<u>37,450</u>	<u>37,450</u>
Total Revenues	<u>500,000</u>	<u>500,000</u>	<u>225,277</u>	<u>(274,723)</u>
<u>EXPENDITURES</u>				
Current:				
Urban development and housing	<u>566,000</u>	<u>566,000</u>	<u>109,550</u>	<u>456,450</u>
Total Expenditures	<u>566,000</u>	<u>566,000</u>	<u>109,550</u>	<u>456,450</u>
Net change in fund balance	<u>\$ (66,000)</u>	<u>\$ (66,000)</u>	<u>115,727</u>	<u>\$ 181,727</u>
Fund balance - July 1, 2016			823,239	
Prior period adjustment			<u>(659,979)</u>	
Fund balance - July 1, 2016, restated			<u>163,260</u>	
Fund balance - June 30, 2017			<u>\$ 278,987</u>	

CITY OF LINCOLN
 LOW/MODERATE INCOME HOUSING - NONMAJOR SPECIAL REVENUE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>2016 - 2017</u> <u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u>	<u>Variance</u> <u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
	<u>Original*</u>	<u>Final*</u>		
<u>REVENUES</u>				
Use of money and property	\$ _____ -	\$ _____ -	\$ 8,250	\$ 8,250
Total Revenues	_____ -	_____ -	8,250	8,250
<u>EXPENDITURES</u>				
Current:				
Urban development and housing	_____ -	_____ -	20,573	(20,573)
Total Expenditures	_____ -	_____ -	20,573	(20,573)
Net change in fund balance	<u>\$ _____ -</u>	<u>\$ _____ -</u>	(12,323)	<u>\$ (12,323)</u>
Fund balance - July 1, 2016			4,857,211	
Prior period adjustment			<u>(3,274,089)</u>	
Fund balance - July 1, 2016, restated			<u>1,583,122</u>	
Fund balance - June 30, 2017			<u>\$ 1,570,799</u>	

*The City did not adopt a budget for the Low/Moderate Income Housing Fund for the year ended June 30, 2017.

CITY OF LINCOLN
OAK TREE MITIGATION - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Actual	Positive
				(Negative)
<u>REVENUES</u>				
Use of money and property	\$ 9,312	\$ 9,312	\$ 9,215	\$ (97)
Charges for services	<u>60,000</u>	<u>60,000</u>	<u>46,802</u>	<u>(13,198)</u>
Total Revenues	<u>69,312</u>	<u>69,312</u>	<u>56,017</u>	<u>(13,295)</u>
<u>EXPENDITURES</u>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 69,312</u>	<u>\$ 69,312</u>	56,017	<u>\$ (13,295)</u>
Fund balance - July 1, 2016			<u>3,593,014</u>	
Fund balance - June 30, 2017			<u>\$ 3,649,031</u>	

CITY OF LINCOLN
FEDERAL GRANTS - NONMAJOR SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	2016 - 2017		Actual	Variance
	Budgeted Amounts			
	Original	Final	Amounts	with Final
				Positive
				(Negative)
<u>REVENUES</u>				
Intergovernmental	\$ 2,530,385	\$ 2,530,385	\$ 661,465	\$ (1,868,920)
Other revenues	<u>-</u>	<u>-</u>	<u>1,030</u>	<u>1,030</u>
Total Revenues	<u>2,530,385</u>	<u>2,530,385</u>	<u>662,495</u>	<u>(1,867,890)</u>
<u>EXPENDITURES</u>				
Current:				
Public works and facilities	-	-	18,753	(18,753)
Capital outlay	<u>2,530,385</u>	<u>3,321,242</u>	<u>324,761</u>	<u>2,996,481</u>
Total Expenditures	<u>2,530,385</u>	<u>3,321,242</u>	<u>343,514</u>	<u>2,977,728</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (790,857)</u>	318,981	<u>\$ 1,109,838</u>
Fund balance (deficit) - July 1, 2016			<u>(620,987)</u>	
Fund balance (deficit) - June 30, 2017			<u>\$ (302,006)</u>	

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments on a cost-reimbursement basis. Internal Service Funds used at the City are listed below:

Internal Services

Accounts for the City's Fleet maintenance and insurance programs which provide services to other departments on a cost reimbursement basis.

Vehicle/Equipment Replacement

Accounts for the City's vehicle and equipment replacement program which provides services to other departments on a cost reimbursement basis.

Facility Maintenance

Accounts for the City's facility maintenance program which provides services to other departments on a cost reimbursement basis.

Technology Fund

Accounts for the City's technology programs which provide services to other departments on a cost reimbursement basis.

CITY OF LINCOLN
COMBINING SCHEDULE OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2017

Governmental Activities - Internal Service Funds

	<u>Internal Services</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Facility Maintenance</u>	<u>Technology Fund</u>	<u>Total Internal Service Funds</u>
<u>ASSETS</u>					
Current Assets					
Cash and investments	\$ 1,525,949	\$ 765,188	\$ 581,711	\$ 509,178	\$ 3,382,026
Accounts receivable, net	8,070	7,680	-	-	15,750
Interest receivable	201	149	113	99	562
Prepaid items	<u>162,155</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>162,155</u>
Total Current Assets	<u>1,696,375</u>	<u>773,017</u>	<u>581,824</u>	<u>509,277</u>	<u>3,560,493</u>
Non Current Assets					
Non-depreciable capital assets	-	9,765	121,382	-	131,147
Depreciable capital assets, net	<u>58,777</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,777</u>
Total Non-Current Assets	<u>58,777</u>	<u>9,765</u>	<u>121,382</u>	<u>-</u>	<u>189,924</u>
Total Assets	<u>1,755,152</u>	<u>782,782</u>	<u>703,206</u>	<u>509,277</u>	<u>3,750,417</u>
<u>LIABILITIES</u>					
Current Liabilities					
Accounts payable	144,081	-	49,473	9,984	203,538
Accrued salaries and benefits	55,262	-	-	-	55,262
Compensated absences	<u>428,024</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>428,024</u>
Total Current Liabilities	<u>627,367</u>	<u>-</u>	<u>49,473</u>	<u>9,984</u>	<u>686,824</u>
Non-Current Liabilities					
Compensated absences- noncurrent	<u>98,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,838</u>
Total Non-Current Liabilities	<u>98,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,838</u>
Total Liabilities	<u>726,205</u>	<u>-</u>	<u>49,473</u>	<u>9,984</u>	<u>785,662</u>
<u>NET POSITION:</u>					
Net investment in capital assets	58,777	9,765	121,382	-	189,924
Unrestricted	<u>970,170</u>	<u>773,017</u>	<u>532,351</u>	<u>499,293</u>	<u>2,774,831</u>
Total Net Position	<u>\$ 1,028,947</u>	<u>\$ 782,782</u>	<u>\$ 653,733</u>	<u>\$ 499,293</u>	<u>\$ 2,964,755</u>

CITY OF LINCOLN
 COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds				
	<u>Internal Services</u>	<u>Vehicle/ Equipment Replacement</u>	<u>Facility Maintenance</u>	<u>Technology Fund</u>	<u>Total Internal Service Funds</u>
<u>OPERATING REVENUES</u>					
Charges for services	\$ 5,842,747	\$ -	\$ -	\$ -	\$ 5,842,747
Other revenue	<u>6,925</u>	<u>155,195</u>	<u>-</u>	<u>-</u>	<u>162,120</u>
Total Operating Revenue	<u>5,849,672</u>	<u>155,195</u>	<u>-</u>	<u>-</u>	<u>6,004,867</u>
<u>OPERATING EXPENSES</u>					
Salaries and benefits	3,449,719	-	-	-	3,449,719
Services and supplies	2,087,213	1,356	-	89,761	2,178,330
Depreciation	<u>11,453</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,453</u>
Total Operating Expenses	<u>5,548,385</u>	<u>1,356</u>	<u>-</u>	<u>89,761</u>	<u>5,639,502</u>
Operating Income (Loss)	<u>301,287</u>	<u>153,839</u>	<u>-</u>	<u>(89,761)</u>	<u>365,365</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Interest income	<u>854</u>	<u>1,125</u>	<u>421</u>	<u>2,421</u>	<u>4,821</u>
Total Non-Operating Revenues	<u>854</u>	<u>1,125</u>	<u>421</u>	<u>2,421</u>	<u>4,821</u>
Income (Loss) Before Transfers	<u>302,141</u>	<u>154,964</u>	<u>421</u>	<u>(87,340)</u>	<u>370,186</u>
<u>TRANSFERS</u>					
Transfers in	-	35,000	148,619	540,000	723,619
Transfers out	<u>(723,619)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(723,619)</u>
Total Transfers	<u>(723,619)</u>	<u>35,000</u>	<u>148,619</u>	<u>540,000</u>	<u>-</u>
Change in net position	(421,478)	189,964	149,040	452,660	370,186
Net Position - July 1, 2016	<u>1,450,425</u>	<u>592,818</u>	<u>504,693</u>	<u>46,633</u>	<u>2,594,569</u>
Net Position - June 30, 2017	<u>\$ 1,028,947</u>	<u>\$ 782,782</u>	<u>\$ 653,733</u>	<u>\$ 499,293</u>	<u>\$ 2,964,755</u>

CITY OF LINCOLN
COMBINING SCHEDULE OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Governmental Activities - Internal Service Funds				Total Internal Service Funds
	Internal Services	Vehicle/ Equipment Replacement	Facility Maintenance	Technology Fund	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 5,852,054	\$ 147,515	\$ -	\$ -	\$ 5,999,569
Cash paid to suppliers	(2,113,848)	(1,356)	49,060	(79,777)	(2,145,921)
Cash paid to employees	(3,452,296)	-	-	-	(3,452,296)
Net Cash Provided by (Used for) Operating Activities	<u>285,910</u>	<u>146,159</u>	<u>49,060</u>	<u>(79,777)</u>	<u>401,352</u>
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</u>					
Transfers from other funds	-	35,000	148,619	540,000	723,619
Transfers to other funds	(723,619)	-	-	-	(723,619)
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(723,619)</u>	<u>35,000</u>	<u>148,619</u>	<u>540,000</u>	<u>-</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition of capital assets	-	-	(121,382)	-	(121,382)
Net Cash Used for Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(121,382)</u>	<u>-</u>	<u>(121,382)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Interest and dividends	814	1,052	400	2,322	4,588
Net Cash Provided by Investing Activities	<u>814</u>	<u>1,052</u>	<u>400</u>	<u>2,322</u>	<u>4,588</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(436,895)	182,211	76,697	462,545	284,558
Cash and Cash Equivalents - July 1, 2016	1,962,844	582,977	505,014	46,633	3,097,468
Cash and Cash Equivalents - June 30, 2017	<u>\$ 1,525,949</u>	<u>\$ 765,188</u>	<u>\$ 581,711</u>	<u>\$ 509,178</u>	<u>\$ 3,382,026</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES:</u>					
Operating Income (Loss)	301,287	153,839	-	(89,761)	365,365
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation expense	11,453	-	-	-	11,453
Changes in assets and liabilities:					
Decrease (increase) in accounts receivable	2,382	(7,680)	-	-	(5,298)
Increase in prepaid expenses	(28,951)	-	-	-	(28,951)
Increase in accounts payable	2,316	-	49,060	9,984	61,360
Decrease in accrued wages	(98,429)	-	-	-	(98,429)
Increase in compensated absences	95,852	-	-	-	95,852
Net Cash Provided by (Used for) Operating Activities	<u>\$ 285,910</u>	<u>\$ 146,159</u>	<u>\$ 49,060</u>	<u>\$ (79,777)</u>	<u>\$ 401,352</u>

FIDUCIARY FUNDS

The Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs.

Agency Funds

These funds are used to report resources held by the City in a purely custodial capacity. The agency funds maintained by the City include the following:

Little League Fund

Accounts for monies held as agent for Little League activities.

Lincoln Airpark 98-1

Accounts for monies held from the Community Facilities District No. 1998-1 Special Tax Bonds to finance the acquisition of public improvements to property within the community facilities district and finance wetland mitigation measures. Revenue received from property tax assessment. These bonds are not a liability of the City.

Twelve Bridges Series 2011

Accounts for the monies held from the Twelve Bridges Refunding Bonds Series 2011 for improvements within the assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

Foskett Ranch Series 2004-3

Accounts for the monies held from the Limited Obligation Revenue Bonds held to finance the construction/acquisition of public improvements within the assessment district. Monies are received from special tax assessments. These bonds are not a liability of the City.

Lakeside CFD Series 2006

Accounts for the monies held from the Special Tax Bonds for the acquisition improvements within the Lakeside Area 2 assessment district. These bonds are not a liability of the City.

Special Tax Revenue Bond 2007 A&B

Accounts for the monies held from the purchase of the Local Obligations to acquire, construct and improve the Lincoln Crossing 2003-1 assessment district. These bonds are not a liability of the City.

CFD Sorrento Series 2016

Accounts for the monies held from Special Tax Bonds for improvements within the Sorrento Project assessment district. Monies are received from special tax assessments.

CFD Sorrento Series 2009

Accounts for the monies held from the Special Tax Bonds Series 2009 for improvements within the Sorrento Project 2005-A Assessment District. Monies are received from special tax assessments. These bonds are not a liability of the City.

CFD Sorrento 2005-1 Series 2013

Accounts for the monies held from the Special Tax Bonds for improvements within the Sorrento Project 2005-1 Assessment District. Monies are received from special tax assessments. These bonds are not a liability of the City.

FIDUCIARY FUNDS

Agency Funds (Continued)

CFD Sorrento 2005-1 Series 2014-1

Accounts for the monies held from the Special Tax Bonds Series 2014-1 within the Sorrento Project 2014-1 Assessment District. Monies are received from special tax assessments. These bonds are not a liability of the City.

CITY OF LINCOLN
COMBINING SCHEDULE OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017

	<u>Little League</u>	<u>Lincoln Airpark 98-1</u>	<u>Twelve Bridges Series 2011</u>	<u>Foskett Ranch Series 2004-3</u>	<u>Lakeside CFD Series 2006</u>	<u>Special Revenue Tax Bond 2007 A & B</u>
<u>ASSETS</u>						
Cash and investments	\$ 43,058	\$ 456,314	\$ 7,054,075	\$ (62,691)	\$ 252,158	\$ 14,710,776
Assessment receivables	-	503	61,690	1,372	5,815	101,742
Interest receivables	8	152	3,061	97	354	5,075
Restricted cash and investments	<u>-</u>	<u>220,883</u>	<u>5,942,786</u>	<u>196,655</u>	<u>633,483</u>	<u>7,599,267</u>
Total Assets	<u>\$ 43,066</u>	<u>\$ 677,852</u>	<u>\$ 13,061,612</u>	<u>\$ 135,433</u>	<u>\$ 891,810</u>	<u>\$ 22,416,860</u>
<u>LIABILITIES</u>						
Due to property owners	\$ -	\$ 677,852	\$ 13,061,612	\$ 135,433	\$ 883,951	\$ 22,416,860
Agency obligations	<u>43,066</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,859</u>	<u>-</u>
Total Liabilities	<u>\$ 43,066</u>	<u>\$ 677,852</u>	<u>\$ 13,061,612</u>	<u>\$ 135,433</u>	<u>\$ 891,810</u>	<u>\$ 22,416,860</u>

CITY OF LINCOLN
 COMBINING SCHEDULE OF FIDUCIARY NET POSITION (continued)
 AGENCY FUNDS
 JUNE 30, 2017

	<u>Sorrento CFD Series 2016</u>	<u>Sorrento CFD Series 2009</u>	<u>Sorrento CFD Series 2013</u>	<u>Sorrento CFD Series 2014-1</u>	<u>Totals</u>
<u>ASSETS</u>					
Cash and investments	\$ (73,430)	\$ 933,500	\$ (189,708)	\$ -	\$ 23,124,052
Assessment receivables	-	3,024	-	-	174,146
Interest receivables	79	247	144	127	9,344
Restricted cash and investments	<u>279,611</u>	<u>228,267</u>	<u>507,345</u>	<u>310,437</u>	<u>15,918,734</u>
Total Assets	<u>\$ 206,260</u>	<u>\$ 1,165,038</u>	<u>\$ 317,781</u>	<u>\$ 310,564</u>	<u>\$ 39,226,276</u>
<u>LIABILITIES</u>					
Due to property owners	\$ -	\$ 1,165,038	\$ 317,781	\$ -	\$ 38,658,527
Agency obligations	<u>206,260</u>	<u>-</u>	<u>-</u>	<u>310,564</u>	<u>567,749</u>
Total Liabilities	<u>\$ 206,260</u>	<u>\$ 1,165,038</u>	<u>\$ 317,781</u>	<u>\$ 310,564</u>	<u>\$ 39,226,276</u>

CITY OF LINCOLN
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Little League</u>				
ASSETS				
Cash and investments	\$ 43,027	\$ 800	\$ 769	\$ 43,058
Interest receivable	<u>6</u>	<u>2</u>	<u>-</u>	<u>8</u>
Total Assets	<u>\$ 43,033</u>	<u>\$ 802</u>	<u>\$ 769</u>	<u>\$ 43,066</u>
LIABILITIES				
Agency obligations	<u>\$ 43,033</u>	<u>\$ 789</u>	<u>\$ 756</u>	<u>\$ 43,066</u>
Total Liabilities	<u>\$ 43,033</u>	<u>\$ 789</u>	<u>\$ 756</u>	<u>\$ 43,066</u>
<u>Lincoln Airpark 98-1</u>				
ASSETS				
Cash and investments	\$ 455,902	\$ 282,682	\$ 282,270	\$ 456,314
Special assessments receivables	1,718	503	1,718	503
Interest receivables	62	169	79	152
Restricted cash and investments	<u>220,784</u>	<u>294,223</u>	<u>294,124</u>	<u>220,883</u>
Total Assets	<u>\$ 678,466</u>	<u>\$ 577,577</u>	<u>\$ 578,191</u>	<u>\$ 677,852</u>
LIABILITIES				
Accounts payable	\$ 5,550	\$ 14,727	\$ 20,277	\$ -
Due to property owners	<u>672,916</u>	<u>323,005</u>	<u>318,069</u>	<u>677,852</u>
Total Liabilities	<u>\$ 678,466</u>	<u>\$ 337,732</u>	<u>\$ 338,346</u>	<u>\$ 677,852</u>
<u>Twelve Bridges Series 2011</u>				
ASSETS				
Cash and investments	\$ 6,984,138	\$ 4,478,405	\$ 4,408,468	\$ 7,054,075
Special assessments receivables	38,438	61,690	38,438	61,690
Interest receivables	941	3,151	1,031	3,061
Restricted cash and investments	<u>5,624,356</u>	<u>4,193,520</u>	<u>3,875,090</u>	<u>5,942,786</u>
Total Assets	<u>\$ 12,647,873</u>	<u>\$ 8,736,766</u>	<u>\$ 8,323,027</u>	<u>\$ 13,061,612</u>
LIABILITIES				
Accounts payable	\$ -	\$ 72,666	\$ 72,666	\$ -
Due to property owners	<u>12,647,873</u>	<u>5,429,631</u>	<u>5,015,892</u>	<u>13,061,612</u>
Total Liabilities	<u>\$ 12,647,873</u>	<u>\$ 5,502,297</u>	<u>\$ 5,088,558</u>	<u>\$ 13,061,612</u>
<u>Foskett Ranch Series 2004-3</u>				
ASSETS				
Cash and investments	\$ 551,457	\$ 334,749	\$ 948,897	\$ (62,691)
Special assessments receivables	1,361	1,372	1,361	1,372
Interest receivables	68	2,970	2,941	97
Restricted cash and investments	<u>364,190</u>	<u>654,665</u>	<u>822,200</u>	<u>196,655</u>
Total Assets	<u>\$ 917,076</u>	<u>\$ 993,756</u>	<u>\$ 1,775,399</u>	<u>\$ 135,433</u>
LIABILITIES				
Accounts payable	\$ -	\$ 15,405	\$ 15,405	\$ -
Due to property owners	<u>917,076</u>	<u>679,534</u>	<u>1,461,177</u>	<u>135,433</u>
Total Liabilities	<u>\$ 917,076</u>	<u>\$ 694,939</u>	<u>\$ 1,476,582</u>	<u>\$ 135,433</u>

CITY OF LINCOLN
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>Balance</u> <u>July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2017</u>
<u>Lakeside CFD Series 2006</u>				
ASSETS				
Cash and investments	\$ 611,019	\$ 844,662	\$ 1,203,523	\$ 252,158
Special assessments receivables	1,183	5,815	1,183	5,815
Interest receivables	72	354	72	354
Restricted cash and investments	<u>1,128,410</u>	<u>1,042,963</u>	<u>1,537,890</u>	<u>633,483</u>
Total Assets	<u>\$ 1,740,684</u>	<u>\$ 1,893,794</u>	<u>\$ 2,742,668</u>	<u>\$ 891,810</u>
LIABILITIES				
Accounts payable	\$ -	\$ 19,415	\$ 19,415	\$ -
Due to property owners	1,707,084	1,156,705	1,979,838	883,951
Agency obligations	<u>33,600</u>	<u>7,704</u>	<u>33,445</u>	<u>7,859</u>
Total Liabilities	<u>\$ 1,740,684</u>	<u>\$ 1,183,824</u>	<u>\$ 2,032,698</u>	<u>\$ 891,810</u>
<u>Special Tax Revenue Bond 2007 A & B</u>				
ASSETS				
Cash and investments	\$ 13,711,185	\$ 7,464,329	\$ 6,464,738	\$ 14,710,776
Special assessments receivables	65,046	101,742	65,046	101,742
Interest receivables	1,764	5,119	1,808	5,075
Restricted cash and investments	<u>7,576,323</u>	<u>6,212,700</u>	<u>6,189,756</u>	<u>7,599,267</u>
Total Assets	<u>\$ 21,354,318</u>	<u>\$ 13,783,890</u>	<u>\$ 12,721,348</u>	<u>\$ 22,416,860</u>
LIABILITIES				
Accounts payable	\$ -	\$ 19,168	\$ 19,168	\$ -
Due to property owners	<u>21,354,318</u>	<u>7,503,560</u>	<u>6,441,018</u>	<u>22,416,860</u>
Total Liabilities	<u>\$ 21,354,318</u>	<u>\$ 7,522,728</u>	<u>\$ 6,460,186</u>	<u>\$ 22,416,860</u>
<u>CFD Sorrento Series 2016</u>				
ASSETS				
Cash and investments	\$ -	\$ 1,377	\$ 74,807	\$ (73,430)
Interest receivables	-	1,456	1,377	79
Restricted cash and investments	<u>-</u>	<u>648,762</u>	<u>369,151</u>	<u>279,611</u>
Total Assets	<u>\$ -</u>	<u>\$ 651,595</u>	<u>\$ 445,335</u>	<u>\$ 206,260</u>
LIABILITIES				
Agency obligations	<u>\$ -</u>	<u>\$ 575,405</u>	<u>\$ 369,145</u>	<u>\$ 206,260</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 575,405</u>	<u>\$ 369,145</u>	<u>\$ 206,260</u>
<u>CFD Sorrento Series 2009</u>				
ASSETS				
Cash and investments	\$ 1,604,277	\$ 877,565	\$ 1,548,342	\$ 933,500
Special assessments receivables	975	3,024	975	3,024
Interest receivables	87	247	87	247
Restricted cash and investments	<u>228,167</u>	<u>316,907</u>	<u>316,807</u>	<u>228,267</u>
Total Assets	<u>\$ 1,833,506</u>	<u>\$ 1,197,743</u>	<u>\$ 1,866,211</u>	<u>\$ 1,165,038</u>
LIABILITIES				
Accounts payable	\$ -	\$ 7,145	\$ 7,145	\$ -
Due to property owners	<u>1,833,506</u>	<u>795,543</u>	<u>1,464,011</u>	<u>1,165,038</u>
Total Liabilities	<u>\$ 1,833,506</u>	<u>\$ 802,688</u>	<u>\$ 1,471,156</u>	<u>\$ 1,165,038</u>

CITY OF LINCOLN
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES (continued)
AGENCY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<u>CFD Sorrento 2005-1 Series 2013</u>				
ASSETS				
Cash and investments	\$ (572,627)	\$ 572,951	\$ 190,032	\$ (189,708)
Interest receivables	-	326	182	144
Restricted cash and investments	507,119	180,552	180,326	507,345
Total Assets	\$ (65,508)	\$ 753,829	\$ 370,540	\$ 317,781
LIABILITIES				
Accounts payable	\$ -	\$ 6,535	\$ 6,535	\$ -
Due to property owners	(65,508)	573,140	189,851	317,781
Total Liabilities	\$ (65,508)	\$ 579,675	\$ 196,386	\$ 317,781
<u>CFD Sorrento 2005-1 Series 2014-1</u>				
ASSETS				
Interest receivables	\$ 2	\$ 127	\$ 2	\$ 127
Restricted cash and investments	(109,052)	976,837	557,348	310,437
Total Assets	\$ (109,050)	\$ 976,964	\$ 557,350	\$ 310,564
LIABILITIES				
Accounts payable	\$ -	\$ 2,122	\$ 2,122	\$ -
Agency obligations	(109,050)	700,958	281,344	310,564
Total Liabilities	\$ (109,050)	\$ 703,080	\$ 283,466	\$ 310,564
<u>Total Agency Funds</u>				
ASSETS				
Cash and investments	\$ 23,388,378	\$ 14,857,520	\$ 15,121,846	\$ 23,124,052
Special assessments receivables	108,721	174,146	108,721	174,146
Interest receivables	3,002	13,921	7,579	9,344
Restricted cash and investments	15,540,297	14,521,129	14,142,692	15,918,734
Total Assets	\$ 39,040,398	\$ 29,566,716	\$ 29,380,838	\$ 39,226,276
LIABILITIES				
Accounts payable	\$ 5,550	\$ 157,183	\$ 162,733	\$ -
Due to property owners	39,067,265	16,461,118	16,869,856	38,658,527
Agency obligations	(32,417)	1,284,856	684,690	567,749
Total Liabilities	\$ 39,040,398	\$ 17,903,157	\$ 17,717,279	\$ 39,226,276

STATISTICAL SECTION



STATISTICAL SECTION

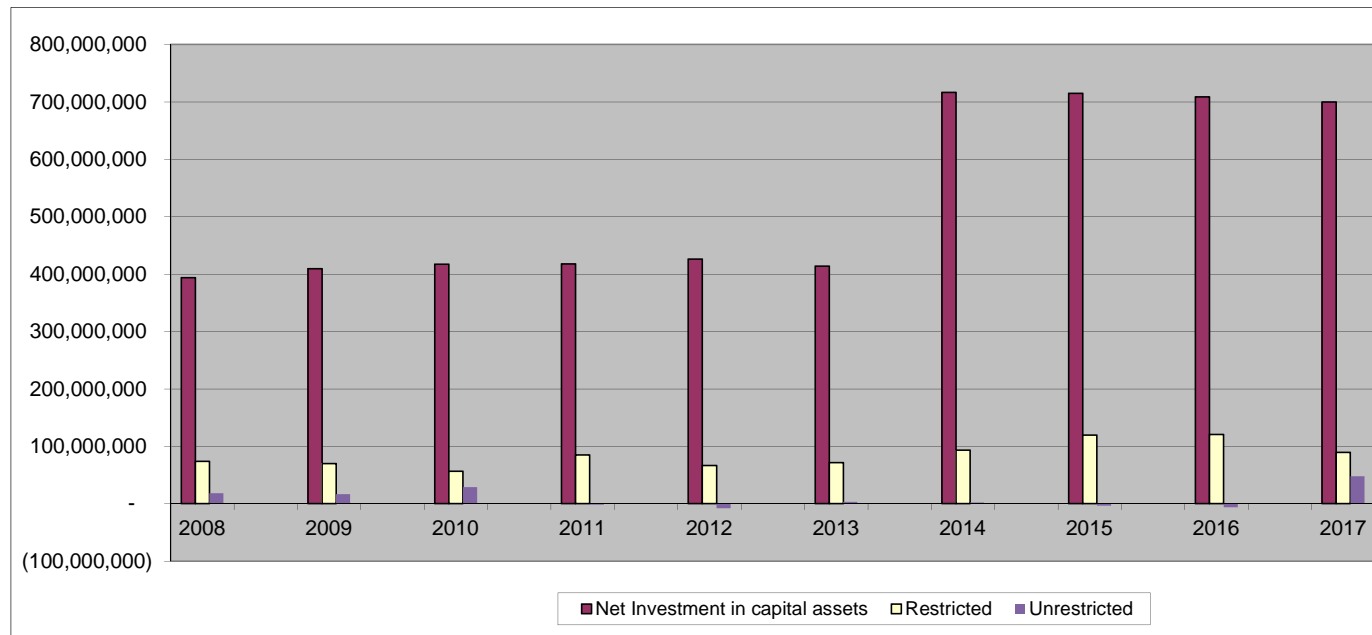
This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	122 - 126
Revenue Capacity	
These schedules contain information to help the reader assess the factors affecting the City's ability to generate its property and sales taxes.	127 - 130
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	131 - 133
Economic and Demographic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place and to help make comparisons over time with other governments.	134 - 136
Operating Information	
These schedules contain contextual information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	137 - 138

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

City of Lincoln
Net Position by Component
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net Investment in capital assets	294,937,121	308,606,157	316,134,425	316,648,571	325,101,751	314,827,035	367,327,505	367,624,105	359,758,260	354,718,311
Restricted	73,577,655	70,016,244	56,455,609	85,179,081	66,398,405	71,770,107	78,880,674	105,113,762	106,251,051	76,398,564
Unrestricted	7,649,218	5,219,572	16,288,802	(17,608,936)	(26,688,143)	(23,075,480)	(16,019,760)	(22,118,189)	(21,706,971)	19,409,294
Total governmental activities net assets	<u>376,163,994</u>	<u>383,841,973</u>	<u>388,878,836</u>	<u>384,218,716</u>	<u>364,812,013</u>	<u>363,521,662</u>	<u>430,188,419</u>	<u>450,619,678</u>	<u>444,302,340</u>	<u>450,526,169</u>
Business-type activities										
Net Investment in capital assets	98,927,946	100,630,330	101,091,339	101,243,804	101,133,414	99,076,798	349,214,909	347,013,821	349,180,869	345,150,139
Restricted	-	-	-	-	-	-	14,406,184	14,504,672	14,312,412	12,990,446
Unrestricted	10,823,306	11,443,010	12,439,997	15,806,202	18,834,287	26,591,294	18,376,045	18,881,017	15,639,418	28,760,478
Total business-type activities net assets	<u>109,751,252</u>	<u>112,073,340</u>	<u>113,531,336</u>	<u>117,050,006</u>	<u>119,967,701</u>	<u>125,668,092</u>	<u>381,997,138</u>	<u>380,399,510</u>	<u>379,132,699</u>	<u>386,901,063</u>
Primary government										
Net Investment in capital assets	393,865,067	409,236,487	417,225,764	417,892,375	426,235,165	413,903,833	716,542,414	714,637,926	708,939,129	699,868,450
Restricted	73,577,655	70,016,244	56,455,609	85,179,081	66,398,405	71,770,107	93,286,858	119,618,434	120,563,463	89,389,010
Unrestricted	18,472,524	16,662,582	28,728,799	(1,802,734)	(7,853,856)	3,515,814	2,356,285	(3,237,172)	(6,067,553)	48,169,772
Total primary government net assets	<u>485,915,246</u>	<u>495,915,313</u>	<u>502,410,172</u>	<u>501,268,722</u>	<u>484,779,714</u>	<u>489,189,754</u>	<u>812,185,557</u>	<u>831,019,188</u>	<u>823,435,039</u>	<u>837,427,232</u>
	3.3%	2.1%	1.3%	-0.2%	-3.3%	0.9%	66.0%	2.3%	-0.9%	1.7%



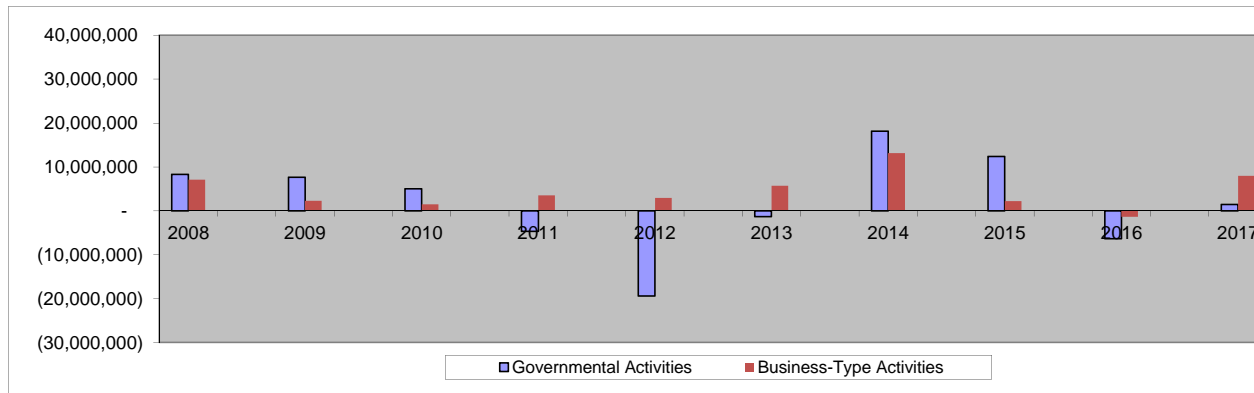
Source: City of Lincoln Audited Financial Reports

City of Lincoln
Changes in Net Position
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental Activities										
General government	3,338,046	3,103,629	2,672,943	2,816,650	2,574,813	2,583,219	2,534,252	2,465,172	3,936,661	3,135,241
Public safety	11,021,601	12,158,513	10,847,388	10,484,408	9,006,804	8,973,076	8,676,336	9,111,739	11,437,055	9,222,033
Public works and facilities	12,308,543	7,931,581	13,720,906	11,295,372	10,423,827	8,083,773	7,502,426	19,030,793	21,087,881	21,065,618
Culture and recreation	1,137,484	1,110,552	1,059,559	870,049	591,312	743,858	714,789	745,314	839,156	735,780
Education	990,075	1,162,534	877,314	712,886	486,019	666,038	512,756	568,277	786,381	1,139,387
Urban redevelopment and housing	872,134	842,254	1,979,294	1,093,409	178,613	420,772	559,449	490,309	545,475	522,402
Interest on long-term debt	2,284,708	2,079,556	1,932,458	1,884,470	1,361,643	1,074,815	1,073,464	1,012,610	988,938	1,143,290
Total Governmental Activities	31,952,591	28,388,619	33,089,862	29,157,244	24,623,031	22,545,551	21,573,472	33,424,214	39,621,547	36,963,751
Business-Type Activities										
Water	9,251,012	9,561,253	9,330,009	8,798,950	7,821,110	8,410,782	9,626,761	12,418,348	12,618,263	16,370,415
Sewer	5,231,985	5,491,924	5,915,385	4,920,695	5,144,059	10,647,682	7,567,116	10,760,685	12,813,685	13,176,196
Solid Waste	4,211,966	4,380,483	4,427,701	3,952,669	4,369,551	4,460,008	4,576,457	5,087,810	7,355,610	4,448,941
Transit	1,035,816	1,033,824	1,075,578	1,145,903	1,818,658	2,009,793	2,122,836	1,632,005	1,563,378	1,414,739
Airport	2,279,738	2,191,656	2,071,412	1,993,639	939,595	979,330	855,631	908,587	796,960	1,208,851
Lincoln Public Financing Authority	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	22,010,517	22,659,140	22,820,085	20,811,856	20,092,973	26,507,595	24,748,801	30,879,435	35,147,896	36,619,142
Total Expenses	53,963,108	51,047,759	55,909,947	49,969,100	44,716,004	49,053,146	46,322,273	64,303,649	74,769,443	73,582,893
Program Revenues										
Governmental Activities										
Charges for Services										
General government	165,923	161,624	3,787,376	126,476	586,097	1,222,290	1,970,636	1,054,510	1,384,406	1,314,126
Public Safety	668,673	552,752	592,754	348,360	260,351	555,899	634,161	569,572	746,075	836,963
Culture and recreation	1,386,841	1,260,374	1,048,639	959,300	918,670	1,506,132	971,265	909,070	1,252,263	1,317,891
Education	99,604	37,747	55,307	22,429	38,321	37,835	159,415	7,480	32,185	14,933
Urban redevelopment and housing	5,600	7,920	174,016	8,920	-	-	-	-	-	-
Public works and facilities	6,912,437	5,436,917	1,549,410	3,636,128	4,436,027	10,939,600	10,979,608	9,447,200	9,179,640	11,226,143
Operating Grants and Contributions	4,740,064	10,130,229	11,351,298	4,129,716	3,455,701	3,614,352	3,248,047	1,673,308	651,321	3,977,143
Capital Grants and Contributions	4,417,019	1,399,632	3,396,988	151,718	1,680,280	881,562	7,957,869	14,184,897	3,255,890	2,685,758
Total Governmental Activities	18,396,161	18,987,195	21,955,788	9,383,047	11,375,447	18,757,670	25,921,001	27,846,037	16,501,780	21,372,957
Business-Type Activities										
Charges for Services										
Water	13,238,191	11,699,450	11,164,332	10,002,881	11,000,418	10,221,213	11,018,047	12,615,858	13,400,117	16,383,662
Wastewater	5,677,253	6,427,678	6,785,503	7,084,463	7,220,843	7,237,746	7,297,551	7,517,029	7,692,439	17,547,426
Solid Waste	4,253,409	4,838,459	4,842,441	4,843,540	4,848,401	5,025,078	5,272,082	5,825,523	6,219,021	6,686,470
Transit	44,745	31,741	27,941	43,255	51,090	1,558,585	1,785,214	1,261,533	1,253,203	1,259,101
Airport	1,600,082	1,361,802	1,294,419	1,244,251	1,449,562	51,068	47,195	39,289	2,589	1,926
Operating Grants and Contributions	1,775,927	652,139	1,195,343	1,428,826	1,142,591	6,154,480	1,549,590	1,188,545	2,058,693	478,160
Capital Grants and Contributions	3,229,166	1,192,629	896,587	480,434	543,189	2,641,668	5,590,940	4,254,405	2,125,839	2,174,326
Total Business-Type Activities	29,818,773	26,203,898	26,206,566	25,127,650	26,256,094	32,889,838	32,560,619	32,702,182	32,751,901	44,531,071
Total Program Revenues	48,214,934	45,191,093	48,162,354	34,510,697	37,631,541	51,647,508	58,481,620	60,548,219	49,253,681	65,904,028

City of Lincoln
Changes in Net Position (continued)
Last Ten Fiscal Years
(Full Accrual Basis of Accounting)

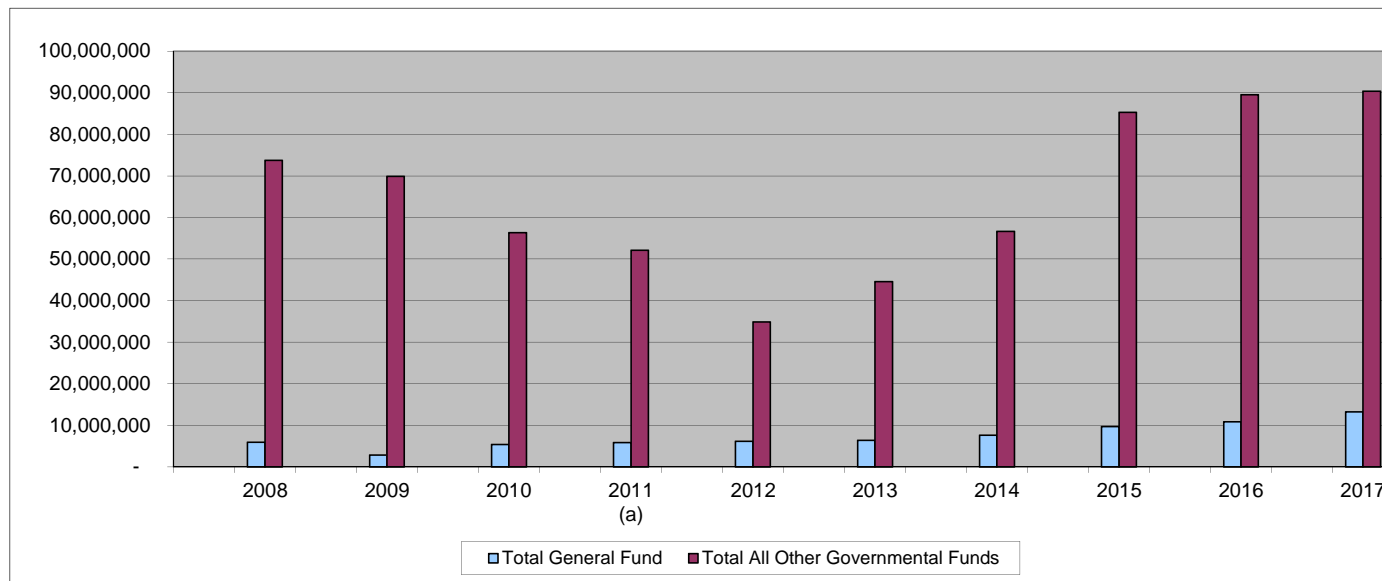
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Net (Expense)/Revenue										
Governmental Activities	(13,556,430)	(9,401,424)	(11,134,074)	(19,774,197)	(13,247,584)	(3,787,881)	4,347,529	(5,578,177)	(23,119,767)	(15,590,794)
Business-Type Activities	7,808,256	3,544,758	3,386,481	4,315,794	6,163,121	6,382,243	7,811,818	1,822,747	(2,395,995)	7,911,929
Total Net Expense	(5,748,174)	(5,856,666)	(7,747,593)	(15,458,403)	(7,084,463)	2,594,362	12,159,347	(3,755,430)	(25,515,762)	(7,678,865)
General Revenues										
Governmental Activities										
Taxes:										
Property taxes	11,911,470	11,035,176	9,628,569	9,742,282	8,309,198	7,511,360	7,668,875	9,020,576	8,983,948	9,705,899
Sales and use taxes	2,226,163	1,905,089	1,971,789	1,968,627	2,218,295	2,252,003	2,419,729	2,598,143	2,844,841	3,686,126
Franchise taxes	-	-	-	-	-	-	-	837,267	852,458	807,201
Other local taxes	629,413	635,042	988,427	849,872	990,613	975,649	191,278	259,982	222,229	283,663
Interest income	3,798,947	995,126	2,261,095	1,121,897	733,848	565,913	1,208,941	764,002	1,661,188	584,516
Unrealized loss on investments	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-
Miscellaneous	390,049	219,821	192,290	557,398	478,529	1,717,469	401,427	2,105,907	1,714,705	621,727
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers	3,511,923	1,981,900	2,040,473	1,357,294	2,195,637	-	717,066	1,858,685	-	1,375,484
Extraordinary gain	-	-	-	-	4,329,643	525,888	1,159,153	489,374	523,060	-
Prior period adjustments	(594,811)	307,249	(911,706)	(483,293)	(25,414,882)	(11,050,752)	-	-	-	-
Total Governmental Activities	21,873,154	17,079,403	16,170,937	15,114,077	(6,159,119)	2,497,530	13,766,469	17,933,936	16,802,429	17,064,616
Business-Type Activities										
Taxes:										
Property taxes	64,113	91,060	68,526	40,349	43,204	47,684	-	-	-	-
Sales and use taxes	-	-	-	-	-	-	850,659	412,877	492,068	417,342
Business taxes	-	-	-	-	-	-	-	-	-	-
Fines and penalties	-	-	-	-	-	-	-	-	-	-
Interest income	573,296	450,245	(193,548)	335,266	282,286	262,287	550,349	372,555	735,107	75,455
Miscellaneous	251,704	217,925	237,010	184,555	209,841	1,079,475	168,876	125,745	239,418	984,836
Gain on sale of capital assets	-	-	-	-	-	-	4,935,797	(39,829)	83,688	(40,665)
Transfers	(3,511,923)	(1,981,900)	(2,040,473)	(1,357,294)	(2,195,637)	(525,888)	(1,159,153)	(489,374)	(523,060)	(1,375,484)
Prior period adjustments	1,916,675	-	-	-	(1,585,120)	(1,545,410)	-	-	-	-
Total Business-Type Activities	(706,135)	(1,222,670)	(1,928,485)	(797,124)	(3,245,426)	(681,852)	5,346,528	381,974	1,027,221	61,484
Change in Net Position										
Governmental Activities	8,316,724	7,677,979	5,036,863	(4,660,120)	(19,406,703)	(1,290,351)	18,113,998	12,355,759	(6,317,338)	1,473,822
Business-Type Activities	7,102,121	2,322,088	1,457,996	3,518,670	2,917,695	5,700,391	13,158,346	2,204,721	(1,368,774)	7,973,413
Total Change in Net Position	15,418,845	10,000,067	6,494,859	(1,141,450)	(16,489,008)	4,410,040	31,272,344	14,560,480	(7,686,112)	9,447,235



City of Lincoln
Fund Balances of Government Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011 (a)	2012	2013	2014	2015	2016	2017
General Fund										
Reserved and Designated	3,286,125	2,880,860	2,880,860	-	-	-	-	-	-	-
Unreserved	2,688,528	-	2,540,251	-	-	-	-	-	-	-
Nonspendable	-	-	-	149,424	100,250	613,502	136,582	361,627	387,438	492,748
Restricted	-	-	-	86,096	-	-	-	43	96	-
Committed	-	-	-	1,460,000	2,524,334	2,050,459	3,703,541	3,803,726	3,929,856	4,063,745
Unassigned	-	-	-	4,132,105	3,533,294	3,715,005	3,819,021	5,580,155	6,530,612	8,685,506
Total General Fund	<u>5,974,653</u>	<u>2,880,860</u>	<u>5,421,111</u>	<u>5,827,625</u>	<u>6,157,878</u>	<u>6,378,966</u>	<u>7,659,144</u>	<u>9,745,551</u>	<u>10,848,002</u>	<u>13,241,999</u>
All Other Governmental Funds										
Reserved	47,210,444	47,888,812	43,364,354	-	-	-	-	-	-	-
Unreserved, reported in										
Special revenue funds	(8,090,513)	(11,049,197)	(16,545,750)	-	-	-	-	-	-	-
Capital project funds	34,508,966	32,934,551	29,397,051	-	-	-	-	-	-	-
Permanent funds	134,277	146,506	144,382	-	-	-	-	-	-	-
Nonspendable	-	-	-	35,794,414	33,014,706	32,810,398	31,238,435	33,945,141	437,032	12,667,904
Restricted	-	-	-	51,397,385	33,380,699	33,745,233	41,992,206	65,041,906	99,829,860	76,041,673
Committed	-	-	-	2,124,330	-	-	-	-	-	-
Assigned	-	-	-	-	-	5,214,476	5,650,033	6,126,672	5,984,063	5,878,548
Unassigned	-	-	-	(37,233,469)	(31,519,259)	(27,173,388)	(22,256,636)	(19,846,487)	(16,713,886)	(4,251,315)
Total All Other Governmental Funds	<u>73,763,174</u>	<u>69,920,672</u>	<u>56,360,037</u>	<u>52,082,660</u>	<u>34,876,146</u>	<u>44,596,719</u>	<u>56,624,038</u>	<u>85,267,232</u>	<u>89,537,069</u>	<u>90,336,810</u>

(a) The City implemented the provision of GASB Statement 54 in fiscal year 2011, and years prior to 2011 have not been restated to conform with the new presentation.

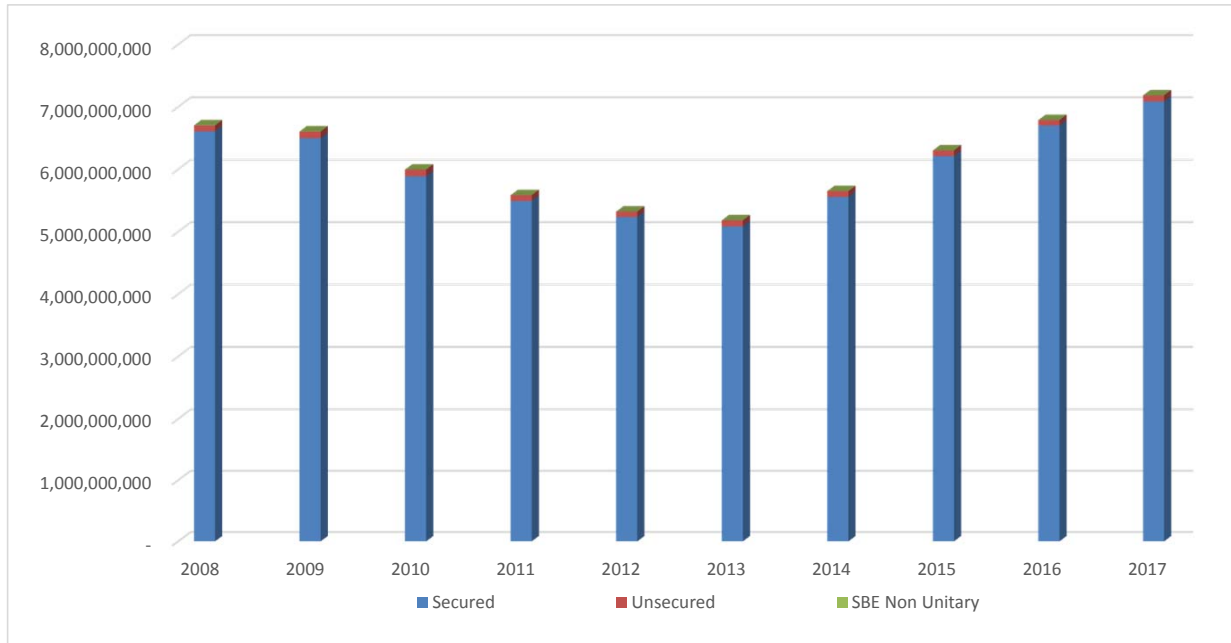


City of Lincoln
Changes in Fund Balances of Government Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Taxes and assessments	14,863,744	13,613,879	12,573,987	13,018,727	14,494,396	14,136,484	13,492,395	16,082,063	16,357,235	20,106,114
Licenses and permits	1,593,525	1,235,966	7,766,334	1,092,144	655,747	1,342,696	1,565,818	1,604,400	1,562,852	2,039,503
Fines and penalties	214,105	207,324	172,751	129,884	115,085	79,606	48,509	74,132	94,962	68,350
Interest and investment income	3,970,684	1,377,206	2,239,808	1,141,512	805,847	563,366	1,197,057	747,630	1,620,941	350,746
Intergovernmental revenue	6,995,606	8,812,824	5,848,961	3,268,014	6,294,565	4,697,951	3,526,877	10,012,367	4,641,768	4,704,926
Charges for services	7,919,761	6,544,271	6,384,352	4,599,914	2,476,782	9,904,756	10,787,334	6,943,205	7,482,996	9,067,969
Contributions from property owners	-	-	1,634,852	-	-	-	-	-	-	-
Other revenue	683,415	2,291,103	539,519	695,524	478,529	1,717,469	401,427	2,105,694	1,714,705	459,607
Total Revenues	36,240,840	34,082,573	37,160,564	23,945,719	25,320,951	32,442,328	31,019,417	37,569,491	33,475,459	36,797,215
Expenditures										
Current										
General government	3,242,267	3,008,223	2,598,301	2,740,006	2,549,256	2,574,534	2,321,201	2,846,091	3,197,417	3,319,937
Public safety	10,582,460	11,431,573	10,192,862	9,746,718	8,478,042	8,723,479	8,116,557	8,881,517	9,356,075	9,740,100
Public works and facilities	11,894,916	6,979,895	12,119,189	8,942,799	7,691,014	5,223,957	4,819,786	5,265,925	7,146,117	7,692,480
Culture and recreation	1,124,925	1,063,421	978,406	812,219	571,875	741,632	646,189	657,331	712,594	762,026
Education	976,424	1,159,032	876,907	712,472	490,327	665,834	512,755	558,746	710,838	542,818
Urban redevelopment and housing	740,714	740,432	1,938,707	666,240	144,653	418,188	558,740	487,553	510,589	933,166
Debt Service										
Principal retirement	840,000	850,000	1,140,000	1,150,000	1,180,000	700,000	771,784	880,524	911,116	19,386,939
Interest and bond issuance costs	2,288,246	2,084,218	1,927,946	1,893,176	1,555,009	1,083,203	1,082,887	1,024,729	1,003,612	(51,400)
Capital Outlay	33,675,842	15,683,974	8,442,931	2,690,016	2,091,332	2,706,542	4,049,046	7,850,556	5,224,887	8,512,198
Total Expenditures	65,365,794	43,000,768	40,215,249	29,353,646	24,751,508	22,837,369	22,878,945	28,452,972	28,773,245	50,838,264
Excess(Deficiency) of Revenue over Expenditures	(29,124,954)	(8,918,195)	(3,054,685)	(5,407,927)	569,443	9,604,959	8,140,472	9,116,519	4,702,214	(14,041,049)
Other Financing Sources (Uses)										
Bond proceeds	-	-	-	-	-	-	-	-	-	-
Operating transfers in	9,129,680	6,661,106	12,335,882	9,663,693	4,930,996	3,808,876	7,833,725	8,416,800	2,637,544	20,616,774
Operating transfers out	(5,617,757)	(4,679,206)	(10,197,886)	(8,126,629)	(2,735,359)	(3,591,758)	(3,601,414)	(7,601,327)	(1,967,470)	(19,241,290)
Proceeds from sale of capital assets	-	-	-	-	-	-	726,942	1,899,900	-	17,760,000
Debt proceeds	-	-	-	-	-	-	568,873	-	-	(213,523)
Total Other Financing Sources (Uses)	3,511,923	1,981,900	2,137,996	1,537,064	2,195,637	217,118	5,528,126	2,715,373	670,074	18,921,961
Net Change in fund balance before prior period adjustments and extraordinary items	(25,613,031)	(6,936,295)	(916,689)	(3,870,863)	2,765,080	9,822,077	13,668,598	11,831,892	5,372,288	4,880,912
Prior period adjustment	111,872	-	(10,103,695)	-	(13,087,464)	119,584	(361,101)	18,897,709	-	(6,544,385)
Extraordinary item	-	-	-	-	-	-	-	-	-	-
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	-	-	-	-	(6,553,877)	(6,553,877)	-	-	-	-
Net Change in fund balance	(25,501,159)	(6,936,295)	(11,020,384)	(3,870,863)	(16,876,261)	3,387,784	13,307,497	30,729,601	5,372,288	(1,663,473)
Debt service as a percentage of noncapital expenditures	9.9%	10.7%	9.7%	11.4%	12.1%	8.9%	9.8%	9.2%	8.1%	45.7%

Source: City of Lincoln Audited Financial Reports

CITY OF LINCOLN
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years



Fiscal Year Ending June 30	Secured	Unsecured	SBE Non Unitary	Taxable Assessed Value	% Change	Direct Rate
2008	6,608,202,986	94,844,051	413,659	6,703,460,696	12.938%	1.013%
2009	6,498,781,868	106,544,242	252,489	6,605,578,599	-1.460%	1.147%
2010	5,885,076,051	109,793,652	250,900	5,995,120,603	-9.242%	1.170%
2011	5,492,966,752	92,626,121	250,900	5,585,843,773	-6.827%	1.021%
2012	5,236,867,717	86,074,985	250,900	5,323,193,602	-4.702%	1.026%
2013	5,086,007,045	96,083,909	250,900	5,182,341,854	-2.646%	1.026%
2014	5,558,822,669	91,995,204	197,100	5,651,014,973	9.044%	1.026%
2015	6,210,620,359	91,857,194	197,100	6,302,674,653	11.532%	1.025%
2016	6,700,348,821	89,368,958	197,100	6,789,914,879	7.731%	1.032%
2017	7,086,425,439	98,779,370	197,100	7,185,401,909	5.825%	0.000%

Notes:

In 1978, the votes of the State of California passed Proposition 13 which limited property taxes to a maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property tax may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of the taxable property and is subject to the limitations described above.

Source: California Municipal Statistics and Placer County Auditor-Controller

CITY OF LINCOLN
Property Tax Rates - All Overlapping Governments
Last Ten Fiscal Years

	Fiscal Year Ended June 30,									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City of Lincoln										
General purpose	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Western Placer Unified School District	0.01%	0.15%	0.17%	0.02%	0.03%	0.03%	0.03%	0.03%	0.03%	0.04%
Placer County Water Agency Zone 1	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
	<u>1.01%</u>	<u>1.15%</u>	<u>1.17%</u>	<u>1.02%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.03%</u>	<u>1.04%</u>

Notes:

(1) The above tax rates are applied per \$100 of assessed valuation.

(2) In 1978, California voters passed Proposition 13 which sets the property tax rate at a 1.00% fixed amount.

This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of school district bonds.

Source: *California Municipal Statistics*

**CITY OF LINCOLN
Principal Property Tax Payers
Current Year and Ten Years Ago**

Property Owner	Primary Land Use	Rank	2016-2017	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industries	Heavy Industrial	1	\$ 54,131,508	0.75%
OK and B	Industrial	2	39,141,717	0.54%
Buzz Oates Enterprises II	Industrial	3	24,609,436	0.34%
JPS Development LLC	Commercial	4	23,237,255	0.32%
Lowes HW Inc	Commercial	5	17,869,980	0.25%
Target Corporation	Commercial - Retail	6	17,722,921	0.25%
Auburn Creek Investors	Residential- Apartments	7	17,169,329	0.24%
Shadowbriar Investments Inc.	Vacant Property	8	16,454,331	0.23%
J B R Inc	Unsecured	9	15,507,750	0.22%
Lawford No 12 Partners Limited	Vacant Property	10	15,493,665	0.22%
			241,337,892	3.36%
2016-2017 Local Secured Assessed Valuation:			7,185,401,909	

Property Owner	Primary Land Use	Rank	2007-2008	
			Taxable Assessed Value	% of Total City Taxable Assessed Value
Sierra Pacific Industires	Heavy Industrial	1	\$ 45,554,581	0.68%
OK an B	Industrial	2	30,192,000	0.45%
Mahsterling Point LLC	Commercial	3	29,886,000	0.45%
Kaiser Foundation Health Plan Inc	Commercial	4	25,958,888	0.39%
John Mourier Construction Inc	Vacant Property	5	24,225,508	0.36%
Claremont Credit Corporation	Vacant Property	6	20,625,000	0.31%
GHC Twelve Bridges LLC	Vacant Property	7	20,339,134	0.30%
Raleys	Commercial	8	19,500,134	0.29%
Parkland Homes Inc	Vacant Property	9	19,080,160	0.28%
Lincoln Village at Twelve Bridges LLC	Commercial	10	18,472,800	0.28%
			253,834,205	3.79%
2007-2008 Local Secured Assessed Valuation:			\$ 6,703,460,696	

Source: HDL, Coren \$ Cone

CITY OF LINCOLN
Property Tax Levies and Collections
Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
		<u>Amount</u>	<u>Percent of Levy</u>
2007 / 2008	4,957,971	4,770,011	96.21%
2008 / 2009	4,867,571	4,654,481	95.62%
2009 / 2010	4,308,789	4,162,135	96.60%
2010 / 2011	4,039,416	3,940,526	97.55%
2011 / 2012	3,911,676	3,839,152	98.15%
2012 / 2013	3,817,958	3,766,886	98.66%
2013 / 2014	4,132,295	4,093,648	99.06%
2014 / 2015	4,689,175	4,648,015	99.12%
2015 / 2016	5,046,671	5,004,975	99.17%
2016 / 2017	5,366,078	5,324,911	99.23%

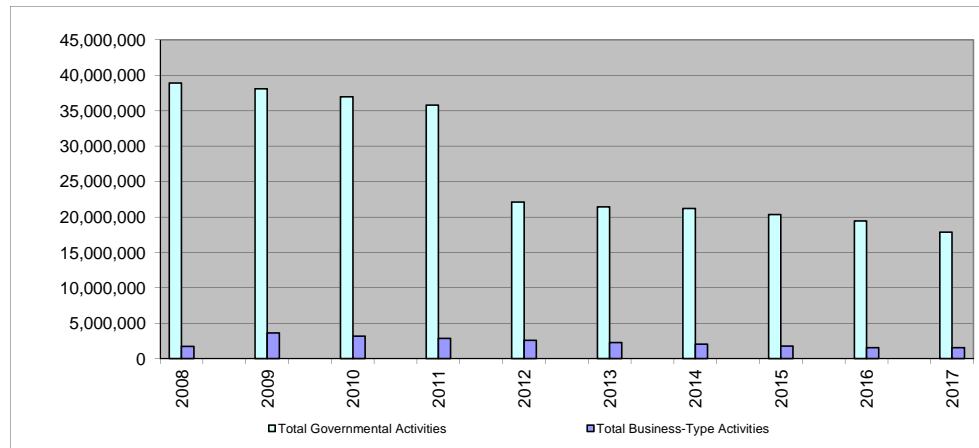
Notes:

Current tax collections beginning in 1993 have been reduced by mandatory tax reallocation imposed by the State of California. Placer County uses an estimate for the delinquency rate and compiles delinquency as a lump sum. Subsequent collections are not out by fiscal year from the County; thus this information is not available.

Source : *Placer County Auditor-Controller*

CITY OF LINCOLN
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year Ending June 30	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income (1)	Percentage of Assessed Value (2)	Per Capita (1)
	Bonds	Capital Lease	Total Governmental Activities	Loans	Bonds	Capital Lease	Total Business- Type Activities				
2008	38,931,732	-	38,931,732	174,826	1,545,000	-	1,719,826	40,651,558	2131.76%	0.61%	1,086
2009	38,089,415	-	38,089,415	159,235	1,270,000	2,203,029	3,632,264	41,721,679	2220.88%	0.63%	1,053
2010	36,957,099	-	36,957,099	142,514	1,020,000	2,031,293	3,193,807	40,150,906	2284.16%	0.67%	991
2011	35,814,783	-	35,814,783	124,580	795,000	1,957,869	2,877,449	38,692,232	3488.55%	0.69%	941
2012	22,120,687	-	22,120,687	105,345	590,000	1,880,905	2,576,250	24,696,937	4979.47%	0.46%	567
2013	21,423,295	-	21,423,295	84,716	410,000	1,800,232	2,294,948	23,718,243	5633.95%	0.46%	541
2014	20,710,903	512,089	21,222,992	62,591	260,000	1,715,670	2,038,261	23,261,253	5865.00%	0.41%	515
2015	19,968,511	376,565	20,345,076	38,861	125,000	1,627,033	1,790,894	22,135,970	6266.06%	0.35%	489
2016	19,201,120	235,448	19,436,568	13,410	-	1,534,122	1,547,532	20,984,100	6808.97%	0.31%	443
2017	17,780,000	88,510	17,868,510	-	1,576,355	-	1,576,355	19,444,865	7553.08%	0.27%	404



(1) See Demographic and Economic Statistics schedule for personal income and population data.
(2) See Assessed Value and Estimated Actual Value of Taxable Property schedule for property value data.
n/a - information is not available

Source: City of Lincoln Audited Financial Reports

CITY OF LINCOLN
Direct and Overlapping Bonded Debt
As of June 30, 2017

2016-17	<u>\$ 7,185,401,909</u>		
	<u>Total Debt</u>	<u>% Applicable (1)</u>	<u>City's Share of</u>
	<u>6/30/2017</u>		<u>Debt 6/30/17</u>
OVERLAPPING TAX AND ASSESSMENT DEBT:			
Western Placer Unified School District	\$ 76,087,138	84.899%	\$ 64,597,219
Western Placer Unified School District Community Facilities District No. 1	11,408,840	100.00%	11,408,840
City of Lincoln Community Facilities Districts	118,440,000	100.00%	118,440,000
City of Lincoln 1915 Act Bonds	32,588,000	100.00%	32,588,000
California Statewide Communities Development Authority Assessment Districts	2,334,023	100.00%	<u>2,334,023</u>
Total Overlapping Tax and Assessment Debt			229,368,082
OVERLAPPING GENERAL FUND DEBT:			
Placer County General Fund Obligations	31,195,000	10.66%	3,326,323
Placer County Office of Education Certificates of Participation	1,300,000	10.66%	138,619
Sierra Joint Community College District Certificates of Participation	6,029,000	8.07%	486,601
Western Placer Unified School District Certificates of Participation	128,145,000	84.90%	108,793,824
City of Lincoln General Fund Obligations	17,780,000	100.00%	17,780,000
Placer Mosquito and Vector Control District Certificates of Participation	3,490,000	10.66%	<u>372,139</u>
Total Overlapping General Fund Debt			130,897,506
OVERLAPPING TAX INCREMENT DEBT: (Successor Agency)	8,545,000	100.00%	8,545,000
Total Direct Debt			17,780,000
Total Overlapping Debt			<u>351,030,588</u>
Total Combined Debt			<u>\$ 368,810,588</u> (2)

Ratios to 2015-16 Assessed Valuation:

Total Overlapping Tax and Assessment Debt	3.19%
Combined Direct Debt (\$17,780,000)	0.25%
Combined Total Debt	5.13%

Ratios to Redevelopment Successor Agency Incremental Valuation (\$ 259,446,578)

Total Overlapping Tax Increment Debt	3.29%
--------------------------------------	-------

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics

CITY OF LINCOLN
Computation of Legal Bonded Debt Margin
June 30, 2017

Secured Property Assessed Value, Net of Exempt Real Property	<u>\$ 7,086,425,439</u>	
Bonded debt limit (3.75% of assessed value) (a)		\$ 265,740,954
Amount of Debt Subject to Limit:		
Total Bonded Debt	19,444,865	
Less Total Bonds not subject to limit (b)	<u>1,576,355</u>	
Amount of debt not subject to limit		17,868,510
Legal debt margin		<u>\$ 247,872,444</u>

Fiscal Year Ending June 30	Debt Limit	Total net debt applicable to Limit	Legal Debt Margin	Total net debt applicable to the limit as a % of debt limit
2008	247,807,612	38,931,732	208,875,880	15.71%
2009	243,704,320	38,089,415	205,614,905	15.63%
2010	220,690,352	36,957,099	183,733,253	16.75%
2011	205,986,253	35,814,783	170,171,470	17.39%
2012	196,382,539	22,120,687	174,261,852	11.26%
2013	190,725,264	21,423,295	169,301,969	11.23%
2014	208,455,850	20,710,903	187,744,947	9.94%
2015	232,898,263	19,968,511	212,929,752	8.57%
2016	251,263,081	19,201,120	232,061,961	7.64%
2017	265,740,954	17,868,510	247,872,444	6.72%

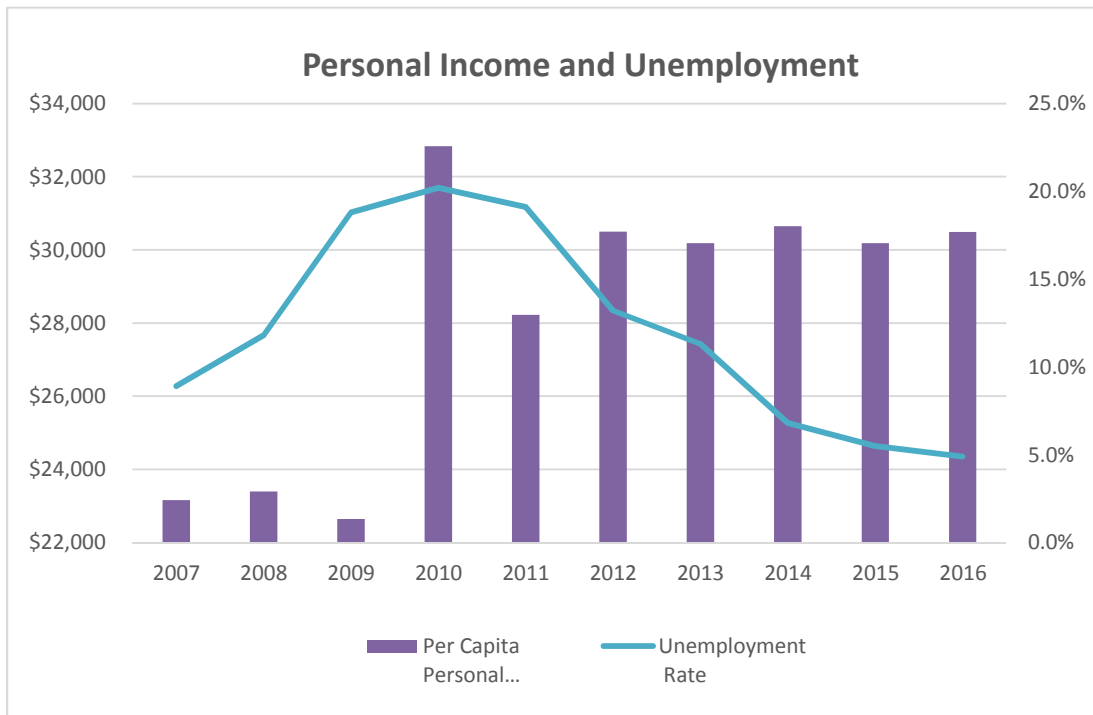
(a) California Government Code Section 43605 sets the debt limit at 15%. The Code section was enacted prior to the change in basing assessed value at full market value when it was previously 25% of market value. Thus, the limit shown as 3.75% is one-fourth the limit to account for the adjustment of showing assessed valuation at full cash value.

(b) Self-supporting debt such as lease revenue bonds and bonds payable from fees and charges of Enterprise Funds are not subject to limit.

Source : California Municipal Statistics, City of Lincoln Audited Financial Reports

CITY OF LINCOLN
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate	Median Age	% Pop. 25+ with High School Degree	% Pop. 25+ with Bachelor's Degree
2007	37,425	866,593,000	\$ 23,155	8.9%			
2008	39,606	926,590,000	\$ 23,395	11.8%			
2009	40,502	917,112,000	\$ 22,644	18.8%	31.3	81.8%	11.4%
2010	41,111	1,349,797,000	\$ 32,833	20.2%	42.1	92.1%	29.7%
2011	43,572	1,229,776,000	\$ 28,224	19.1%	40.6	92.4%	30.5%
2012	43,818	1,336,274,000	\$ 30,496	13.2%	40.3	92.8%	30.6%
2013	45,206	1,364,272,000	\$ 30,179	11.3%	40.4	93.4%	32.1%
2014	45,256	1,387,053,000	\$ 30,649	6.8%	41.2	93.7%	32.1%
2015	47,339	1,428,801,000	\$ 30,182	5.5%	42.3	93.5%	32.6%
2016	48,165	1,468,686,000	\$ 30,493	4.9%	42.3	93.0%	33.3%



**CITY OF LINCOLN
Principal Employers
2017**

<u>Company</u>	<u>Business Description</u>	<u>Size (employees)</u>
Thunder Valley Casino & Resort	Casinos	1,000 to 4,999
Western Placer Unified School District	Schools	500 to 750
Sierra Pacific Industries	Lumber-Manufacturers	250 to 499
B Z Plumbing CO Inc	Plumbing Contractors	100 to 249
Gladding Mc Bean Llc	Brick-Clay Common & Face	100 to 249
Home Depot	Home Centers	100 to 249
Kaiser Permanente	Medical	100 to 249
Lincoln City Hall	Government Offices-City	100 to 249
Lincoln Meadows Care Ctr	Skilled Nursing Care Facilities	100 to 249
Lowe's Home Improvement	Home Centers	100 to 249
Raley's	Grocers-Retail	100 to 249
Rogers Family CO	Coffee Mills (Mfrs)	100 to 249
Safeway	Grocers-Retail	100 to 249
Veri Fone Inc	Credit Card/Supl-Mfrs	100 to 249

Source: *City of Lincoln*

CITY OF LINCOLN
Sales Tax Producers - Top 25
2017

7 Eleven	Service Stations
Arco AM PM	Service Stations
Big 5 Sporting Goods	Sporting Goods/Bike Stores
Catta Verdera Country Club	Leisure/Entertainment
Chevron	Service Stations
CVS Pharmacy	Drug Stores
GDAS Lincoln	Heavy Industrial
Home Depot	Building Materials
Lincoln Express Mart	Service Stations
Lowe's	Building Materials
McDonald's	Quick-Service Restaurants
Pabco	Clay Products Contractors
PetSmart	Specialty Stores
Raley's	Grocery Stores
Red Robin	Casual Dining
Ross	Family Apparel
Safeway	Grocery Stores
Safeway	Fuel Service Stations
Sun City Lincoln Hills Community Association	Leisure/Entertainment
Target	Discount Dept Stores
TJ Maxx	Family Apparel
Tower Market	Service Stations
Verifone	Electrical Equipment
Walgreens	Drug Stores
Walmart Neighborhood Market	Grocery Stores

Sources: HDL, Coren & Cone

CITY OF LINCOLN
Full Time Equivalent City Government Employees
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
City Manager										
Administration	2.5	2.5	2.5	2.8	2.8	3.8	2.8	2.8	2.0	3.0
Human Resources	2.5	2.5	2.0	2.0	2.0	1.5	1.5	2.5	2.0	2.0
Economic Development	0.3	0.3	0.3	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Records Management	3.0	3.0	3.0	3.0	3.0	2.0	2.0	2.0	2.0	2.0
Administrative Services										
Administration	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Finance	11.5	11.5	9.0	8.0	9.0	10.0	10.0	9.0	9.0	9.0
Information Technology	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0	-	-
Central Services	2.5	2.5	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Development Services (a)										
Administration	2.0	1.7	1.0	0.5	4.3	0.3	0.3	1.0	5.0	5.0
Planning	8.5	6.1	5.8	3.4	1.0	4.0	4.5	3.5	3.5	4.0
Building	9.5	6.5	4.5	4.0	4.0	4.0	4.0	4.0	2.0	2.0
Development & Engineering	8.0	8.0	4.0	4.1	1.0	1.0	1.0	3.0	1.0	1.0
Financial Analysis	-	-	-	1.0	-	-	-	-	-	-
Public Services										
Administration	9.0	7.5	9.0	5.0	6.0	7.0	8.5	8.5	1.0	1.0
Engineering	-	-	-	-	-	-	-	-	-	-
Water	9.8	12.8	9.4	7.5	8.1	8.1	10.0	6.5	10.9	10.9
Wastewater	5.0	6.0	4.0	3.8	3.5	3.5	6.5	6.5	7.8	7.8
Solid Waste	11.5	16.1	14.4	13.6	10.3	12.7	13.9	13.4	13.5	13.5
Streets	6.7	8.1	5.2	4.2	4.2	4.8	6.2	6.2	6.3	6.3
Transit	5.0	6.5	6.5	7.7	7.0	8.0	7.5	7.0	2.0	2.0
Airport	3.0	3.0	3.0	2.3	2.5	2.0	2.0	2.0	2.0	2.0
Parks & Facilities	6.0	11.0	7.0	5.0	6.0	5.0	5.6	6.5	5.0	5.0
Fleet Maintenance	7.0	7.5	6.0	5.0	5.0	5.0	5.5	5.5	5.0	5.0
Police										
Administration	6.0	7.0	5.0	6.0	5.0	2.5	2.5	2.5	2.50	3.50
Communications	9.0	9.0	7.0	6.0	6.0	6.0	6.0	6.0	6.00	6.00
Operations	40.0	39.0	32.0	27.0	21.0	19.5	19.5	19.5	19.50	22.50
Fire										
Administration	3.0	3.0	3.0	3.0	3.0	2.0	3.0	2.0	2.00	2.00
Operations	24.0	24.0	21.0	21.0	19.5	19.0	18.0	18.0	18.00	18.00
Library	11.0	10.5	6.7	5.7	2.0	2.0	3.5	3.9	3.90	5.58
Recreation (b)	6.0	7.0	6.0	5.5	4.0	4.0	4.0	4.0	4.00	4.00
Redevelopment	1.3	1.3	3.0	-	-	-	-	-	-	-
Total Full-Time Equivalents	219.0	228.8	187.2	163.4	147.0	144.6	155.1	152.8	142.0	149.2

(a) A 2011 reorganization changed the Community Development Department to Development Services Department and the Public Works Department to Public Services Department. For comparison purposes, divisions are reported in this table under the department where they are currently located
(b) Includes regular employees only, does not include part-time seasonal.

Source: City of Lincoln Annual Budget Document

CITY OF LINCOLN
Operating Indicators
Last Ten Fiscal Years

	Fiscal Year Ending June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Business Licenses										
Annual business license	585	576	498**	1,916	---	1,120	1,182	1,938	1,988	1,979
Environment and Utilities										
Gallons of wastewater treated per year (in millions)	1,093	1,077	1,117	1,239	1,135	1,144	1,095	1,062	1,178	1,935
Gallons of wastewater discharged per year (in millions)	820	847	1,024	1,144	999	843	1,063	813	969	1,748
Fire										
Fires per year	141	133	115	114	134	137	121	142	149	152
Emergency medical calls per year	1,805	2,065	2,059	2,047	2,212	2,465	2,667	2,637	2,637	3,153
Hazardous materials incidents per year	56	58	55	45	35	45	49	40	41	58
Non-emergency service calls per year	1,137	865	836	1,027	857	933	969	749	1,250	1,442
Police										
911 calls per year	n/a	4,501	9,253	9,597	10,187	10,998	8,710	8,852	10,577	11,082
Cases investigated per year	2,963	2,792	2,291	2,134	1,890	1,898	1,142	1,866	1,872	2,288
Arrests per year	1,293	989	735	602	458	429	314	479	403	517
Building Permits										
New Single Family Dwellings	192	126	116	56	138	314	280	233	188	252
Commercial (New and Tenant Improvements)	n/a	n/a	n/a	n/a	n/a	n/a	125	135	146	132
All Other	n/a	n/a	n/a	n/a	n/a	n/a	1,505	2313	2,820	2,314

n/a = information not available

** new licenses applied for

Source : City of Lincoln